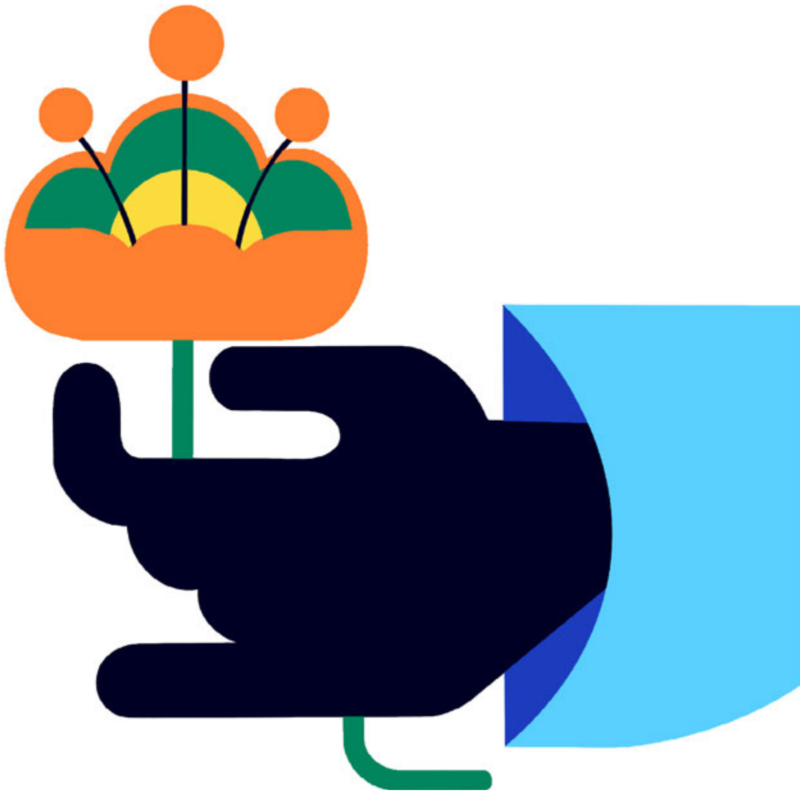
ATB

ANNUAL REPORT 2025

EXPLORING POSSIBILITIES TOGETHER

ACKNOWLEDGING THE LAND



Since time immemorial, the land that ATB Financial operates on has been cared for, and stewarded, by Indigenous Peoples. ATB is grateful, honoured and privileged to live, work and play on the ancestral lands and Traditional Territories of many Indigenous Peoples.

What became known as the Province of Alberta in 1905 is land that is the Traditional Territory, ancestral and contemporary home of many First Nations, Métis and Inuit. We recognize that we reside on the Traditional Territory of the Nêhiyawak (the Cree People), Niitsítapi (Blackfoot), Tsuut'ina, Dene, Nakoda (Îyârhe Nakoda and Alexis Nakota) and Anishinaabe (Ojibwe/Saulteaux). This land is also home to the Métis Nation within Alberta, the eight Metis Settlements and the Alberta Métis Federation.

ATB Financial recognizes the historical and ongoing injustices inflicted upon Indigenous Peoples, including the enduring effects of colonialism and residential schools. We acknowledge that the rights of Indigenous Peoples have not always been honoured, and we are committed to building bridges of good relations with Indigenous communities so we may create a better future for the next seven generations—together, in a good way.

ATB holds gratitude for this land, its teachings and the First Peoples. We are committed to advancing Truth and Reconciliation grounded in reciprocal relations with Indigenous Peoples, communities and organizations.

ABOUT THE ARTIST

The art on the cover and throughout this report is by **Coda Girvan**. Coda is a 28-year-old self-taught artist from Edmonton (amiskwaciwâskahikan) whose work focuses on organic shapes and reducing natural elements to their most minimalistic forms. As an Indigenous person, Coda feels that art is a necessary tool for healing and serves as a connector to both community and the land.

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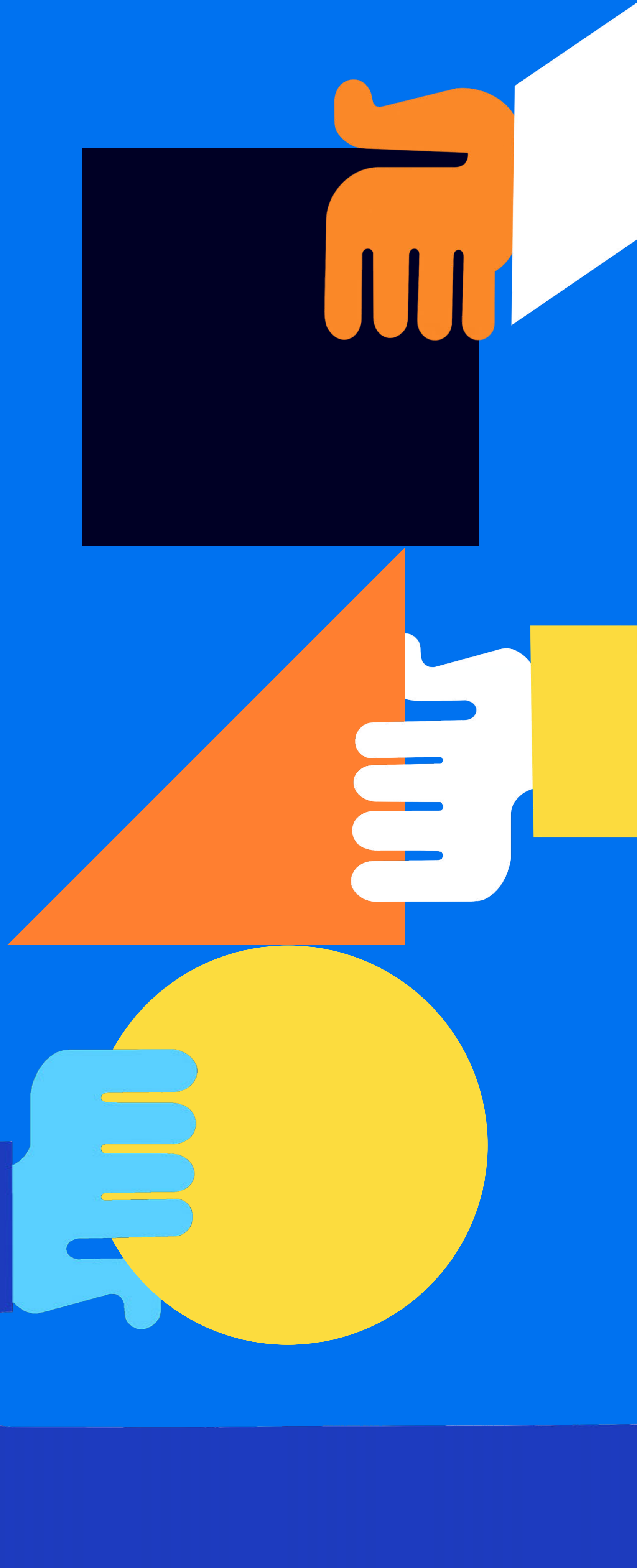


INTRODUCTION

Exploring possibilities together

At ATB, we don't begin with assumptions. We begin with curiosity.

To us, possibility is a path we uncover through exploration, by asking better questions, challenging what we think we know and listening closely to our clients. This is how we provide deep expertise, support communities, grow our business and serve our Shareholder.

This past year, as the world shifted around us, we met complexity with courage and charted new directions. While helping businesses find clarity in uncertain markets and guiding people who were navigating life's milestones, we saw how powerful it is to take those journeys together.

This spirit of exploration sets ATB apart. It strengthens our partnerships and helps us build a better, more resilient Alberta—one bold question at a time.

Let's keep exploring.

ABOUT ATB

We exist to make it possible

Established in 1938, ATB Financial has a long history of serving Albertans. Today, we offer personalized solutions and expert advice to more than 835,000 clients, covering personal, small business, corporate banking, investment banking and wealth management.

ATB is the largest financial institution headquartered in Western Canada, with more than 5,000 team members and more than 260 locations. Beyond serving our clients' financial needs, we are committed to making a positive impact in each of the communities where we operate. We continually seek opportunities to advance sustainable impact through community development, with a focus on creating value for the broader society and the environment.

Since becoming a provincial Crown corporation in 1997, ATB Financial has returned over $5.7 billion directly back to the Province in earnings and has injected multiples of that figure into the Alberta economy, demonstrating our enduring commitment to Albertans, their businesses and their communities.

Message from the President and CEO

CURTIS STANGE

Nobody understands the word “possibility” better than Albertans.

I am pleased to present the ATB Financial 2025 Annual Report, reflecting on a year of significant achievements, challenges and unwavering commitment to our clients, team members, community and Shareholder—the Government of Alberta. As we navigate the complexities of an uncertain economic landscape, shaped by geopolitical conflicts and their impact on our provincial economy, we remain steadfast in our pursuit of making it possible in Alberta and beyond.

> “Our clients are at the centre of everything we do. We are committed to building strong, long-lasting relationships based on trust, a deep understanding of their unique needs and expert advice.”
>
> **Curtis Stange, President and CEO**

Celebrating our team’s accomplishments

Throughout the year, our 5,000+ team members have consistently demonstrated exceptional dedication while navigating the challenges of a volatile economic environment and ensuring continued growth and profitability. This year was marked by several notable achievements, including the largest acquisition in our history and the expansion of our wealth management capabilities and reach across much of Canada for the benefit of our clients. As a result of ATB growing alongside Alberta, its economy and its businesses, we commenced dividend payments to our Shareholder, another first in our history, totalling $100 million. We also launched a groundbreaking leadership certification program to support our leaders in ensuring our organization’s culture positively affects our team member experience, our financial performance and our ability to deliver remarkable client experiences.

Additionally, we made strides in our large-scale technology programs to enable more innovative banking for our clients. We advanced sustainable impact in our communities through inclusion and reconciliation, investments in mental health and financial empowerment. We capped it off with high team member Cultural Health Index scores and being named one of the Top 50 Best Workplaces™ in Canada by Great Place to Work® for the 10th consecutive year.

When it comes to financial performance, our fiscal year highlights include:

- **Record total revenue:** ATB reported record total revenue of $2.2 billion, an 8.0% increase compared to the previous year. This notable growth was driven in part by our strong loan portfolio, which now exceeds $54.3 billion, a reflection of supporting business growth and meeting client needs.
- **Other income growth:** ATB reported a major increase in other income, up 17.5% year-over-year, highlighting the success of our expanding advisory services, including sophisticated wealth management and capital markets offerings for clients.
- **Record residential mortgage growth:** ATB helped more than 20,000 Albertans achieve their home ownership goals through record new residential mortgage loan origination of $4.4 billion (up 42.0%) and strong mortgage retention rates.

Making it possible for our clients

Our clients are at the centre of everything we do. We are committed to building strong, long-lasting relationships based on trust, a deep understanding of their unique needs and expert advice.

As you can imagine, the volatile business environment we are operating in is a major challenge. Many of our clients and business leaders have questions about what short- and long-term impacts tariffs and geopolitical unrest may have on Canada's and Alberta's economies. ATB Financial remains committed to helping our clients navigate this fast-developing situation with our highly capable and experienced team delivering expert advice and personalized solutions that exceed our clients' expectations in the years to come.

ATB's commitment to delivering remarkable client experiences was reflected this past year in a J.D. Power recognition, ranking ATB Financial among the top midsize banks in Canada for client satisfaction. Additionally this year, with mergers of other Canadian banks, ATB Financial is now the only midsized, full-service financial institution in Canada. We've long been the largest financial institution headquartered in Western Canada—now our impact is more important than ever.

Looking ahead to a brighter future

As we look to the future, we remain optimistic about the opportunities that lie ahead. We will continue to invest in our people, our technology and our communities, building a brighter economic future for Alberta.

I would like to express my sincere gratitude to our clients, team members and community partners for their support and contributions throughout the year. We truly appreciate your trust and confidence. For over 86 years, ATB Financial has stood as a trusted partner in Alberta, and we look forward to continuing our journey together, making it possible!

Curtis Stange
President and CEO, ATB Financial

Message from the Board Chair

JOAN HERTZ

This past year presented our province and our clients with significant adversity—from global economic impacts to everyday affordability challenges. Best-laid plans in your homes and businesses were tested. But that was just the beginning of the story.

Throughout the last year, I've often been reminded of what sets ATB apart.

It's the personal stories I heard from Albertans who came to ATB for a transaction but instead got an experience and understanding they haven't encountered elsewhere. Like the young client who came in looking to qualify for a mortgage and left with a plan to manage their finances and a pathway to homeownership.

It's businesses coming to ATB and finding world-class advisory capabilities, built on an unrivalled understanding of this province and the industries that matter most.

It's ATB's leadership in developing impactful and ethical applications of artificial intelligence—setting an award-winning standard for safe and responsible implementation and finding new ways to drive innovation, productivity and efficiency.

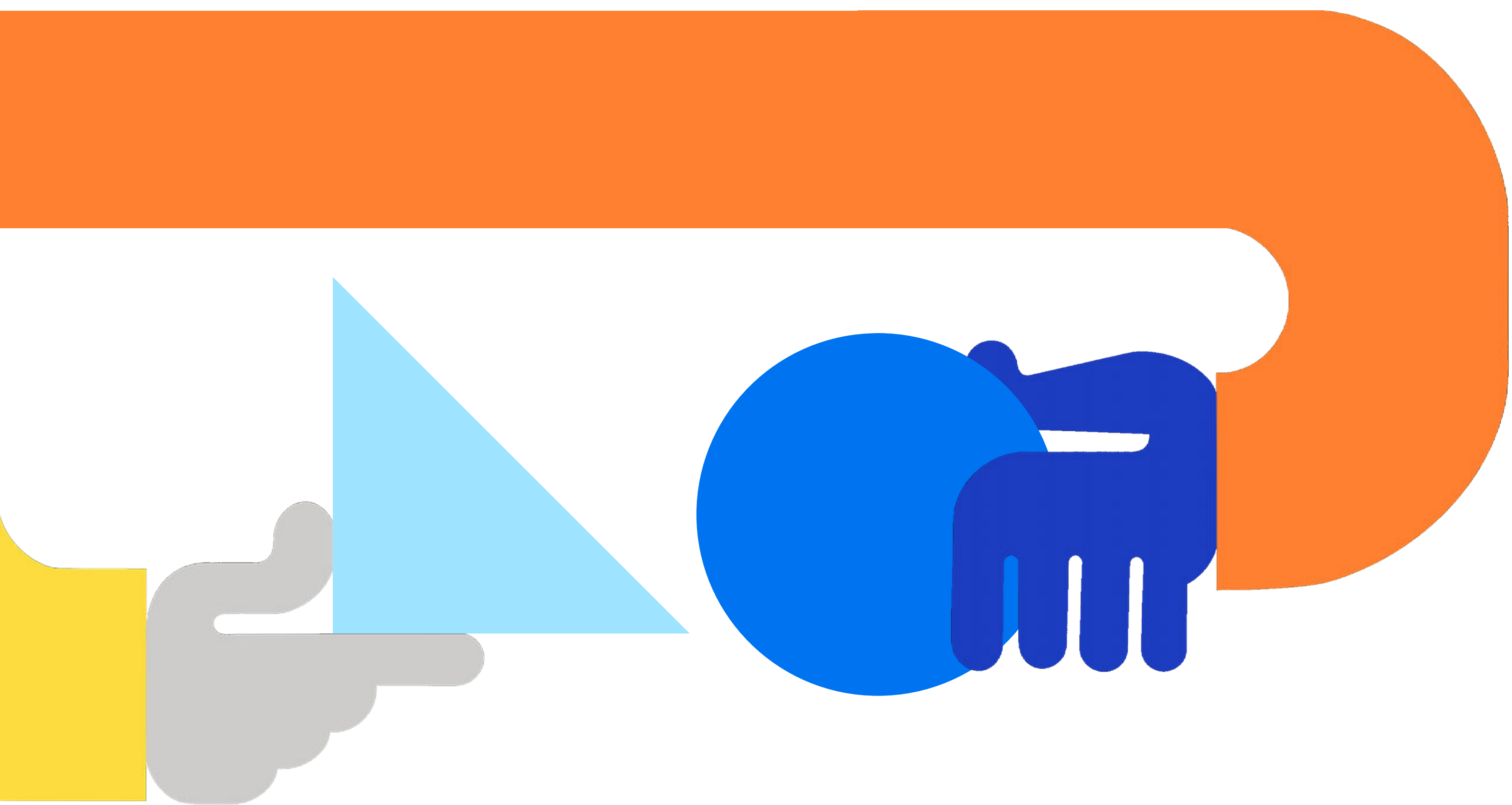
> "No good story starts with everything going perfectly."
> **Joan Hertz, Board Chair**

It's the partnerships we are building—like our Bronze certification through Partnership Accreditation in Indigenous Relations, marking a significant step in our ongoing journey of Truth and Reconciliation. We remain committed to strengthening our understanding and creating meaningful partnerships with Indigenous communities across Alberta.

All of this is being built on the foundation of strong governance—what I refer to as the gold standard of Crown governance. We are dedicated to transparency, accountability and independent operations with a solid alignment with our Shareholder on our mandate. This would not be possible without the invaluable contributions of our esteemed Board. Their diverse perspectives, expertise and strategic foresight are key to maintaining strong governance and supporting ATB in reaching our potential.

As Albertans, we know things don't always go according to plan. We pride ourselves on being able to adapt and overcome whatever stands in our way. ATB is here to help you write your best story. We are here to make it possible.

Joan Hertz
Board Chair, ATB Financial



BUSINESS HIGHLIGHTS

ATB Financial's investment in Alberta's economy and its communities, as well as in our clients and team members, is evident in these business highlights from FY2025.

"Driven by our team members and powered by our technology, ATB Financial is committed to supporting our clients with deep expertise and remarkable experiences and fostering positive change in the communities we serve."

Curtis Stange, President and CEO

Achieved **$2.2 billion in total revenue**

Invested in Alberta's growth, with **$29.1 billion in new and renewed lending**

Delivered a total of **$100.0 million in quarterly dividends to our Shareholder**, the Government of Alberta, in benefit of the Alberta economy

Reached **record-high assets under administration** in ATB Wealth totalling $37.2 billion

Continued wealth expansion, with the **acquisition of BCV Asset Management**

Recognized as one of the **Top 50 Best Workplaces** in Canada by Great Place to Work, ranking fourth nationally and in the **top 1% for Inclusion and Mental Wellness**

Contributed nearly **$1.47 billion in shared value** through our team members, local contributions and payments to the Province to reinvest in Alberta[1]

Introduced the **ATB Community Foundation**, building on our legacy of community support

Achieved **Bronze certification in the Partnership Accreditation in Indigenous Relations program** from the Canadian Council for Indigenous Business and developed ATB's **Truth and Reconciliation Action Plan**

[1] Shared value is represented by ATB's metric of Societal Impact and includes payment in lieu of taxes, net income, salaries and benefits, sponsorships and donations, deposit guarantee fee and agency commissions.

APPROACH TO SUSTAINABILITY

Sustainability is an integral part of our business at ATB Financial. ATB's journey is guided by our principles-based approach anchored in transparency, accountability and authenticity. We are proud of the progress we made in FY2025 to deliver on our four core commitments, which create shared value and advance the well-being of our clients, our team members, our communities and our Shareholder.

Over the next few pages, we provide an overview of ATB's four commitments. To learn more about them and ATB's approach to sustainability and our journey over this past fiscal year, see ATB's 2025 Sustainability Report.

Achieving gold standard in Crown corporation governance

ATB believes that trust is the foundation of a responsible, resilient and sustainable business—and that we must be transparent and accountable to maintain trust and create business value. We lead by example, continually improving and reaching for high standards of governance and ethical behaviour so we can optimally perform against ATB's mandate, fulfil our purpose and uphold commitments to our stakeholders.

In 2024, ATB received a prestigious Excellence in Governance Award from the Governance Professionals of Canada in the Organizational Governance category. This award recognized our leadership in ethical AI governance, highlighting our dedication to maintaining leading corporate governance standards and practices.

"I choose to work with W by ATB because my Relationship Manager, Ryan, comes out and has taken the time to understand our operation. Every farm is unique, and because he's been to the farm so often, he knows our crops, our cash flow cycles and our family dynamics. Because Ryan wants to understand us, we want to work with him."

Alison Davie, Co-owner, North Paddock Farms

Ryan Kwiatkowski, ATB Relationship Manager, meets with Alison Davie at North Paddock Farms

Championing a thriving, resilient and equitable society for current and future generations

Since our inception, ATB has been a purpose-driven organization focused on being there for all whom we serve. We recognize that creating an authentic and lasting impact requires a holistic view that uplifts both economic and social well-being. Our strength and resilience enable us to amplify our success, and by taking action, we aim to create shared value and build a better future, within and beyond ATB.

One way we enhance financial access and provide customized product offerings and inclusive client experiences is W by ATB™, which offers gender-intelligent banking expertise to women owners and leaders in established businesses. Through the W by ATB Everywoman Accreditation Program, we're equipping our team members to understand unconscious bias and improve gender intelligence so we can provide clients with the expertise and support they need.

Advancing Truth and Reconciliation

Truth and Reconciliation requires an ongoing commitment to education and action that can best be achieved through collaboration. ATB acknowledges the important role we have in responding to the Truth and Reconciliation Commission's Call to Action 92, which calls upon Canada's corporate sector to apply the principles of the United Nations Declaration on the Rights of Indigenous Peoples to our policies and core operational activities. We're continually working to find new ways to make banking and financial advice work for Indigenous Peoples, communities and organizations by advancing change that facilitates access to capital, career and banking solutions.

In May 2025, we published ATB's Truth and Reconciliation Action Plan that will guide our ongoing efforts toward reciprocity, equity and respectful relationships with Indigenous Peoples, communities and organizations.

PAIR BRONZE
PARTNERSHIP ACCREDITATION
IN INDIGENOUS RELATIONS

As part of ATB's journey of advancing Truth and Reconciliation, we received Bronze certification in fall 2024 through the Partnership Accreditation in Indigenous Relations (PAIR) program from the Canadian Council for Indigenous Business. This accreditation is one step on a continuing journey, demonstrating our commitment to advancing Indigenous prosperity, creating a workplace of choice for Indigenous Peoples and being a good business partner for Indigenous communities.

Advancing our economy and environment together

ATB sees the economy and environment as inextricably linked, and we are dedicated to fostering a future where both can thrive. In a time of unprecedented uncertainty, ATB is focused on supporting our clients across industries as we navigate the complex and dynamic landscape together. While we work to enable a more resilient economy and prepare for sustainable, long-term growth and market-readiness, we strive to provide expertise and meet evolving client needs.

ATB is proud to maintain our commitment to the energy sector, which is vital to Alberta's economy. From supporting traditional energy businesses to seeking opportunities that enable the growth of clean technologies and sustainable resource development, we play a crucial role in producing made-in-Alberta solutions.

> "ATB was a trusted advisor for us, demonstrating a depth of knowledge, experience and commitment to the energy sector as we worked together to complete a significant milestone this past year."
>
> **Pat Oliver (President and CEO) and Scott Johnston (CFO and Corporate Secretary), Bonterra Energy Corp.**

Bonterra.

The ATB Capital Markets team is key to our support of the province's energy sector, providing clients with advisory services that are enabling pathways for future growth. One example is the successful closing of Bonterra Energy Corp.'s $135 million offering of senior secured second lien notes in January 2025. The deal positioned Bonterra to carry out its business plan of accessing capital, developing assets, supporting acquisition and enhancing both near- and long-term liquidity.

OUR STRATEGIC LEADERSHIP TEAM

The Strategic Leadership team leads the advancement of ATB Financial for the benefit of our clients, our team members and all Albertans. Bios for team members can be found on atb.com.

CURTIS STANGE
President and CEO

CAMILLE WELESCHUK
Vice President,
Office of the CEO

CHRIS TURCHANSKY
Group Head,
ATB Business and Wealth

DAN HUGO
Chief Financial
and Strategy Officer

JOHN TARNOWSKI
Chief Client Experience
and Technology Officer

LISA MCDONALD
Group Head, Everyday
Financial Services

RENEE OXLEY
Chief Risk Officer

STUART MCKELLAR
Chief Legal and Sustainability
Officer & Corporate Secretary

TARA LOCKYER
Chief People, Culture, Brand
and Communications Officer

URSULA HOLMSTEN[2]
CEO, ATB Wealth, and EVP,
ATB Financial

[2] Ursula Holmsten retired from ATB Financial on March 31, 2025.

Message from the
Chief Financial and Strategy Officer

DAN HUGO

Alberta's economy has been very resilient this past year, overcoming evolving geopolitical dynamics—including tariffs—alongside inflation, changing interest rates, increased market volatility and broader economic uncertainty. Despite these challenges, ATB Financial achieved significant milestones and demonstrated resilience in support of our clients.

ATB grew to a record $54.3 billion in net loans to clients, driven by an increase in residential mortgages and business loans. Our total revenue increased by $162.0 million to a record $2.2 billion, driven by strong performance across our diverse business lines. This included notable strength in financial markets revenue and an increase in capital markets revenue. ATB Wealth also grew revenue, bolstered by the successful acquisition of BCV Asset Management, and ended the year with a record $37.2 billion in assets under administration.

The favourable impact of the increase in revenue was largely offset by an increase in non-interest expense, as we continue to invest in our core infrastructure. These investments will accelerate growth and enhance long-term financial performance. Our loan loss provision showed a slight decrease, driven by the underlying health of our loan portfolio.

ATB continues to maintain a strong balance sheet, with capital levels reaching an all-time high. This financial strength allowed us to distribute $100.0 million in dividends to the Government of Alberta in fiscal 2025 and positions us well for continued Shareholder returns in fiscal 2026.

Albertans have consistently demonstrated resilience in the face of economic fluctuations. While the current market environment presents uncertainties, ATB's strong foundation and strategic investments will enable us to continue to be a steadfast and trusted partner for our clients.

Dan Hugo,
Chief Financial and Strategy Officer,
ATB Financial

"In times of uncertainty, ATB is secure and stable, and the strengths of our balance sheet and trusted advice will allow us to help clients navigate the future."

Dan Hugo, Chief Financial and Strategy Officer

FY2025 FINANCIAL HIGHLIGHTS

"It was a year of milestones for ATB, with $2.2 billion of revenue and $769.0 million of other income and our assets—which include assets under administration—exceeding the $100.0 billion mark."

Dan Hugo, Chief Financial and Strategy Officer

	2025	2024
Operating results *($ in thousands)*		
Net interest income	$ 1,417,905	$ 1,370,612
Other income	768,641	654,104
Total revenue	2,186,546	2,024,716
Provision for (recovery of) loan losses	116,838	131,472
Non-interest expense	1,618,268	1,455,781
Income before payment in lieu of tax	451,440	437,463
Payment in lieu of tax	103,831	100,617
Net income	**$ 347,609**	**$ 336,846**
Income before provisions (1)		
Total revenue	$ 2,186,546	$ 2,024,716
Less: non-interest expense	1,618,268	1,455,781
Income before provisions	**$ 568,278**	**$ 568,935**

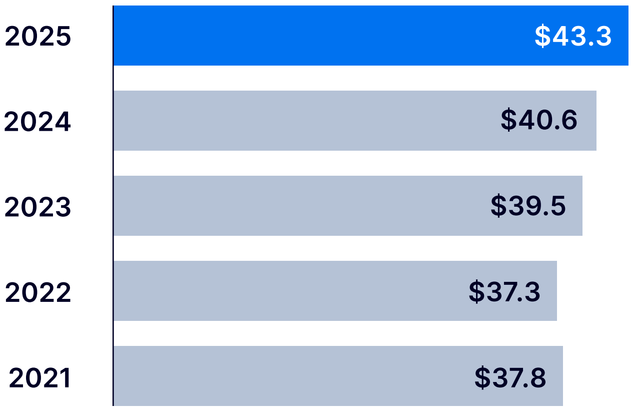
(1) Refer to the glossary for definitions of our key performance measures.

For the year ended March 31	2025	2024
Financial position *($ in thousands)*		
Net loans	$ 54,316,528	$ 51,266,157
Total assets	64,188,246	60,382,280
Total risk-weighted assets (1)	45,492,743	40,769,954
Total deposits	43,332,039	40,582,817
Equity	5,681,879	5,259,496
Key performance measures *(%)* (1)		
Return on average assets	0.5	0.6
Return on average risk-weighted assets	0.8	0.8
Total revenue change	8.0	4.6
Other income to total revenue	35.2	32.3
Total expense change	11.2	7.5
Efficiency ratio	74.0	71.9
Net interest margin	2.33	2.40
Provision for (recovery of) loan losses to average loans	0.2	0.3
Net loan change	6.0	8.5
Total asset change	6.3	5.1
Total deposit change	6.8	2.8
Change in assets under administration	30.2	10.2
Tier 1 capital ratio	12.2	13.0
Total capital ratio	14.9	16.3
Other information		
ATB Wealth's assets under administration *($ in thousands)*	$ 37,166,019	$ 28,555,986
Dividends paid *($ in thousands)*	100,000	-
Total clients	835,261	814,140
Team members (2)	5,251	5,238

(1) Refer to the glossary for definitions of our key performance measures.
(2) Reported as full-time equivalents.

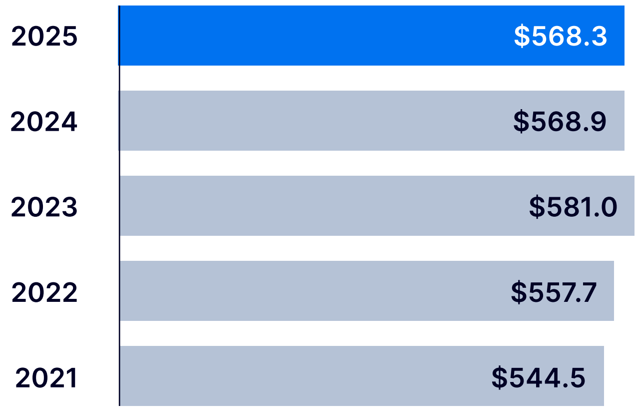
DEPOSITS

($ IN BILLIONS)



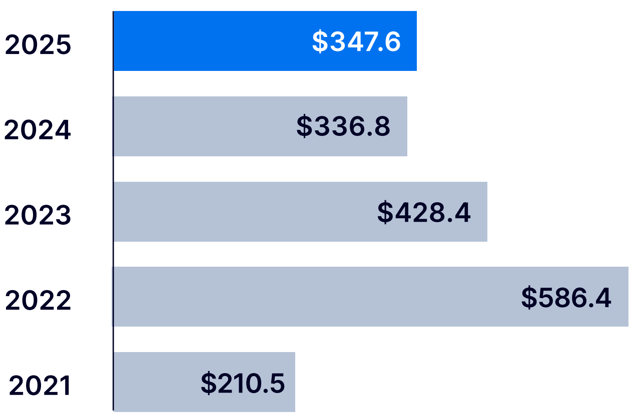
INCOME BEFORE PROVISIONS

($ IN MILLIONS)

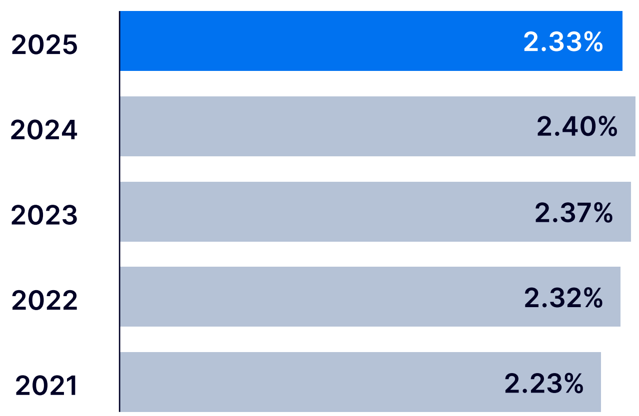


NET INCOME

($ IN MILLIONS)

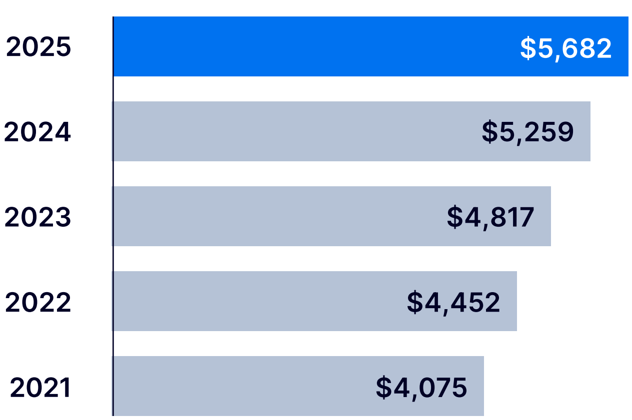


NET INTEREST MARGIN



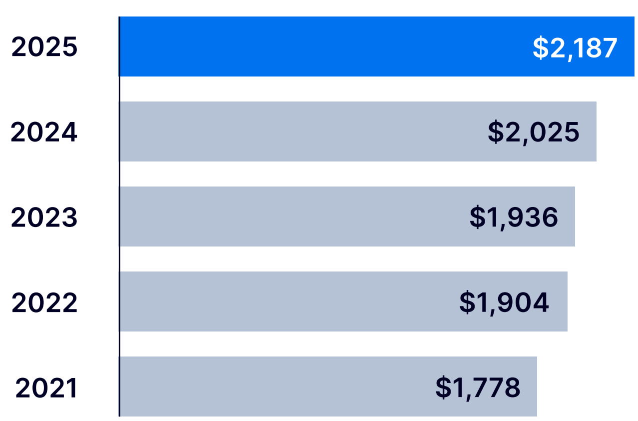
TOTAL EQUITY

($ IN MILLIONS)



TOTAL REVENUE

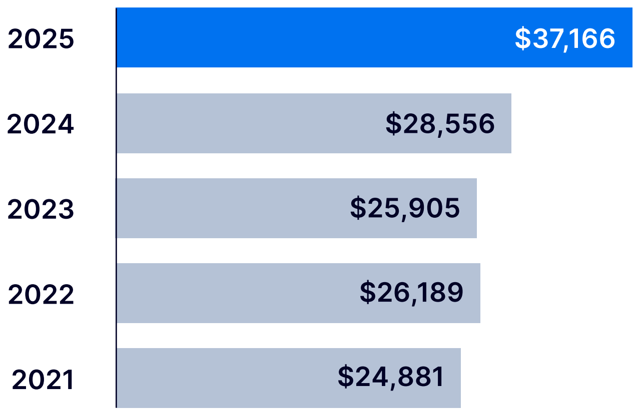
($ IN MILLIONS)

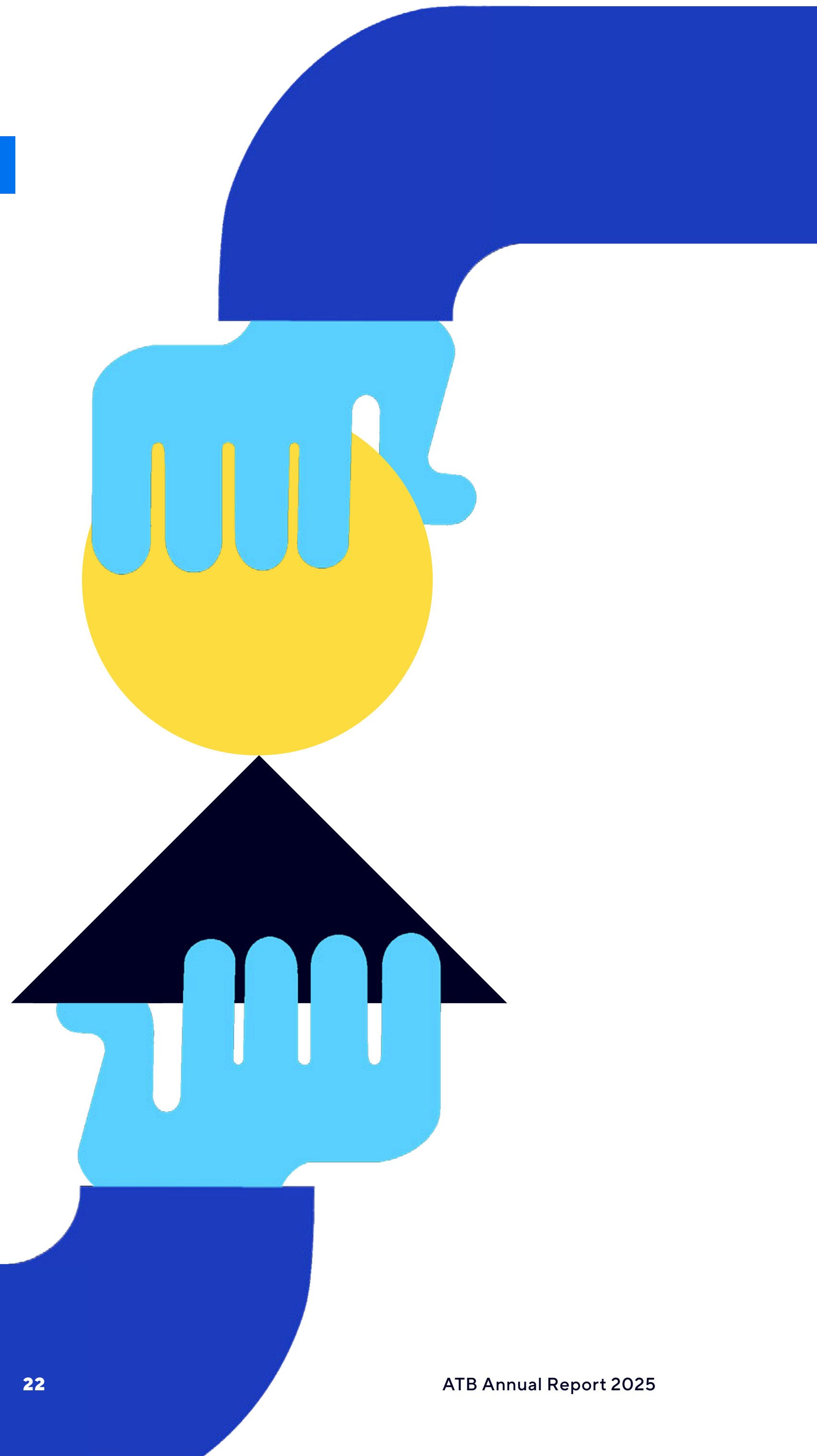


REVENUE EARNED BY AREA OF EXPERTISE

ASSETS UNDER ADMINISTRATION

($ IN MILLIONS)





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INTRODUCTION

This is Management's Discussion and Analysis (MD&A) of the consolidated results of operations and the financial position of ATB Financial (ATB) for the year ended March 31, 2025. (See the Glossary and Acronyms for our defined terms.) The MD&A is current as at May 21, 2025. All amounts are reported in millions of Canadian dollars (CAD), except where otherwise stated, and are derived from the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the International Accounting Standards Board, and the accounting requirements of the Alberta Superintendent of Financial Institutions. For further details about the amounts reported, see the Consolidated Financial Statements.

ATB is a financial institution incorporated under Alberta statute, operating mainly in Alberta.

Caution Regarding Forward-Looking Statements

This annual report includes forward-looking statements. ATB may also, from time to time, make forward-looking statements in other written or verbal communications. These statements may involve, but are not limited to, comments relating to ATB's objectives or targets for the short and medium terms, our planned strategies or actions to achieve those objectives, and the outlook for our operations or the Alberta economy. Forward-looking statements typically use the words *anticipate, believe, estimate, expect, intend, may, plan* or other similar expressions or future or conditional verbs, such as *could, should, would* or *will*.

By their very nature, forward-looking statements require ATB's management to make numerous assumptions and are subject to inherent risks and uncertainties, both general and specific. A number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed in the forward-looking statements. Such factors include, but are not limited to, changes in our legislative or regulatory environment; changes in ATB's markets; technological changes; changes in general economic conditions, including fluctuations in interest rates, commodity prices, currency value and liquidity conditions; the ongoing impacts on the global economy due the current geopolitical uncertainty, including escalating trade tensions and the risks associated with the imposition of tariffs and related counter-tariffs; and other developments, including the degree to which ATB anticipates and successfully manages the risks implied by such factors.

ATB cautions readers that the aforementioned list is not exhaustive. Anyone reading and relying on forward-looking statements should carefully consider these and other factors that could adversely affect ATB's future results, as there is a significant risk that forward-looking statements will not be accurate.

ABOUT ATB

History and Mandate

ATB was established by the Government of Alberta (GoA) in 1938 to provide much-needed financial services to Albertans during the Great Depression. ATB became a provincial Crown corporation on October 8, 1997, under the authority of the *ATB Financial Act* and *ATB Financial Regulation* (the *ATB Act* and *ATB Regulation*, respectively).

ATB's mandate is to provide Albertans with access to financial services and to enhance competition in the financial services marketplace in Alberta—with the objective of earning a risk-adjusted return that is similar to or better than those of comparable financial institutions, in both the short and long terms. The President of Treasury Board and Minister of Finance of Alberta (the Minister) and ATB have entered into an agreement formalized in a Mandate and Roles document that reflects a common understanding of each party's respective roles and responsibilities in fulfilling ATB's mandate.

As Crown corporations, ATB and our subsidiaries operate under a regulatory framework established pursuant to the provisions of the *ATB Act* and *ATB Regulation*. This legislation was modelled on the statutes and regulations governing other Canadian financial institutions, is updated periodically and establishes that the Minister is responsible for supervising ATB.

ATB also operates within the legal framework established by provincial legislation generally applying to provincial Crown corporations, such as the *Financial Administration Act, Fiscal Planning and Transparency Act* and *Alberta Public Agencies Governance Act* (APAGA), as well as applicable legislation governing consumer protection and privacy. Under APAGA, ATB is recognized as a government commercial enterprise and remains operationally independent from the provincial government. ATB's legal framework also includes certain applicable federal legislation governing money laundering. ATB strives to hold ourselves to the standards of our financial services peers and implements industry best practices. As such, ATB voluntarily adopts certain federal requirements and guidelines that apply to our activities.

With the responsibility of overseeing ATB's activities and performance, the Minister holds powers that include examining the business and affairs of ATB to ensure compliance with legislation and applicable guidelines, to ensure ATB is in sound financial condition and to require ATB to implement any measures the Minister considers necessary to maintain ATB's financial safety and soundness.

The Minister has also implemented the *Legislative Compliance Management* guideline for financial institutions, pursuant to which the Board of Directors (the Board) has adopted a regulatory compliance management policy. The key aim of this guideline and policy is to ensure ATB establishes and maintains an enterprise-wide framework of regulatory risk management controls and practices that enable compliance with regulatory requirements. Our dedicated Compliance department is responsible for identifying and monitoring regulatory risk across ATB and for ensuring all areas have implemented key day-to-day controls that promote compliance with applicable legislation.

The Minister has also approved a number of guidelines for ATB similar to those issued by the Office of the Superintendent of Financial Institutions (OSFI), which supervises federally regulated deposit-taking institutions. Regulatory oversight of these guidelines is the responsibility of the Alberta Superintendent of Financial Institutions (ASFI), the regulatory governing body that supervises ATB. The ASFI's activities are established in the *ATB Act* and described in the *ASFI Supervisory Framework*, which is modelled on OSFI standards.

Among ATB's voluntary compliance activities is compliance with the international capital measurement framework promoted by the Bank for International Settlements—known widely as the Basel capital framework—which includes internal capital adequacy assessment process practices.

ATB subsidiaries that provide wealth management and capital markets services are also subject to regulatory oversight by the Canadian Investment Regulatory Organization (ATB Securities Inc.) and applicable securities commissions (ATB Investment Management Inc., ATB Securities Inc. and BCV Asset Management Inc.).

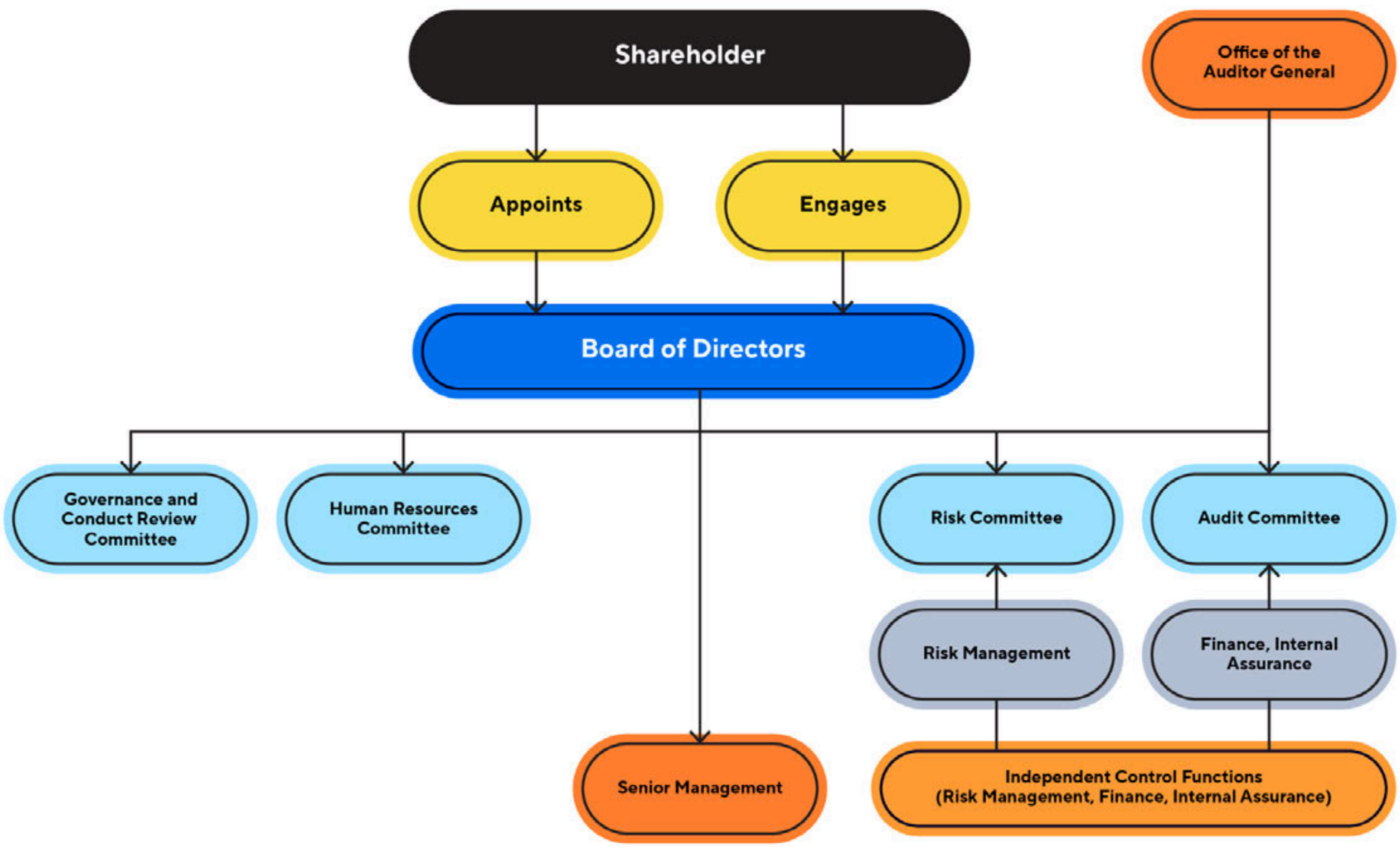
ATB and our subsidiaries pursue compliance with all applicable laws and regulations. Annually, ATB provides the Minister with a formal report on compliance, pursuant to the *ATB Regulation*.

Corporate Governance

ATB's Board is committed to excellence in corporate governance. Our corporate governance policies and procedures exceed those required of us by law and are consistent with both relevant public company securities and regulatory requirements and those set out in OSFI's corporate governance guidelines. ATB's governance framework includes the terms of reference for the Board and each of its committees. Additional governance information is contained in the following documents, which are all available on atb.com:

- → Mandate and Roles document
- → Board of Directors' Code of Conduct and Ethics
- → Key policies related to corporate governance practices approved by the Board
- → Chair of the Board position description
- → Board Committee Chair position description
- → Board Member position description

Governance Structure



Board of Directors and Committees

ATB operates under a Board of Directors appointed by the Lieutenant Governor in Council (LGIC). By setting the tone at the top, the Board promotes governance excellence that is entrenched in ATB's culture. The Board has overall stewardship of ATB, oversees ATB's strategic direction, monitors ATB's performance in executing strategy and meeting objectives, oversees implementation of an effective risk management culture and actively monitors ATB's risk profile relative to risk appetite. The Board employs governance practices and business policies broadly comparable to those of other Canadian financial institutions. With its diverse range of expertise and experience, the Board acts independently of government and management in governing ATB's business and affairs.

Each committee chair reports to the Board after each regular committee meeting. Committee responsibilities are set out in terms of reference and reviewed annually by the Governance and Conduct Review Committee (GCRC). From time to time, various special-purpose committees are formed. All committees can engage outside advisors at ATB's expense.

Board and Committee Structure

Board of Directors (Chair: Joan Hertz) Terms of reference	**Audit Committee** Terms of reference	• Oversees the integrity of ATB's financial reporting and internal control systems, including our internal assurance and finance functions • Facilitates communication and maintains a strong relationship between the Board and its internal and external auditors **Members:** Michael Kelly (Chair), Naseem Bashir, Jill Matthew, Mary Ellen Neilson, Maryse Saint-Laurent and Donald Smitten
	Risk Committee Terms of reference	• Oversees ATB's compliance with regulatory requirements • Reviews, approves and oversees compliance to corporate risk management policies **Members:** Mary Ellen Neilson (Chair), Jim Davidson, Kara Flynn, Andy Fraser, Michael Kelly and Robert Logan
	Human Resources Committee Terms of reference	• Oversees human resources (HR) policies, procedures and compensation programs, including pension plans • Oversees corporate culture, talent management and executive succession, and compensation **Members:** Andy Fraser (Chair), Naseem Bashir, Jim Davidson, Jill Matthew and Manjit Minhas
	Governance and Conduct Review Committee Terms of reference	• Develops governance policies and procedures, including those related to team member conduct and ethics, sustainability, client feedback and Board effectiveness • Oversees Board and committee evaluations **Members:** Robert Logan (Chair), Kara Flynn, Manjit Minhas, Maryse Saint-Laurent and Donald Smitten

Chair of the Board

The Chair of the Board is an independent director. The Chair enables the Board to operate independently of management and gives its directors an independent leadership contact.

Joan Hertz was initially appointed Chair effective January 1, 2019, by the LGIC and reappointed in January 2025. The roles of Chair and Chief Executive Officer (CEO) are separate.

The Chair is responsible for the management, development and effective functioning of the Board and provides leadership for the Board. Their role is to:

- Represent the Board and its interests, as well as the interests of ATB, in coordinating with the Minister, CEO, stakeholders and community.
- Provide leadership to the Board and CEO, including participation in the orientation of new directors and the continuing professional development of current directors.
- Facilitate the functioning of the Board independently of management and maintain and enhance the quality of ATB's corporate governance.
- Ensure effective and open communication between and among the Board and its committees, directors and senior management.
- Chair every meeting of the Board (including in camera sessions).

The Chair's key responsibilities are set out in the Chair position description and Mandate and Roles document. The GCRC regularly reviews the position description and annually oversees a review of the Chair's effectiveness.

Board Mandate

ATB is a Crown corporation with regulatory requirements similar to those of chartered banks and credit unions. Pursuant to APAGA, ATB and the Minister agree—via the Mandate and Roles document—on the respective roles and responsibilities of each party in fulfilling ATB's mandate.

The Board's roles and responsibilities are detailed in the *ATB Act, ATB Regulation,* Mandate and Roles document, bylaws, the Board's terms of reference and those of its various committees. The Board, either directly or through its committees, is responsible for supervising and managing ATB's business and affairs. Team members execute ATB's strategy under the direction of the CEO and management, with the Board's oversight.

In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management the authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness. Some of the Board's key responsibilities are described below.

Strategic oversight and planning: The Board is responsible for overseeing ATB's strategic planning processes and oversight functions. This includes approving the strategic plan and monitoring its implementation and effectiveness and reviewing and approving ATB's enterprise-wide objectives and our capital, financial and liquidity plans (including specific requests for major capital expenditures or acquisitions).

Identification of risks and oversight of risk management: The Board approves ATB's risk appetite statement and framework and is assisted by the Risk Committee in ensuring that processes are in place to identify, measure and monitor ATB's key risks; that appropriate policies are implemented and evaluated to manage risk; and that ATB complies with legal and regulatory requirements.

Succession planning: The Board approves succession planning processes for the Board, CEO and senior executives. The GCRC oversees recruitment and reappointment processes for the Board, and the HR Committee oversees CEO and executive succession planning through its review of succession plans and ATB's structure at the executive level.

Governance: The Board establishes ATB's approach to corporate governance and is assisted by the GCRC in reviewing leading governance practices; in conducting evaluations of the performance of the Board, committees, Chair and individual directors; and in reviewing policies and terms of reference for the Board and its committees.

Integrity of internal controls: The Board satisfies itself that a culture of integrity is maintained throughout the organization. The Audit Committee oversees the implementation of effective internal controls to ensure reliable financial reporting.

Communications and disclosure: The Board oversees communications with ATB's Shareholder—the Government of Alberta—and other stakeholders. This includes the Audit Committee reviewing and/or approving key disclosure documents, such as the quarterly and annual reports.

Compensation: The HR Committee assists the Board by reviewing enterprise-wide compensation plans and ensuring ATB has appropriate pension governance policies and procedures in place.

Position Descriptions

The Board has approved a written position description for the Chair, Vice Chair, committee chairs and directors. The GCRC periodically reviews these position descriptions.

The roles and responsibilities of the CEO are set out in the Mandate and Roles document, as agreed between ATB and the Minister. The HR Committee, in consultation with the Board Chair, also annually reviews the CEO's corporate goals and objectives, which include performance indicators and key milestones relevant to the CEO's compensation. The Board approves such goals and objectives on the committee's recommendation.

Codes of Conduct and Ethics

The Board endorses the principles expressed in two written codes of conduct and ethics (one for directors and one for team members), which are reviewed annually by the Ethics Committee and at least once every three years by the GCRC and are ultimately approved by the Board.

The codes apply at all levels of the organization, from major decisions made by the Board to day-to-day transactions in branches. Both codes of conduct and ethics are available at atb.com (see the links above).

The codes establish the standards that govern the way directors and team members deal with one another, ATB's Shareholder, clients, suppliers, competitors and communities. Within this framework, directors and team members are expected to exercise good judgment and be accountable for their actions. The code for team members is founded on the following principles:

- Conduct yourself with honesty and integrity.
- Act objectively.
- Respect confidentiality and privacy.
- Honour your commitments.
- Behave in a professional manner.
- Uphold the law, rules and regulations.

Compliance with the team member code is part of the terms and conditions of employment for every team member at ATB. The Board, along with the GCRC, oversees ATB team members' compliance. The Chair is ultimately responsible for monitoring Board members' compliance with the directors' Code of Conduct and Ethics. All directors and team members receive online code training and are required to review and attest to compliance with the relevant code when they join ATB and annually thereafter.

During FY2025, the Board did not grant or consider any waiver from the relevant code for the benefit of any director or executive officer of ATB.

Conflicts of Interest

The codes, *ATB Act, ATB Regulation* and Board Bylaw No. 2 set out processes by which the Board may ensure directors and executive officers exercise independent judgment in considering transactions and agreements in which a director or executive officer has, or may have, a material interest. Directors and executive officers are under an obligation to disclose actual or potential conflicts of interest. Pursuant to the Board's conflict of interest policy, each director annually confirms that they have no conflicts of interest that could create a material risk and that they are able to discharge their duties both with integrity and in ATB's best interests. At each Board and committee meeting, directors are obliged to disclose any actual or potential conflict with any item appearing on the agenda. In the event of a conflict of interest, the director must leave the relevant portion of the meeting and not vote or participate in the decision. Should a conflict become incompatible with service as a director, the director must offer their resignation.

The Board, via the GCRC, has also established procedures governing transactions with related parties, as defined under the *ATB Regulation*. These procedures ensure transactions with related parties comply with the *ATB Act* and internal procedures.

Safe Disclosure and Whistleblower Protection

As a Crown corporation, ATB is subject to the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA). To meet ATB's obligations under PIDA and to further enhance our commitment to ethical behaviour, ATB has a Whistleblower Policy that the Board periodically reviews. The policy governs ATB's Whistleblower Program, which provides a method for team members to confidentially—and without fear of reprisal—report good faith concerns about unethical or inappropriate activity (including wrongdoing) of team members or directors in the conduct of ATB's business. Under this program, ATB has arrangements with an external service provider to manage anonymous email, telephone and web-based reports regarding alleged improper activity and wrongdoing. Such reports are reviewed and managed in accordance with the applicable framework.

For FY2025, there were no disclosures of wrongdoing made or referred to the designated officer under PIDA.

Independence

The Board has determined that every member of the Board is "independent" within the meaning of ATB's Director Independence Policy and the relevant Canadian Securities Administrators (CSA) guidelines. Each Audit Committee member meets additional independence criteria for audit committees under the Director Independence Policy and applicable law.

The Board believes that, to be effective, it must operate independently of management. Board members are not part of management and do not have relationships with ATB that may, or may be seen to, interfere with the exercise of their independent judgment. The Board adopted a Director Independence Policy based on the requirements of the *ATB Act* and CSA guidelines for determining whether a director is "independent." The policy addresses additional criteria in the *ATB Act* for a member of the Audit Committee and whether they meet the applicable Canadian criteria for membership on that committee. The GCRC reviews the Director Independence Policy regularly, makes annual determinations concerning each director's independence and reports to the Board on the directors' independence status.

Pursuant to the Director Independence Policy, a director is deemed independent if the GCRC affirms the director has no direct or indirect material relationship with ATB. In making its determination, the committee considers such matters as the nature and importance of the director's connections to ATB and the people or organizations the director is related to (such as a spouse). ATB collects such information through an annual due-diligence process that includes:

- Each director's comprehensive written disclosure attesting to their independence, related-party matters and potential conflicts of interest.
- Each director's biographical information.
- Privately held meetings between the Chair and each director and a full report of these meetings to the Board.
- Internal records and reports on relationships between directors, entities affiliated with directors and ATB.

In addition, the Board has implemented the following policies and practices:

- At each regularly scheduled Board meeting, including those of Board committees, the Board and each committee meet in camera without management. Time to do so is provided at each regular Board and committee meeting. During FY2025, the Board held four regular meetings, and the committees held 33 meetings in total.
- The Board and each committee may engage their own independent advisors at the expense of ATB. This is considered an important tool to ensure the Board's independence from management.

To ensure directors have sufficient time and energy to devote to their responsibilities, and that no conflicts or circumstances arise that could impact independent thinking, ATB monitors other boards on which our directors serve. An "interlock" occurs when two or more directors of ATB are also directors of another company. Although ATB does not set a formal limit on the number of boards or interlocking board and committee memberships, the GCRC reviews these memberships as part of the annual director attestation process.

In FY2025, between June and December 2024, there was one interlocking directorship among ATB's Board of Directors.

Board Effectiveness

Board Diversity Policy

The Board recognizes the benefits of promoting a corporate culture that supports diversity and inclusion both in the composition and operation of the Board and throughout ATB. In 2015, the Board approved a Diversity Policy with a primary objective of enhancing the Board's effectiveness through ensuring diversity of thought.

Director recruitment is based on merit and the expected contributions the selected candidate will bring to the Board, with the diversity profile being considered in the recruitment of qualified Board candidates. From 2015 to 2017, the Board's target for women representation on the Board was 25%, and that target was achieved in each of those years. In November 2017, the Board revised its target to have 50% women representation. As of March 31, 2025, six of the 12 Board members (50%)—including the Chair—are women, and one of the four committees is chaired by a woman. The Diversity Policy was last reviewed in FY2025. At that time, the Board decided not to set specific targets related to any other diversity factors. In 2024, directors were surveyed anonymously to determine if they self-identified as a visible minority, a person with a disability, 2SLGBTQIA+ or Indigenous. Of all Board directors surveyed, 17% identified as being among those groups.

Year	Diversity target	Gender representation
2024–25	50% women	50.0% women
2020–24	50% women	50.0% women
2020–21	50% women	46.2% women
2017–20	50% women	50.0% women

In FY2025, all ATB directors participated in a survey to obtain a baseline of the Board's diversity. The survey included questions that assessed the diversity of background and experience, with the goal of understanding diversity of thought. After reviewing the results, the GCRC ascertained that the Board possessed adequate diversity of thought to be effective.

ATB Executive Leadership

In 2015, ATB set an enterprise goal to strengthen the diversity of team members by considering factors such as gender balance, diversity in leadership roles and inclusion of Indigenous team members and team members with disabilities. The first step was identifying and reporting on the diversity of ATB's team member population. ATB's current focus is on ensuring we offer an inclusive work environment.

When seeking potential team members for executive positions, we review a diverse slate of candidates, ultimately choosing the best person for each role. While increasing diversity at senior levels is integral to succession planning, we will continue to hire based on merit and work toward increasing the diversity of our team, including executive officers and executives.

At the executive level, we have chosen not to set targets for the representation of women, nor for other diversity factors. However, through our talent management and succession planning processes, we regularly monitor and review the number of women in executive and senior leadership positions. The executive team and HR Committee of the Board review the results of these processes, including year-over-year changes, and discuss both the number of women who currently hold executive officer positions and the gender balance of the succession pipeline.

The following table shows the number and percentage of men and women in executive officer and executive roles at ATB, as of March 31, 2025. The term "executive officer" is used in the regulations related to the gender diversity of executive officer staff across companies, whereas "executive" is ATB's preferred term for our executive staff. The executive officers also include officers of ATB's subsidiaries.

Gender	Number of executive officers	Percentage of executive officers	Number of executives	Percentage of executives
Men	8	47%	31	53%
Women	9	53%	28	47%
Total	**17**	**100%**	**59**	**100%**

Effectiveness and Evaluations

In FY2023, the Board approved a Board Effectiveness Framework that recognizes the need for the Board to continually enhance its effectiveness in order to facilitate ATB's long-term sustainability. The framework identifies a board evaluation process among the interdependent processes the Board uses in assessing and enhancing effectiveness. The following outlines how the framework supports the board evaluation process:

- The Board and each of its committees annually evaluate their effectiveness, and directors regularly participate in a peer review. These evaluations allow ATB to identify gaps in skills and expertise, update our Effectiveness Matrix and provide targeted development opportunities to directors.
- The Board annually evaluates the effectiveness of the Board and its Chair, its committees and their chairs, its individual directors and the CEO.
- The results of the effectiveness review also inform whether any changes are required to the structure or terms of reference of the committees.
- The Board and its committees annually review whether they have completed their responsibilities under their terms of reference and work plans and report their findings to the GCRC. The Board Chair collects, analyzes and actions relevant information related to individual directors, with the objective of performance improvement.
- The Board periodically engages a third party to conduct the evaluation.

For FY2025, the Board and its committees determined they had met their key accountabilities. Through an Effectiveness Assessment overseen by the GCRC, it was confirmed that the Board continues to be highly effective.

Succession and Director Nomination/Appointment

In conjunction with the Board Chair, the GCRC, composed entirely of independent directors, oversees director succession and nomination. The recruitment process is an opportunity for the Board to seek eligible qualified candidates who possess the skills and competencies identified in the Directors' Effectiveness Matrix.

The Board Chair and GCRC Chair work with the Province of Alberta's Public Agency Secretariat, as well as representatives of the Minister, to nominate candidates for the Board based on an inventory of the Board's overall skill set requirements and competencies. Recommendations are based on a careful examination of the Board's size, composition and director tenure, while balancing factors such as age and geographical, professional and industry representation—with consideration of ATB's Diversity Policy.

The GCRC monitors Board selection for compliance with APAGA and the Mandate and Roles document. The committee also ensures director recruitment is publicly advertised and considers general qualifications, legal requirements, business experience, independence and the Board's diversity profile and future needs.

With the assistance of the GCRC, the Board monitors succession requirements and the Effectiveness Matrix and provides an inventory of director competencies to the Minister. When a vacancy occurs, the Board identifies the required competencies and engages an external search firm to assist with recruitment. A selection and interview panel, consisting of the Board Chair, the GCRC Chair and representatives of the Province, screens and interviews potential candidates with the required competencies and values. A short list of selected candidates is then reviewed, and the search team conducts background checks. The selection and interview panel provides its recommendations to the Minister, who recommends appointments to the LGIC. The Mandate and Roles document sets forth the Minister's expectations with respect to director selection.

Director Tenure

The Board reflects a balance between experience and the need for renewal and fresh perspectives. Director appointments are for a fixed term of up to 3 years, with, upon recommendation by the Chair, the possibility of extending tenure to a maximum of 10 years total.

Board Size

There is no minimum or maximum required number of directors for the Board. The GCRC regularly reviews the Board size. In considering this, it balances the competing goals of keeping the Board small enough for effective discussions and offering adequate representation to meet the demands of Board and committee work, in the context of ATB's business and operating environment.

Orientation and Professional Development

The GCRC oversees the process to assist new directors with understanding the nature and operation of ATB's business model, strategic plan, governance requirements and expectations of their role on the Board and its committees.

To enhance Board effectiveness, directors must be fully engaged as soon as possible. Directors meet with key individuals to learn about the Board, its committees and each director. Meetings with the Chair and CEO enable new directors to learn about ATB's strategy and business.

The program includes comprehensive education sessions, at which the CEO and other executive members present and answer questions about how ATB is managed, our key businesses, strategic direction, HR, information technology (IT), the regulatory environment, directors' responsibilities and the significant issues, opportunities and key risks ATB faces. Committee chairs also meet with new directors to discuss the work of the committee and significant issues discussed in recent committee meetings. For initial exposure to the committee's current work, new directors are also invited to attend a meeting of each committee as an observer.

All new directors receive a digital Board member handbook, which includes:

- Key corporate governance and public disclosure documents, including Board and committee charters.
- Information about the evaluation process for the Board, its committees and chairs and individual directors.
- Important policies and procedures, including the codes of conduct and ethics.
- Organizational charts and other business materials, including financial statements and regulatory information.

The GCRC oversees continuing education for directors. ATB's professional development guideline encourages directors to improve their skills and deepen their understanding of ATB, our environment and our corporate governance practices. All directors are eligible for continuing training and education through external seminars, educational materials and participation in the Institute of Corporate Directors (ICD). Periodically, the Board participates in tours of ATB branches and other facilities to gain a better understanding of ATB's operations. ATB also conducts ongoing information sessions for directors—hosted by senior executives and industry participants—about significant or new aspects of the business.

In FY2025, individual Board members participated in the following training, conferences and courses, among others:

- Amii—ML Foundations course and summit
- Axis Connects Leadership Forum
- Board Ready Women—Board Resilience: Navigating Crises With Confidence
- Board Ready Women—Navigating Geopolitical Risk: Boards Adapting to Change
- Calgary Energy Roundtable
- Canada's Most Admired™ Corporate Cultures Summit, CEO Summit and Awards Celebration
- Canadian Hydrogen Convention 2024
- Charted Professional Accountants (CPA) Alberta—What Every CFO Should Know About Implementing a New ERP
- CPA Alberta—Dark Web and Cybersecurity for Accountants
- Diligent—AI Can See Clearly Now: Navigating AI Adoption for Smarter Governance
- Diligent—Navigating the Geopolitical Landscape: Empowering Your Board to Mitigate Risk
- Diligent—The Board and ESG: Balancing Priorities, Backlash and Beyond
- Gartner IT Symposium
- Global Business Forum 2024
- Governance Solutions—TD Bank's AML Governance Failings
- ICD—2024 ICD Conference
- ICD—Audit Committee Effectiveness
- ICD—Chairing Boards
- ICD—Crown Director Effectiveness
- ICD—Data Centres and Our Alberta Advantage
- ICD—Directors Education Program
- ICD—Enterprise Risk Oversight for Directors
- ICD—Governance in an Era of Moral Polarization
- ICD—Navigating Global Tariffs: Insights for Canadian Boards
- ICD—Navigating the Future: AI Transformation and Its Impact on Board Governance
- ICD—The Complexities of CEO Performance and Succession

- Intergen Activate: Director Duties and Board Effectiveness for Private Tech Companies
- KPMG—Gen AI-enabled Workforce Transformation
- Law Society of Alberta governance training by Tecker International
- NASDAQ—Building Resilience in Sustainability
- University of Calgary—Canada's Productivity Summit: Driving Investment for Economic Growth and Prosperity
- University of Alberta—Indigenous Canada Course

In FY2025, Board and committee members participated in the following presentations, which were organized by management:

May	Decentralized Finance, ATB Energy Strategy
August	Stakeholder Engagement: Clients (Tours/Meet and Greet in Lethbridge)
September	Positioning ATB for Accelerated Growth
November	ATB Cybersecurity Tabletop Exercise, Brand and Marketing Strategy
January	Pension Education
February	Audit Committee: Internal Controls Over Financials Education

Subsidiary Governance

The Board plays a key role in overseeing the governance of ATB's wholly owned subsidiaries. Oversight is led by the GCRC. The Board approved a subsidiary governance policy that categorizes ATB's subsidiaries and sets out Board composition for subsidiaries and governance standards. The Board and its committees receive regular reporting on the subsidiaries' governance, risk and compliance.

A Closer Look at Our Directors

The following summaries describe the careers, education and competencies of ATB's directors, who work diligently to honour ATB's governance values. Their commitment to ATB matters is demonstrated through their strong attendance record.

Joan Hertz

LLB, KC, ICD.D, GCB.D

Edmonton
Age 50–59
Director since 2019
ATB committees
Chair of the Board
Employment status
Owner

Career and education summary

Joan Hertz chairs ATB Financial's Board of Directors and was recently reappointed in January 2025. She previously served as a director at ATB from 2008 to 2018 and as Chair of the GCRC. She was previously the Board Chair for the Edmonton International Airport and the Interim President and CEO of NorQuest College. She is currently a corporate commercial lawyer and strategic consultant.

Joan is a member of the Board of Directors for the Business Council of Alberta. She also serves as Chair of the Amii Board, leading research and development of artificial intelligence (AI), as well as numerous other private company boards.

Current directorships and appointments

- Amii (Chair)
- Business Council of Alberta
- FortisAlberta
- Silvacom Holdings Corp.
- YEG Airport Business Advisory Committee (Chair)

Past directorships and appointments

- Alberta's Promise
- Canadian Accelerators and Incubators Network
- Covenant Health
- CPA Alberta Joint Venture
- CPA Canada Board
- Edmonton Catholic Cemeteries
- Edmonton International Airport
- Edmonton Police Foundation
- Institute of Chartered Accountants of Alberta
- Judicial Council
- Kids Kottage Foundation

Mary Ellen Neilson

BCom, CPA, CMA, MBA, ICD.D

Calgary
Age 60–69
Director since 2017
ATB committees
Board Vice Chair, Risk (Chair), Audit
Employment status
Corporate Director

Career and education summary

Mary Ellen Neilson had a successful 30-year career in financial services, where she held various senior executive positions in a national bank and gained extensive experience in wealth management, risk management and corporate banking. She is currently the Board Vice Chair at ATB. In the nonprofit sector, she has served on and chaired other various boards, committees and organizations. Until her retirement in 2020, Mary Ellen was the Executive Director at the Association for Rehabilitation of the Brain Injured.

Mary Ellen has her BCom from the University of Calgary, her MBA from York University, her CPA from the Chartered Professional Accountants of Canada and her ICD.D from the Institute of Corporate Directors.

Current directorships and appointments

- Law Society of Alberta (Audit Committee, Vice Chair)

Past directorships and appointments

- Art Gallery of Alberta
- Association for the Rehabilitation of the Brain Injured (CEO)
- Glenbow Museum Board of Governors
- Society of Management Accountants of Alberta
- University of Calgary Senate and Board of Governors (Finance Committee Chair)
- YWCA of Calgary (Chair)

Naseem Bashir

P.Eng., ICD.D

Edmonton
Age 60–69
Director since 2024
ATB committees
Audit, Human Resources
Employment status
Corporate Director

Career and education summary

Naseem Bashir is the Executive Chair of Originus Ltd., where the primary purpose is to build, acquire and operate companies that contribute to sustainable cities and communities. He has senior leadership experience with Williams Engineering, an Edmonton-based mid-sized engineering and technology firm, which he led through an expansion period and continues as Executive Chair.

Naseem received his B.Sc. in Electrical Engineering from the University of Alberta and has an ICD.D designation from the Institute of Corporate Directors. He was the 34th Allard Chair in Business for MacEwan University (2020). In 2012, he received the Queen Elizabeth II Diamond Jubilee Medal and was recognized as one of the Northern Alberta Institute of Technology's (NAIT) Top 50 Alumni of the last 50 years. In 2015, Naseem was bestowed with an honorary Bachelor of Technology from NAIT.

Current directorships and appointments

- Aquatera Utilities Inc.
- Claystone Waste Ltd.
- Originus Ltd. (Executive Chair)
- Prairie Sky Gondola Inc. (Chair)

Past directorships and appointments

- Cougar Drilling Solutions
- Edmonton International Airport Board (Chair)
- Edmonton Unlimited
- Stollery Children's Hospital Board of Trustees

Jim Davidson

BES, ICD.D

Calgary
Age 60–69
Director since 2020
ATB committees
Risk, Human Resources
Employment status
Corporate Director

Career and education summary

Jim Davidson cofounded FirstEnergy Capital Corp.—Canada's leading energy-focused investment bank—in 1993 and retired from the organization in 2018. In 2022, he was awarded the Queen Elizabeth Platinum Jubilee Award in Alberta. In 2016, he was inducted into the Investment Industry Association of Canada Hall of Fame and was awarded a lifetime achievement award by the Oil & Gas Council (now the Energy Council). Jim is also a recipient of the Queen Elizabeth II Diamond Jubilee Medal awarded by the Governor General of Canada.

Under Jim's leadership, FirstEnergy won numerous awards for business leadership and community service. It was recognized as one of Canada's 50 Best Managed Companies and the Best Workplace for Volunteerism and Community Involvement. In 2014, FirstEnergy was awarded the Generosity of Spirit Corporate Philanthropist award during National Philanthropy Week. Jim's stewardship includes tenure as governor of the former Alberta Stock Exchange and sitting on the board of trustees of the Fraser Institute.

Current directorships and appointments

- Alliston at Home
- Business Council of Alberta
- Fraser Institute
- Modern Miracle Network
- TOPAZ Energy

Past directorships and appointments

- Alberta Stock Exchange
- Business Council of Canada
- Calgary Economic Development
- Calgary Humane Society
- Creative Destruction Lab (CDL West)
- Economic Futures Council of Junior Achievement of Southern Alberta
- Parks Foundation Calgary

Kara Flynn

BA, ICD.D

Edmonton
Age 50–59
Director since 2024
ATB committees
Risk, Governance and Conduct Review
Employment status
Corporate Director

Career and education summary

Kara Flynn is an experienced board director with extensive Chair experience. She is a sustainability-focused professional with strong governance, management, regulatory, government relations, Indigenous consultation, sustainability and public relations skills. She is an executive and director skilled at developing winning strategies that balance risk, fiscal and human resources, stakeholder issues and regulatory requirements.

Kara received her Bachelor of Arts from the University of British Columbia and has her ICD.D designation, graduating as valedictorian from the Institute of Corporate Directors. She won the 2019 John Aldred Leadership Award, the 2014 C-Suite Community Relations Executive of the Year from *Alberta Oil Magazine* and received the Queen Elizabeth II Diamond Jubilee Medal for her work with Indigenous communities across Canada.

Current directorships and appointments

- Edmonton Elks Football Club (Audit and Finance Chair)
- Edmonton Symphony Orchestra/Francis Winspear Centre for Music
- Vytal Filtration Inc.

Past directorships and appointments

- Aboriginal Human Resources Council of Canada
- Canadian Council of Aboriginal Business (National Co-Chair)
- CNC Industries Inc.
- Coast to Coast Experiences Inc. (Chair)
- Keyano College Board of Governors (Chair)
- Mining Associations of Canada, Indigenous Relations Committee (Chair)
- Nature Conservancy of Canada, Alberta
- TELUS World of Science (Chair)

Andrew Fraser

BA, MBA, ICD.D, GCB.D

Stony Plain
Age 60–69
Director since 2020
ATB committees Human Resources (Chair), Risk
Employment status Corporate Director

Career and education summary

Andrew (Andy) Fraser is the President of Civeo, Canada. He was the former CEO and Executive Chair of NCSG Crane and Heavy Haul and the previous CEO of Camex Equipment Sales and Rentals. During his 30 years of experience with Finning International, he held a variety of executive roles across the company's Canadian and international operations. Andy brings a wealth of executive management experience in sales, marketing, operations and customer relations. Over the past 15 years, Andy has also served as a director on various boards, both locally and internationally, in energy, manufacturing and distribution. He also completed the Directors Education Program at the Institute of Corporate Directors, University of Alberta/Rotman, where he received his ICD.D designation. Andy completed the Stanford Directors' College Program in 2021.

Andy received his BA in Economics at Wilfrid Laurier University in Waterloo, Ontario, majoring in International Trade Theory. He then attended Royal Roads University in Victoria, British Columbia, where he received a Master's in Business Administration with a major in Project Research in Culture Change During Mergers and Acquisitions.

Current directorships and appointments

- Civeo Canada LLP
- Layfield Group

Past directorships and appointments

- Aquatera Utilities Inc.
- Business Council of British Columbia
- Careers: The Next Generation
- Cougar Drilling Ltd.
- Edmonton YMCA
- Energyst
- OEM Remanufacturing
- Pipeline Machinery International

Michael Kelly

B.Comm, ICD.D

Calgary
Age 60–69
Director since 2022
ATB committees Audit (Chair), Risk,
Employment status Owner

Career and education summary

Michael Kelly is a business leader with over 30 years of experience working with growth-oriented businesses in Canadian and international markets. Michael held various executive roles for Trican Well Service Ltd. from 1997 to 2013. During that time, he helped the company grow from a regional Canadian service company to a global presence, with operations spanning North America, Middle East, North Africa, Australia, Russia and Kazakhstan.

Michael currently chairs the boards of GeologicAI/Enersoft, Ayrton Energy and Habitat Life Science. He has extensive board experience in the private and public sectors, in industries that include oil field services, agtech, cannabis, hydrogen and digital technology.

Michael is an experienced finance professional who was an active CPA for 25 years and is a certified director with an ICD.D designation.

Current directorships and appointments

- Ayrton Energy
- GeologicAI/Enersoft Inc.
- Habitat Life Science
- Interra Energy Services Ltd.
- Lil E Coffee Cafe

Past directorships and appointments

- Decibel Cannabis Company
- Dixie Energy Ltd.
- HSE Integrated Ltd.
- STEP Energy Services Ltd.

J. Robert Logan
Hons. B.Sc., MBA, ICD.D, GCB.D

Calgary
Age 60–69
Director since 2020
ATB committees
Governance and Conduct Review (Chair), Risk
Employment status
Corporate Director

Career and education summary

Rob Logan gained comprehensive experience in all aspects of the finance industry while serving as an executive at both Canadian and US multinational banks. He is the retired CEO of Osprey Informatics, a Calgary-based AI company. Rob brings a unique combination of experience to the Board, having been CEO of two Alberta-based technology companies, an advisor to a small- and medium-sized enterprise acquisition fund and a member of several public and private boards. During Rob's career, his leadership assisted three successful corporate turnarounds, two world-class financial business unit builds and the adoption of game-changing AI technologies at Osprey.

Currently, Rob is active as a mentor and investor at Galatea Technologies and Phoenix Imports Inc. and in the Alberta technology community. He holds a Jt. Hons. B.Sc. from the University of Waterloo and an MBA from the University of Western Ontario, as well as ICD.D and GCB.D designations.

Current directorships and appointments

- Galatea Technologies

Past directorships and appointments

- AZ Technology Investors
- CanElson Drilling
- Carmanah Technologies
- Edleun, Inc.
- Orvana Minerals
- Osprey Informatics

Jill Matthew
CPA, CA, CMC, ICD.D

Edmonton
Age 60–69
Director since 2022
ATB committees
Audit, Human Resources
Employment status
Employed

Career and education summary

Jill Matthew is the Vice President, Administration and Chief Financial Officer at NorQuest College, where she previously held the position of Chief Customer Experience Officer. She brings comprehensive financial acumen and literacy and a deep understanding of client experience, which she gained during her 30 years in the private and public sectors.

Having served for over 11 years with NorQuest College and 13 years with EPCOR in various executive roles, Jill has expert knowledge of strategic planning, performance management, risk management, corporate development, customer service and retail energy operations.

Jill is the Chair of the Alberta Safety Codes Council. She was previously the Chair for the Bissell Centre and the Audit Committee Chair for Athabasca University, and in 2014, she was inducted into the Order of Athabasca University. She is a Chartered Professional Accountant and a Certified Management Consultant and holds the ICD.D designation from the Institute of Corporate Directors.

Current directorships and appointments

- Alberta Safety Codes Council (Chair)

Past directorships and appointments

- Alberta Ballet
- Athabasca University
- Bissell Centre
- Canadian Foundation for Ileitis and Colitis (Edmonton Chapter)
- uDigit Systems

Manjit Minhas

B.Sc., GCB.D

Calgary
Age 40–49
Director since 2017
ATB committees
Human Resources, Governance and Conduct Review
Employment status
Owner

Career and education summary

Manjit Minhas is an entrepreneur in the liquor industry and a venture capitalist. She also appears on the Canadian reality series *Dragons' Den*, where she has invested in dozens of Canadian businesses over the last 10 years. Manjit's unique experience has given her a range of knowledge in business and brand development, marketing, sales management and succession planning.

Manjit has enjoyed a variety of board experiences and has a strong connection to Alberta and Canada through her numerous philanthropic endeavours.

Manjit was appointed as the Honorary Lieutenant-Colonel of the Canadian Armed Forces in late 2022. She was awarded the King Charles III Coronation Medal in 2025, the Queen Elizabeth II Platinum Jubilee Medal in 2023 and the United Nations Global Citizen Laureate Award in 2024.

Current directorships and appointments

- Alberta Order of Excellence Council
- Enbridge
- TELUS Friendly Future Foundation
- YYC Calgary Airport Authority

Past directorships and appointments

- Alberta Brewers Association (ESG Committee Chair)
- Decibel Cannabis Company
- Hull Services Mental Health Charity
- Inner Spirit Holdings (Spiritleaf Cannabis)
- TransCanada Trail
- United Way (Campaign Chair)
- West Island College

Maryse Saint-Laurent

LLB, LLM, ICD.D, GCB.D

Calgary
Age 60–69
Director since 2022
ATB committees
Governance and Conduct Review, Audit
Employment status
Owner

Career and education summary

Maryse Saint-Laurent is an accomplished executive and corporate director with over 25 years of experience as a business-oriented corporate, transactional and securities lawyer in the energy and resource sectors. Maryse has led several mergers and acquisitions and financing transactions and has a strong governance background. She also possesses over 30 years of direct and indirect experience in human resources, compensation and benefits administration.

Maryse holds a Master of Laws degree in Securities and Finance from York University's Osgoode Hall Law School. She earned an LLB, BA and certifications in both Human Resources Management and Indigenous Canada from the University of Alberta. She also has an ICD.D designation and GCB.D in sustainability.

Current directorships and appointments

- BBA Group Inc.
- NFI Group Inc.
- North American Construction Group

Past directorships and appointments

- Alberta Securities Commission
- Calgary Prostate Cancer Centre
- Guyana Goldfields Inc.
- Pretivm Resources Inc.
- Turquoise Hill Resources
- Western Sky Land Trust

Donald Smitten

CPA, ICD.D

Edmonton
Age 60–69
Director since 2022
ATB committees
Governance and Conduct Review, Audit
Employment status
Owner

Career and education summary

Don Smitten worked for 20 years as President and CEO of the Alberta Motor Association and also served as CEO and board member for two AMA subsidiaries: Alberta Motor Association Insurance Company and Bridgewater Bank. He brings a wealth of experience in risk management, strategic planning, organizational culture, growth and purpose from the various executive positions he held during his tenure at AMA.

Don previously served on the board of the Canadian Automobile Association, Travel Systems Technology, LLC and various not-for-profit organizations. He is currently a board member of Excel Society and sits on its Governance Committee.

Current directorships and appointments

- Excel Society

Past directorships and appointments

- Alberta Craft Council
- Canadian Automobile Association
- Caritas High School
- Saint John's School of Alberta
- Travel Systems Technology, LLC

Wendy Henkelman[1]

BCom, CPA, CA

Edmonton
Age 50–59
Director since 2014
ATB committees
Human Resources, Governance and Conduct Review
Employment status
Corporate Director

Career and education summary

Wendy Henkelman is a finance professional specializing in the areas of finance, taxation and accounting. She has held leadership positions at Penn West Exploration as Vice President of Treasury and Compliance and served as the executive in charge of tax and royalties at Shell Canada.

Wendy holds a BCom with distinction from the University of Alberta, has a CPA designation and has completed the In-Depth Income Tax program through the Chartered Professional Accountants of Canada and an executive leadership program from Wharton School of Business at the University of Pennsylvania.

Current directorships and appointments

- Postmedia Network Canada Corp. (Audit Committee Chair)
- TriSummit Utilities (Audit Committee Chair)

Past directorships and appointments

- Albian Sands Pension Trust (Chair)
- Canadian Petroleum Tax Society (President)
- Cervus Equipment Corporation (Audit Committee Chair)
- Cochrane and Area Humane Society
- Shell Canada Pension Trust (Chair)

[1] Wendy Henkelman retired from the Board on June 15, 2024.

Barry James[2]

BCom, FCPA, FCA, ICD.D

Edmonton
Age 60–69
Director since 2014
ATB committees
Audit (Chair), Risk
Employment status
Corporate Director

Career and education summary

Barry James previously served as Vice Chair of the Board. Barry has extensive and comprehensive financial acumen and literacy from his time as a partner at PwC, which included 10 years as managing partner of the Edmonton office. He actively serves on the fiduciary and advisory boards of public and private companies, foundations, Crown corporations and other organizations. He recently retired as the Chief Corporate Development Officer at Lloyd Sadd Navacord Insurance.

Barry received a BCom with distinction from the University of Alberta and a CPA designation from the Chartered Professional Accountants of Canada. He is a Fellow of the Chartered Professional Accountants of Alberta and has an ICD.D designation from the Institute of Corporate Directors.

Current directorships and appointments

- AutoCanada Inc. (Audit Committee Chair)
- Business Council of Alberta
- Canadian Brewhouse Group
- Corus Entertainment Inc. (Audit Committee Chair)
- Kipnes Foundation
- KV Capital
- Melcor REIT (Audit Committee Chair)
- Norseman Group
- University of Alberta Properties Trust Inc.

Past directorships and appointments

- Edmonton Convention Centre Authority
- Edmonton Space and Science Foundation
- Forest Industry Suppliers' Association of Alberta
- Government of Alberta (Audit Committee Chair)
- Inuvialuit Investment Corp.
- Stollery Children's Hospital Foundation
- Support Network Foundation
- University of Alberta Board of Governors
- University of Alberta Hospital Foundation

Key Areas of Competency

The Directors' Effectiveness Matrix supports ATB Financial's Board Outcome, which is: "Generating long-term Shareholder value by effectively competing in the market with a level playing field." The Board has approved a Board Effectiveness Framework that identifies, among other processes, having an Effectiveness Matrix as a means of ensuring that "ATB has the right Board at the right time."

The core competencies and attributes the Board seeks for a director are listed in the Board Member Position Description and include leadership acumen, critical thinking and risk management, and strategic thinking and planning at the Board level. The Board of Directors defines director competency as the skills, knowledge, experience, education and training that can be assessed and that contribute to the effectiveness of the director and the Board as a whole. The Board acknowledges that experience is not necessarily synonymous with competency—competency is broader in its focus.

The Board is composed of members with a broad spectrum of competencies (for example, educational backgrounds, experience and expertise from a range of industry sectors and geographies) that reflect ATB's business, strategic plans and Board goals. Annually, the Board reviews the areas of competency itemized in the matrix that follows and conducts an assessment of director competency and of the Board as a whole relative to ATB's strategic plans and the Board's goals. Through self- and peer-assessments and meetings with the Board Chair, director competency is validated. Gaps are identified and addressed through professional development opportunities for directors and the Board and through Board recruitment and reappointment. The Board is considered to have significant competency in an area when at least two directors are rated at 3, other than financial literacy, when three directors must be rated at 3. (See the footnotes to the matrix below for the rating scale for each area of competency.)

The Board Effectiveness Framework identifies that the Board as a whole should have diversity of thought and experiences to support its effectiveness, in addition to the competencies set out in the Effectiveness Matrix. To continue to maintain diversity of thought, the Board approved a Diversity Policy, which identifies examples of characteristics and backgrounds that support being diverse, including such factors as age, geography, ethnicity and gender.

[2] Barry James retired from the Board on June 15, 2024.

Area of competency (knowledge, skills and experience)	Individual directors												Average
	J. Hertz	M.E. Neilson	N. Bashir	J. Davidson	K. Flynn	A. Fraser	M. Kelly	R. Logan	J. Matthew	M. Minhas	M. Saint-Laurent	D. Smitten	
Years on the Board	6	8	1	4	1	4	2	4	2	8	2	2	
Current term years	2024–27	2023–26	2024–27	2023–26	2024–27	2023–26	2022–25	2023–26	2022–25	2022–25	2022–25	2022–25	
ATB Financial considers all Board members to have significant proficiency in: (a) leadership acumen, (b) critical thinking and risk management and (c) strategic thinking and planning at the Board level.													
Business Transformation (1)	3	2	3	3	3	3	3	3	3	2	3	3	2.83
Client Experience, Relations and Services (2)	3	2	3	2	2	2	2	2	3	3	2	3	2.42
Executive Leadership (3)	3	3	3	1	3	3	3	2	2	3	3	1	2.50
Financial Industry (4)	3	3	0	2	1	2	2	2	1	0	2	2	1.67
Financial Literacy (5)	2	3	2	2	2	1	3	2	3	1	2	3	2.17
Governance (6)	3	3	3	3	3	3	3	2	3	3	3	2	2.83
IT/Technology (7)	2	1	2	1	1	2	1	2	3	1	1	1	1.50
Legal Acumen (8)	3	1	1	1	2	2	1	1	1	1	3	1	1.50
Sustainability and Stakeholder Engagement (9)	3	2	2	2	3	2	3	2	2	2	3	1	2.25
Talent Management and Compensation (10)	2	2	3	2	2	3	3	2	2	3	3	3	2.50
Rating scale from 0 to 3, with 3 indicating significant competency as described below.													

(1) Business Transformation: Experience in overseeing fundamental changes in how a business or organization runs or is governed. Having involvement with the management or implementation of a large-scale business transformation. Examples could include mergers and acquisitions, a major shift in product or industry focus or in leveraging digital technology to drive competitive strategy, innovation, revenue growth and business performance.

(2) Client Experience, Relations and Services: Experience developing or overseeing client services, including client engagement, experience and communications strategies through understanding of reputation and brand, sales and marketing, customer satisfaction and customer experience. Brand development and positioning, along with the use of data analytics and e-commerce to achieve client service goals.

(3) Executive Leadership: Experience leading as CEO or senior executive (or equivalent C-suite role) in a larger organizational setting of similar size and complexity as ATB or bigger (for example, corporate, academic or not-for-profit).

(4) Financial Industry: Understanding of financial services gained from experience at a Canadian bank or a US bank with comparable size and market to ATB. May include experience at a larger credit union. May be recognized as a subject matter expert in a related industry (for example, insurance, investment banking, pension management, treasury management or wealth management) or may have experience auditing any of the foregoing.

(5) Financial Literacy: Experience in financial accounting and reporting and corporate finance, especially with respect to a financial institution (for example, internal controls, audit, IFRS and generally accepted accounting principles). May hold CPA designation or similar. Financial Literacy is defined in the ATB Financial Audit Committee terms of reference as the "ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by ATB Financial's financial statements."

(6) Governance: Strong understanding or experience in governance processes, policies and accountabilities by which corporations are directed and controlled (for example, understanding the roles and relationships between stakeholders, directors and management).

(7) IT/Technology: Strong understanding of technology and IT-related issues such as IT project management, DevOps or software development, information management, data protection and analytics, electronic record management, AI and machine learning, and cybersecurity risk management. An understanding of how IT strategic alignment impacts the company's bottom line.

(8) Legal Acumen: Strong understanding of legal issues (including corporate law, legal and regulatory compliance, financing, securities, bankruptcy and insolvency, litigation and employment). May have experience being involved in corporate reorganizations, mergers and acquisitions, major transactions or major litigation. May hold an LLB or Juris Doctor degree. The Board considers its members to have necessary subject matter expertise for legal acumen, given its ability to engage ATB's Legal Services team and/or seek external assistance.

(9) Sustainability and Stakeholder Engagement: Experience engaging with community organizations and stakeholders, making use of their advice and managing public commitments toward sustainability. Experience identifying risks and opportunities created by environmental and social issues and integrating them strategically into the business. Experience with board oversight of sustainability and knowledge of how to create and implement sustainability metrics and reporting on the same. May have experience in, or a strong understanding of, the workings of media and internal communications.

(10) Talent Management and Compensation: Proficiency in, and a thorough understanding of, talent management strategy and compensation (for example, processes to identify, attract, evaluate, develop and retain talent to meet the strategic ambitions of the corporation, succession planning, change management, organizational culture retention and development, compensation programs and pensions). May include experience with collective agreements and union dynamics.

Director and Committee Meeting Attendance

Attendance at Board meetings is considered one measure of the commitment and contribution of an individual director to corporate governance at an organization. The Board of Directors' terms of reference set out the expectations of Board member attendance. The following table outlines the number of meetings held and director attendance:

Director *[total number of meetings]*	**Board** [4]	**Audit** [4]	**GCRC** [4]	**HR** [4] **(Special HR** [1]**)**	**Risk** [5] **(Special Risk** [15]**)**	**Attendance percentage (1)** **(Special meetings) (2)**
Joan Hertz (Chair)	4/4	4/4	4/4	4/4 (1/1)	5/5 (15/15)	100% (3) (100%)
Mary Ellen Neilson (Vice Chair) (4)	4/4	4/4	n/a	n/a	5/5 (15/15)	100% (100%)
Barry James (Vice Chair) (5)	1/1	1/1	n/a	n/a	1/1 (4/4)	100% (100%)
Naseem Bashir (6)	3/3	3/3	n/a	3/3	n/a	100%
Jim Davidson	4/4	n/a	n/a	4/4 (1/1)	5/5 (13/15)	100% (88%)
Kara Flynn (7)	3/3	n/a	3/3	n/a	3/3 (10/10)	100% (100%)
Andy Fraser	4/4	n/a	n/a	4/4 (1/1)	4/4 (13/15)	100% (88%)
Wendy Henkelman (8)	1/1	n/a	1/1	1/1 (1/1)	n/a	100% (100%)
Michael Kelly	4/4	4/4	n/a	n/a	5/5 (14/15) (9)	100% (93%)
Robert Logan	4/4	n/a	4/4	n/a	5/5 (15/15)	100% (100%)
Jill Matthew	4/4	4/4	n/a	4/4 (1/1)	n/a	100% (100%)
Manjit Minhas	4/4	n/a	4/4	2/4 (1/1)	n/a	84% (100%)
Maryse Saint-Laurent	4/4	4/4	4/4	n/a	n/a	100%
Donald Smitten	4/4	4/4	4/4	n/a	n/a	100%

(1) The attendance percentage calculation is based on the total of all regularly scheduled Board and committee meetings possible for each applicable director for the fiscal year. Attendance as guests on committees is not captured.
(2) The attendance percentage is calculated based on the total of all special meetings that were not scheduled in advance.
(3) The Chair of the Board may attend all committee meetings, but this percentage is calculated using Board meetings only.
(4) Mary Ellen Neilson assumed the position of Vice Chair on June 16, 2024.
(5) Barry James retired from the Board on June 15, 2024.
(6) Naseem Bashir joined the Board on June 15, 2024.
(7) Kara Flynn joined the Board on June 15, 2024.
(8) Wendy Henkelman retired from the Board on June 15, 2024.
(9) Michael Kelly abstained from one Special Risk Committee meeting.

Director Compensation

Remuneration for directors for retainers and meeting fees is approved through Order in Council 69/2004 and, pursuant to agreement with the President of Treasury Board and Minister of Finance, additional compensation was agreed upon to appropriately recognize the contributions of the Board to ATB by setting the compensation philosophy for the Board at the mid-range of its peers, considering the size and complexity of ATB. Total director compensation for the fiscal year ending March 31, 2025, is $1,439,200, compared to $1,525,600 in FY2024.

FY2025 BUSINESS HIGHLIGHTS

ATB Financial is the largest financial institution headquartered in Western Canada, with $64.2 billion in assets and more than 5,000 team members dedicated to providing expert advice and remarkable experiences. Our more than 835,000 Everyday Financial Services, Business banking, Capital Markets and Wealth Management clients can access ATB's expertise, products and services through our extensive network of branches and agencies throughout Alberta, our 24-hour Client Care Centre, our personal and business banking digital options, as well as our Wealth and Capital Markets teams both within Alberta and at locations outside of the province.

The following sections provide key highlights from FY2025 for each of ATB's areas of expertise (AOEs): Everyday Financial Services, ATB Business and ATB Wealth.

Everyday Financial Services

As the largest gateway between Albertans and all that ATB has to offer, Everyday Financial Services (EFS) is instrumental in creating value for our clients and for ATB. EFS seeks to deliver our differentiated experience to retail and entrepreneur clients through everyday advice and leading personal service.

Growth

- Despite a continued period of high interest rates, intense competition and inflationary pressures, EFS delivered strong loan and deposit growth, with revenues of $752 million, which translated to net income of $103 million—an increase of 2.8% over FY2024.
- Approximately 14,559 net new retail clients and 2,062 net new small business clients were added in FY2025, further strengthening our core deposit base and reflecting our commitment to supporting the everyday banking needs of Albertans through our advice and differentiated experience.
- EFS helped more than 20,000 Albertans achieve their home ownership goals, through record new residential mortgage loan origination of $4.4 billion—an increase of 42% over FY2024—and strong mortgage retention rates of 84.6% for maturing mortgages and 91% overall portfolio retention.

ATB Business

ATB Business delivers differentiated and remarkable experiences to growing Alberta businesses by offering customized, data-driven advice that prepares them for the future and aligns clients with industry experts and access to a combination of traditional and creative solutions.

Growth

- Net interest income was $774 million, with robust loan growth surpassing $1.3 billion. We continue to support Alberta businesses throughout all of our core sectors.
- Other income increased by 10.4%, driven by credit fees and our Capital Markets team providing value-add expertise, industry-leading insights and deeper client engagement.
- ATB Capital Markets expanded its service offerings with the launch of a new fixed income currencies and commodities group, fixed income trading desk and liability trading capabilities. Capital Markets also reinforced its commitment to energy and the growth of its carbon trading capability to support Canadian businesses and their capital requirements.

ATB Wealth

ATB Wealth provides 113,700 Canadians with advice, products and wealth solutions that help them make their financial goals possible. For more than two decades, ATB Wealth has positioned itself as a leading firm by building deep and meaningful client relationships, along with offering simplified, powerful management and an unbiased approach to investing.

Growth

- Continued growth and market changes resulted in a record $37.2 billion in assets under administration (AUA) at the end of FY2025, an increase of 30.2% over the previous year. ATB Wealth saw 6.2% higher growth in overall gross asset inflows over FY2024.
- ATB Wealth funds continue to deliver against their long-term objectives for our clients. ATB Investment Management funds received recognition this year from FundGrade A+ and LSEG Lipper Fund.
- Continued wealth management growth with the strategic acquisition of BCV Asset Management Inc., a leading Manitoba-based portfolio management firm with over $6 billion in AUA at the time of acquisition. This acquisition continued the expansion of ATB's wealth management services across Western Canada.

OUR STRATEGIC DIRECTION

The completion of FY2025 marks the midway point of our 10-year Path to 2030 strategic plan. Over this last year, we made significant progress in realizing our ambitious vision as we focused on:

- Differentiating ATB through the enhancement of our client experience and delivery of expert advice to support Albertans and Alberta's key industries.
- Making strategic investments in our people and technology to improve our physical and digital service delivery as well as our platforms and solutions.
- Diligently managing liquidity and proactively mitigating risk and credit exposure.
- Strengthening our commitment to having a sustainable impact in our local communities.

As we transition into FY2026, we remain committed to making it possible for our clients, team members, Shareholder and communities. Our priorities include:

- Further integrating our physical and digital channels to create a more seamless and exceptional client experience.
- Continuing to invest in team members and leaders as part of maintaining a world-class culture and workforce.
- Pursuing short- and long-term strategic growth opportunities as part of continuing to provide a stable and reliable source of revenue.
- Developing new and innovative partnerships that allow ATB to have an ongoing impact in the communities we serve.

ECONOMIC OUTLOOK

Unless otherwise stated, all references to years in this section refer to calendar years.

Trade turbulence: Alberta's economy shifts to a slower gear

Just as the Alberta economy was hitting its stride, a new challenge has emerged—a widespread and potentially protracted trade war between the US and the world. On April 2, President Trump escalated the trade war by increasing "reciprocal" tariffs on the US's trading partners, though no new tariffs were announced for Canada and Mexico.

Given the heightened uncertainty, ATB Economics has prepared a range of scenarios. Our baseline forecast for Alberta is 1.5% real gross domestic product growth this year and 1.9% next year. We expect employment growth in Alberta to moderately decrease to 1.4% this year, down from 3.1% last year. Meanwhile, the unemployment rate is expected to increase to an average of 7.6%, up from 7.0% last year.

The slowdown comes after signs indicating Alberta's economy had picked up steam last year, lifted by production gains in the energy sector, residential construction and fast-growing industries like technology and petrochemicals.

But leading indicators in Canada on sentiment suggest that businesses have already scaled back on investment plans, while consumers are also planning to cut back.

Alberta is not immune to the trade war, but we expect growth will remain stronger than in the rest of the country. Our forecast is for the Canadian economy to expand at a slower rate of 0.6% this year, with a contraction likely in the second and third quarters.

The economy will feel the overall drag from the trade war, with some businesses faring better than others. For example, we anticipate that tourism will be a bright spot, supported by a weak loonie and Canadians looking to travel closer to home. Further, lower interest rates and targeted fiscal support are expected to cushion some of the impact.

Despite the trade war and increased OPEC+ supply, we expect the energy sector will continue to expand production, supported by strong balance sheets and new access to Asian markets. Weaker commodity prices, however, will restrain capital spending programs.

We see interprovincial migration to Alberta continuing, aided by stronger growth and relative affordability. Inward migration will lift housing activity and consumer spending, though it will also put upward pressure on the unemployment rate as more people enter the province in search of work.

Tariffs will put upward pressure on prices. Our view is that, with the Canadian economy softening, the Bank of Canada will see through the transitory impacts of tariffs on inflation and continue to cut as long as longer-term inflation expectations remain anchored near target. Under our base case, we see the Bank moving to a 2.0% policy rate by the end of the year.

Alberta's agriculture sector will be strained by Chinese tariffs on canola oil/cake, peas and pork but should benefit from higher exports of major crops and strong beef prices.

Retailers in Alberta will get some lift from ongoing population growth (albeit at a slower pace than over the previous two years) and increased demand for Canadian products but will grapple with lower consumer confidence and cost increases caused by counter-tariffs and trade uncertainty. Our forecast for the year is for retail sales to grow by just 1.7%, below the rate of population growth.

Implications for our clients

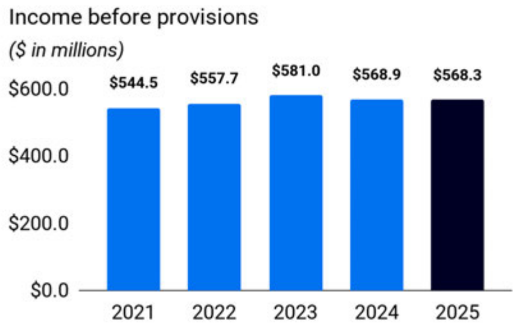
The economic challenges faced by our personal and business clients will spill over into their banking needs. Examples of economic issues that have the potential to affect our business decisions and practices include:

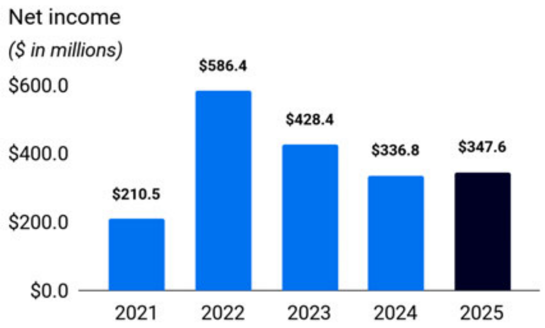
- High levels of uncertainty and financial anxiety.
- Reduced business and consumer confidence.
- Market volatility.
- Business disruptions due to tariffs.
- Cash flow uncertainty.
- Increased unemployment.
- Increased debt.
- The resale housing sector remaining a seller's market, with increased uncertainty regarding interest rates.

REVIEW OF FY2025 CONSOLIDATED OPERATING RESULTS

See detailed analysis in the Consolidated Financial Statements.

FY2025 Performance





Net Income

Net income (NI) has increased year-over-year due to higher net interest income (NII) and other income (OI), partially offset by increased non-interest expense (NIE). As a result, ATB's net contribution—composed of NI, payment in lieu of tax and deposit guarantee fee—to the GoA was $519.4 million, an increase of $17.5 million (3.5%) from last year's $501.9 million.

ATB's income before provisions, a non-IFRS measure, is defined as follows:

Table 1: Income Before Provisions

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Total revenue	$ 2,186,546	$ 161,830	8.0%	$ 2,024,716
Less: non-interest expense	(1,618,268)	(162,487)	(11.2)%	(1,455,781)
Income before provision for loan losses	**$ 568,278**	**$ (657)**	**(0.1)%**	**$ 568,935**

Return on Average Assets

The return on average assets, a non-IFRS measure, is defined as follows:

Table 2: Return on Average Assets

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Net income	$ 347,609	$ 10,763	3.2%	$ 336,846
Average total assets	64,441,724	3,945,237	6.5%	60,496,487
Return on average assets	**0.5%**	**(0.1)%**		**0.6%**

Total Revenue

Total revenue consists of NII and OI. The following table presents the changes in ATB's total revenue:

Table 3: Total Revenue

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Net interest income	$ 1,417,905	$ 47,293	3.5%	$ 1,370,612
Other income	768,641	114,537	17.5%	654,104
Total revenue	**$ 2,186,546**	**$ 161,830**	**8.0%**	**$ 2,024,716**

Net Interest Income

NII represents the difference between the interest earned on assets (such as cash, loans and securities) and interest paid on liabilities (such as deposits and wholesale borrowings or securitization liabilities). NII increased, driven by strong growth in our business and residential mortgage loans portfolios. This was partially offset by Bank of Canada policy rate decreases, which resulted in lower yields on our variable loans and securities.

Table 4: Changes in Net Interest Income

	2025 vs. 2024			2024 vs. 2023		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
($ in thousands)	Volume	Rate	Net change	Volume	Rate	Net change
Assets						
Interest-bearing deposits with financial institutions and securities	$ 11,786	$ (66,773)	$ (54,987)	$ (28,635)	$ 149,875	$ 121,240
Loans	187,659	56,486	244,145	125,995	388,836	514,831
Change in interest income	**199,445**	**(10,287)**	**189,158**	**97,360**	**538,711**	**636,071**
Liabilities						
Deposits	98,679	15,766	114,445	71,367	427,795	499,162
Wholesale borrowings	31,678	(10,001)	21,677	(9,612)	47,934	38,322
Securitization liabilities	(16,045)	(11,655)	(27,700)	(18,881)	74,154	55,273
Securities sold under repurchase agreements	31,836	(2,647)	29,189	(8,762)	757	(8,005)
Obligations for securities sold short	-	4,254	4,254	-	-	-
Change in interest expense	**146,148**	**(4,283)**	**141,865**	**34,112**	**550,640**	**584,752**
Change in net interest income	**$ 53,297**	**$ (6,004)**	**$ 47,293**	**$ 63,248**	**$ (11,929)**	**$ 51,319**

Net interest margin (NIM) is the ratio of NII to average total interest-earning assets for the year. It is an important measure for ATB that demonstrates how profitable our banking business is. The ratio decreased to 2.33% from 2.40% last year, driven by the Bank of Canada policy rate reductions, which resulted in lower yields on our variable rate loans and securities, as well as changes in the deposit mix toward higher-cost term and notice deposits. This was partially offset by management activities and the addition of new higher-rate mortgages during the year.

Table 5: Net Interest Income and Margin

	Average balances		Interest		Average rate (%)	
($ in thousands)	2025	2024	2025	2024	2025	2024
Assets						
Interest-bearing deposits with financial institutions and securities	$ 7,878,516	$ 7,631,673	$ 315,616	$ 370,603	4.0	4.9
Loans	53,061,930	49,581,973	2,791,291	2,547,146	5.3	5.1
Total interest-earning assets	60,940,446	57,213,646	3,106,907	2,917,749	5.1	5.1
Non-interest-earning assets	3,501,278	3,282,841	-	-	-	-
Total assets	**$ 64,441,724**	**$ 60,496,487**	**$ 3,106,907**	**$ 2,917,749**	**4.8**	**4.8**
Liabilities and equity						
Deposits	$ 42,855,522	$ 40,494,280	$ 1,278,648	$ 1,130,760	3.0	2.8
Wholesale borrowings	4,611,433	3,811,668	172,655	150,978	3.7	4.0
Securitization liabilities	6,760,241	7,366,217	237,699	265,399	3.5	3.6
Non-interest-bearing liabilities	3,954,882	3,747,599	-	-	-	-
Securities sold under repurchase agreements	712,143	42,310	-	-	-	-
Equity	5,547,503	5,034,413	-	-	-	-
Total liabilities and equity	**$ 64,441,724**	**$ 60,496,487**	**$ 1,689,002**	**$ 1,547,137**	**2.6**	**2.6**
Net interest margin					**2.33**	**2.40**

Other Income

OI consists of all revenue not classified as NII.

Table 6: Other Income

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Wealth management	$ 314,537	$ 49,037	18.5%	$ 265,500
Service charges	106,833	12,083	12.8%	94,750
Card fees	94,354	980	1.0%	93,374
Credit fees	79,537	17,450	28.1%	62,087
Financial markets	74,732	18,549	33.0%	56,183
Capital markets	66,380	1,848	2.9%	64,532
Foreign exchange	4,394	(13,454)	(75.4)%	17,848
Insurance	22,505	(1,710)	(7.1)%	24,215
Net gains (losses) on derivative financial instruments	2,378	8,674	137.8%	(6,296)
Net gains (losses) on securities	1,422	(1,357)	(48.8)%	2,779
Sundry	1,569	22,437	107.5%	(20,868)
Total other income	**$ 768,641**	**$ 114,537**	**17.5%**	**$ 654,104**

The increase in OI was primarily attributed to growth in several key areas: wealth management, financial markets, credit fees and service charges. Higher wealth management revenue was supported by increased AUA and the acquisition of BCV. Additionally, higher financial markets revenue was generated due to better performance in the foreign exchange (FX) and commodity revenue streams. Credit fees were higher, driven by strong loan growth. Capital markets revenue increased from gaining market share and a strong debt market, and there was higher revenue from balance sheet management activities. These positive impacts were partially offset by declines in foreign exchange and insurance.

The ratio of OI to total revenue was 35.2%—an increase of 2.9% from the prior year.

Provision for Loan Losses

Table 7: Provision for Loan Losses

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Stage 3 (recovery) provision (1)	$ 29,841	$ 19,395	185.7%	$ 10,446
Stage 2 (recovery) provision (1)	16,818	19,406	749.8%	(2,588)
Stage 1 (recovery) provision (1)	(10,987)	(29,118)	(160.6)%	18,131
Net write-offs	81,166	(24,317)	(23.1)%	105,483
Total provision for (recovery of) loan losses	**$ 116,838**	**$ (14,634)**	**(11.1)%**	**$ 131,472**
Provision for (recovery of) loan losses to average gross loans	0.2%	(0.1)%		0.3%

(1) For further details, refer to Critical Accounting Policies and Estimates.

ATB's loan loss provision (LLP)—comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans—saw a slight decrease this year. The changes were primarily due to a Stage 1 recovery partially offset by an increase in our Stage 2 provision as a result of higher loan loss expectations on existing performing loans, combined with an increase in our Stage 3 provision due to new impairments and revised expectations on recoverable cash flows.

We are committed to providing our clients with access to sound advice and a range of products and services in support of Alberta's economy, while taking appropriate measures to limit losses (see Risk Management). As at March 31, 2025, gross impaired loans of $0.6 billion comprise 1.1% (2024: 1.1%) of the total loan portfolio.

Non-Interest Expense

NIE consists of all expenses incurred by ATB except for interest expenses and LLP.

Table 8: Non-Interest Expense

($ in thousands)	2025	2025 vs. 2024 increase (decrease)		2024
Salaries and employee benefits	$ 919,000	$ 88,150	10.6%	$ 830,850
Data processing	202,865	23,725	13.2%	179,140
Premises and occupancy, including depreciation	76,834	408	0.5%	76,426
Professional and consulting costs	101,391	20,714	25.7%	80,677
Deposit guarantee fee	60,164	4,137	7.4%	56,027
Equipment, software and other intangibles, including depreciation and amortization	88,885	(10,439)	(10.5)%	99,324
General and administrative	88,251	5,493	6.6%	82,758
ATB agencies	17,670	228	1.3%	17,442
Other	63,208	30,071	90.7%	33,137
Total non-interest expense	**$ 1,618,268**	**$ 162,487**	**11.2%**	**$ 1,455,781**
Efficiency ratio	**74.0%**	**2.1%**		**71.9%**

The NIE increase was primarily driven by our investment in team members, strategic initiatives, technology costs and the acquisition of BCV. These drivers were compounded by inflationary pressures. This was a year of investment for ATB, with key technology projects further amplifying the level of expertise and comprehensive solutions offered to clients.

Efficiency Ratio

The efficiency ratio, measured as total NIE divided by total revenue, indicates how much it costs ATB to generate revenue. A lower ratio indicates higher efficiency at generating income. Our efficiency ratio increased compared to last year largely as a result of our investment in technology and people along with certain one-time costs.

REVIEW OF OPERATING RESULTS BY AREA OF EXPERTISE

Results presented in the following table are based on ATB's internal financial reporting systems. The accounting policies used in preparing the tables are consistent with those followed in preparing the consolidated financial statements, as disclosed in the notes to the financial statements. As these results are based on ATB's internal management structure, they may not be directly comparable to those of other financial institutions. (See Note 26 in the financial statements for more on ATB's organizational structure.)

The NII, OI, NIE and LLP reported for each area may also include certain interline charges. The net effects of the internal funds transfer pricing that impact an AOE's loan and deposit spread, and allocation charges, if any, are offset by amounts reported for strategic support units (SSUs).

Table 9: Year-Over-Year Segmented Results

($ in thousands)	Everyday Financial Services	ATB Business	ATB Wealth	Strategic support units (1)	Total
For the year ended March 31, 2025					
Net interest income (loss)	$ 580,022	$ 774,454	$ 41,635	$ 21,794	$ 1,417,905
Other income (loss)	172,125	290,582	319,966	(14,032)	768,641
Total revenue (loss)	752,147	1,065,036	361,601	7,762	2,186,546
Provision for (recovery of) loan losses	39,301	74,127	(216)	3,626	116,838
Non-interest expenses (1)	579,181	583,765	358,826	96,496	1,618,268
Payment in lieu of (recovery of) tax	30,743	93,643	927	(21,482)	103,831
Net income (loss)	**$ 102,922**	**$ 313,501**	**$ 2,064**	**$ (70,878)**	**$ 347,609**
Increase (decrease) from 2024					
Net interest income	$ 4,425	$ (34,660)	$ (2,081)	$ 79,609	$ 47,293
Other income	19,263	27,319	49,908	18,047	114,537
Total revenue	23,688	(7,341)	47,827	97,656	161,830
Provision for loan losses	9,278	(26,204)	(597)	2,889	(14,634)
Non-interest expenses	10,768	51,553	62,171	37,995	162,487
Payment in lieu of tax	838	(7,519)	(2,020)	11,915	3,214
Net income (loss)	**$ 2,804**	**$ (25,171)**	**$ (11,727)**	**$ 44,857**	**$ 10,763**
For the year ended March 31, 2024					
Net interest income	$ 575,597	$ 809,114	$ 43,716	$ (57,815)	$ 1,370,612
Other income	152,862	263,263	270,058	(32,079)	654,104
Total revenue	728,459	1,072,377	313,774	(89,894)	2,024,716
Provision for (recovery of) loan losses	30,023	100,331	381	737	131,472
Non-interest expenses (1)	568,413	532,212	296,655	58,501	1,455,781
Payment in lieu of (recovery of) tax	29,905	101,162	2,947	(33,397)	100,617
Net income (loss)	**$ 100,118**	**$ 338,672**	**$ 13,791**	**$ (115,735)**	**$ 336,846**

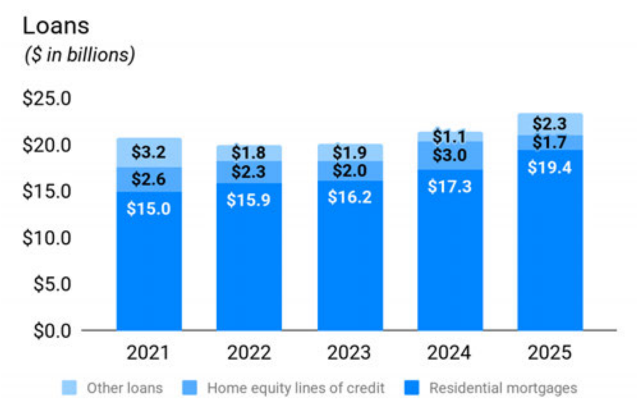
(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

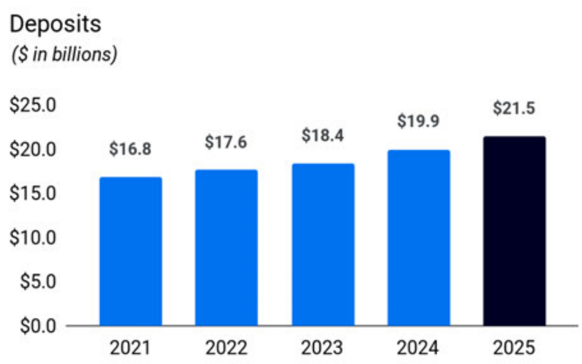
Everyday Financial Services

Table 10: EFS Financial Performance

($ in thousands)	**2025**	**2024**
Net interest income	$ 580,022	$ 575,597
Other income	172,125	152,862
Total revenue	752,147	728,459
Provision for loan losses	39,301	30,023
Non-interest expense (1)	579,181	568,413
Net income before payment in lieu of tax	133,665	130,023
Payment in lieu of tax	30,743	29,905
Net income	**$ 102,922**	**$ 100,118**
Net loans	$ 23,415,505	$ 21,447,147
Total deposits	21,456,205	19,943,162

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.





EFS's NI increased this year as a result of higher total revenue that was largely offset by increases in LLP and NIE.

NII increased mainly due to higher revenue from an increase in clients and related activity. Mortgage volumes were also up extensively, helping to bolster revenue. This increase was mostly offset by higher interest rates on deposit accounts.

OI increased mainly due to an increase in clients and an increase to retail account fees.

LLP increased from the prior year, primarily due to an increase in our Stage 2 provision as a result of higher loan loss expectations on existing performing loans.

NIE increased, primarily due to higher people and vendor costs.

Loan growth was primarily from residential mortgages, with competitive mortgage rates, promotions and market activity driving the increase. This was partially offset by a reduction in home equity line of credit (HELOC) balances as clients continued to pay down high-rate debt.

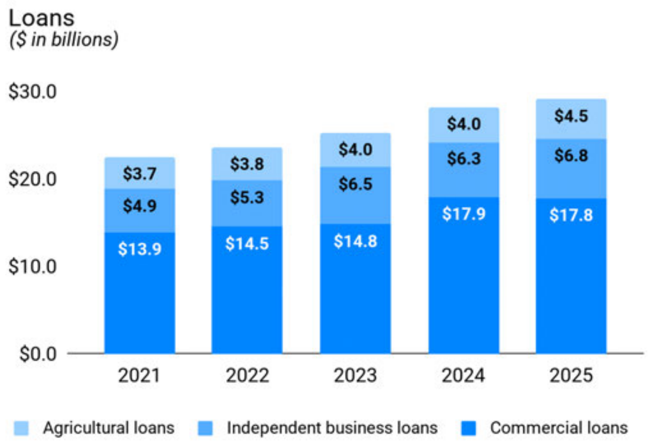
The increase in deposits was due to promotions and clients continuing to take advantage of high interest rates by holding fixed-date deposits.

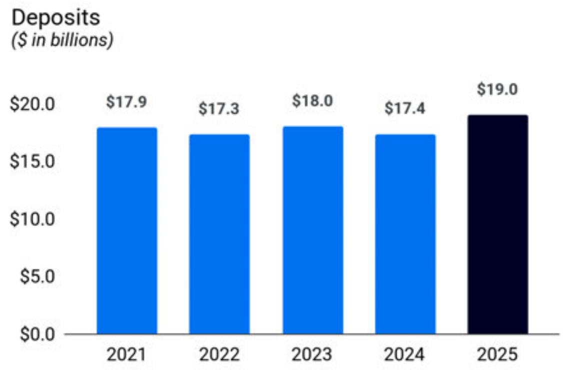
ATB Business

Table 11: ATB Business Financial Performance

($ in thousands)	**2025**	**2024**
Net interest income	$ 774,454	$ 809,114
Other income	290,582	263,263
Total revenue	1,065,036	1,072,377
Provision for (recovery of) loan losses	74,127	100,331
Non-interest expense (1)	583,765	532,212
Net income before payment in lieu of tax	407,144	439,834
Payment in lieu of tax	93,643	101,162
Net income	**$ 313,501**	**$ 338,672**
Net loans	$ 29,528,605	$ 28,230,581
Total deposits	18,991,969	17,364,277

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.





ATB Business's NI decreased because of higher NIE and lower total revenue, which was partially offset by a reduction of LLP.

NII decreased due to Bank of Canada rate cuts and an increase in competition in the marketplace.

OI grew from increased financial markets, capital markets revenue and credit fees. The increase in financial markets revenue was driven by strong market performance across FX and commodity revenue streams. The rise in capital markets revenue was due to increased deal volume. Credit fees also rose due to higher standby fees from an overall increase in undrawn commitments.

LLP decreased year-over-year due to a recovery in Stage 1 provision. This was partially offset by an increase in Stage 2 provision as a result of higher loan loss expectations on existing performing loans and Stage 3 provision as a result of new impairments with fewer write-offs compared to the prior year.

NIE increased, driven by higher people costs and strategic initiatives throughout the year.

Loan growth was primarily in the agriculture and real estate sectors, which was partially offset by a reduction in the energy sector.

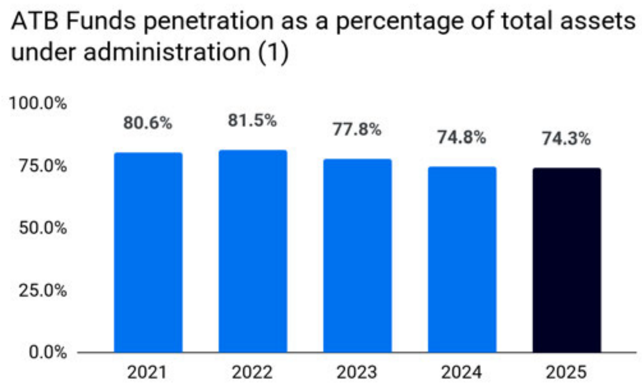
Deposit growth was driven by an increase in non-redeemable fixed-date and trust deposits early in the year as clients locked in investments with the expectation of Bank of Canada rate cuts.

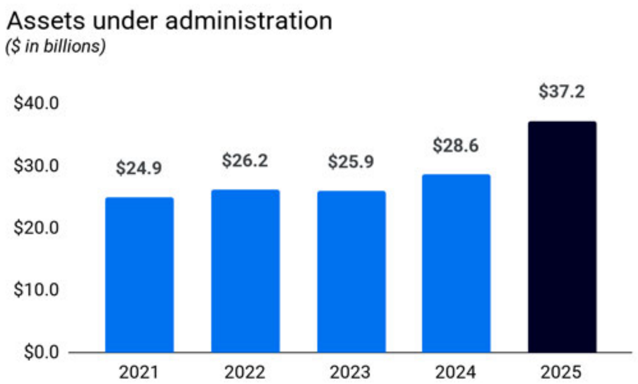
ATB Wealth

Table 12: ATB Wealth Financial Performance

($ in thousands)	**2025**	**2024**
Net interest income	$ 41,635	$ 43,716
Other income	319,966	270,058
Total revenue	361,601	313,774
Provision for (recovery of) loan losses	(216)	381
Non-interest expense (1)	358,826	296,655
Net income before payment in lieu of tax	2,991	16,738
Payment in lieu of tax	927	2,947
Net income	**$ 2,064**	**$ 13,791**
Net loans	$ 1,183,624	$ 1,177,272
Total deposits	2,858,236	3,246,756
Total assets under administration	37,166,019	28,555,986

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.





(1) The ATB Funds penetration as a percentage of total AUA excludes the impact of the acquisition of BCV, which was completed on November 25, 2024. For further details, refer to Note 27.

ATB Wealth's NI decreased as higher expenses more than offset the growth in total revenue.

NII decreased as a result of lower guaranteed investment certificate deposit balances and a reduction in Bank of Canada rates for cash balances.

OI increased due to the BCV acquisition and higher average AUA, which was partially offset by a less favourable investment mix that shifted to lower-risk money market products.

NIE increased primarily due to the BCV acquisition, an increase in variable costs associated with higher AUA balances and the impact of an insurance recovery in FY2024 on a previously recognized operational loss.

Loan balances were relatively consistent with the prior year.

ATB Wealth's AUA increased, reaching a record $37.2 billion, driven by the BCV acquisition and strong market performance.

Strategic Support Units

Table 13: Strategic Support Units Financial Performance

($ in thousands)	2025	2024
Net interest income (loss)	$ 21,794	$ (57,815)
Other income (loss)	(14,032)	(32,079)
Total revenue (loss)	7,762	(89,894)
Provision for (recovery of) loan losses	3,626	737
Non-interest expense (1)	96,496	58,501
Loss before payment in lieu of taxes	(92,360)	(149,132)
Recovery of tax	(21,482)	(33,397)
Net income (loss)	**$ (70,878)**	**$ (115,735)**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

NII increased mainly due to balance sheet management activities.

OI increased mainly due to balance sheet management activities.

The increase in LLP reflects an increase in our Stage 2 provision and a smaller recovery in Stage 1 as a result of higher expectations for loan losses on existing loans.

The increase in NIE is attributed to our investment in team members and strategic initiatives.

QUARTERLY OPERATING RESULTS AND TREND ANALYSIS

Review of FY2025 Fourth-Quarter Operating Results

Table 14: Summarized Consolidated Statement of Income

For the three months ended ($ in thousands)	Q4 Mar 31/25	Q3 Dec 31/24	Q2 Sep 30/24	Q1 Jun 30/24	Q4 Mar 31/24	Q3 Dec 31/23	Q2 Sep 30/23	Q1 Jun 30/23
Interest income	$ 735,839	$ 782,977	$ 797,958	$ 790,133	$ 756,483	$ 761,220	$ 730,331	$ 669,715
Interest expense	387,224	420,003	444,081	437,694	410,353	412,939	385,957	337,888
Net interest income	348,615	362,974	353,877	352,439	346,130	348,281	344,374	331,827
Other income	211,408	203,703	172,341	181,189	159,435	169,708	158,829	166,132
Total revenue	560,023	566,677	526,218	533,628	505,565	517,989	503,203	497,959
Provision for (recovery of) loan losses	31,380	53,518	18,916	13,024	74,518	29,543	30,320	(2,909)
Non-interest expense	465,557	397,943	370,494	384,274	386,231	365,006	359,483	345,061
Net income before payment in lieu of tax	63,086	115,216	136,808	136,330	44,816	123,440	113,400	155,807
Payment in lieu of tax	14,509	26,500	31,466	31,356	10,309	28,391	26,081	35,836
Net income (loss)	**$ 48,577**	**$ 88,716**	**$ 105,342**	**$ 104,974**	**$ 34,507**	**$ 95,049**	**$ 87,319**	**$ 119,971**

Net Income

NI is lower quarter-over-quarter due to a decrease in NII and an increase in NIE. NI is higher year-over-year due to an increase in OI and a decrease in our LLP, which was partially offset by an increase in NIE.

Total Revenue

This quarter's total revenue decreased slightly quarter-over-quarter due to a decrease in NII, which was partially offset by an increase in OI. Total revenue is higher year-over-year due to an increase in OI. The rise in OI was fuelled by growth in our diverse revenue streams, including higher revenue from financial markets, capital markets, credit fees and AUA. The BCV acquisition also contributed to the increase.

Provision for Loan Losses

ATB recorded a decrease in LLP compared to last quarter and year-over-year. The quarterly and year-over-year LLP change was primarily driven by a Stage 3 recovery, partially offset by an increase in our Stage 1 and Stage 2 provisions due to higher loan loss expectations on existing loans.

Non-Interest Expense and Efficiency Ratio

NIE increased quarter-over-quarter and year-over-year, driven by people costs, the BCV acquisition, strategic initiatives and technology costs associated with enterprise lending initiatives.

ATB's efficiency ratio of 83.1% this quarter represents an increase quarter over quarter and year-over-year. This is due to expense growth outpacing our total revenue growth to invest in our team members, technology and strategic initiatives.

Trend Analysis

NII trended up from Q1 to Q3, followed by a slight decrease in Q4. The increase was driven by returns on balance sheet management activity, lower deposit costs on savings account rates and growth coming from lower-interest savings and transaction accounts. The decrease in Q4 was driven by balance sheet management activities.

OI has shown a positive trend since Q2. The growth came from various sources, contributing to a diversified revenue stream. Financial markets revenue had strong performance associated with the FX and commodity portfolios, and higher capital markets revenue was driven by an increase in the volume of deals closed. Wealth revenue was higher as a result of the BCV acquisition and market growth, resulting in an increase in AUA to $37.2 billion from $28.6 billion in the prior year. Credit fees grew during the year due to standby fees associated with an increase in undrawn commitments. In Q4, OI formed 37.8% of total revenue, higher than the 31.5% in the same quarter last year. OI as a percentage of total revenue for FY2025 ended at 35.2%, an improvement from the FY2024 ratio of 32.2%.

LLP increased steadily throughout FY2025 Q1 to Q3, mirroring the trend from the latter half of FY2024, but experienced a decrease in the final period. The increase in loan loss expectations on both existing and new loans, coupled with substantial loan growth throughout the year, contributed to this outcome, in addition to non-retail impairments that occurred in Q3. Despite these increases, the credit quality of our clients remains strong, and the overall provision is within the expected range. We maintain our commitment to supporting Alberta's economy by providing clients with diverse credit products and services, while implementing measures to ensure acceptable loan loss levels.

NIE has continued to generally trend upwards as a result of our investment in team members, including some one-time costs, and operationalizing technology initiatives, which are key to our growth and improving client experiences. This was a year of investment for ATB, with key technology projects further amplifying the level of expertise and comprehensive solutions offered to clients. The BCV acquisition, closed in Q3 of FY2025, has also contributed to an increase in NIE.

REVIEW OF FY2025 CONSOLIDATED FINANCIAL POSITION

Total Assets

Our total assets as at March 31, 2025, are $64.2 billion, which is higher than last year, mainly driven by strong loan growth and higher security balances.

Cash and Liquid Securities

As a financial institution, ATB maintains a portfolio of cash and short-term investments as part of our liquidity management strategy and to assist in managing the company's interest rate risk profile.

Table 15: Total Cash and Liquid Securities

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Cash	$ 836,331	$ (656,424)	(44.0)%	$ 1,492,755
Interest-bearing deposits with financial institutions	175,945	(6,426)	(3.5)%	182,371
Liquid securities	6,367,558	897,119	16.4%	5,470,439
Cash and liquid securities	**$ 7,379,834**	**$ 234,269**	**3.3%**	**$ 7,145,565**

Fluctuations in cash holdings stem from changes in client product preferences and the timing of certain interbank activities, including foreign currency and cheque clearing, and other transit items. The increase is driven primarily by securities held for liquidity risk management purposes, which was partially offset by a decrease in cash.

To support our participation in Canadian clearing and payment systems, we are required to pledge collateral to the Bank of Canada and other clearing networks. We use a variety of collateral sources, including, from time to time, liquid assets such as cash or treasury bills. (See Notes 6 and 21 to the financial statements for more details.)

Loans

Table 16: Net Loans

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Gross loans	$ 54,745,576	$ 3,113,403	6.0%	$ 51,632,173
Less: Stage 3 allowance	(251,512)	(62,046)	(32.7)%	(189,466)
Loans, net of Stage 3 allowance	54,494,064	3,051,357	5.9%	51,442,707
Less: Stage 1 and 2 allowance	(177,536)	(986)	(0.6)%	(176,550)
Net loans	**$ 54,316,528**	**$ 3,050,371**	**6.0%**	**$ 51,266,157**

Net loans increased, driven by growth in residential mortgage and business loans. Residential mortgages grew, with competitive rates, promotions and market activity driving the increase. This was slightly offset by a reduction in HELOCs and other personal loans as clients continued to pay down high-rate debt. Business loan growth was primarily in the agriculture and real estate sectors, which was partially offset by a reduction in the energy sector.

The allowance for loan losses has increased since last year, which is attributed to new impairments and an increased loan loss expectation on existing performing and new loans. While the majority of increases can be attributed to significant loan growth, our credit quality remains strong. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in Risk Management and Notes 8 and 9 to the financial statements.

Other Assets

Table 17: Total Other Assets

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Derivative financial instruments	$ 1,081,995	$ 153,272	16.5%	$ 928,723
Prepaid expenses and other receivables	416,985	180,233	76.1%	236,752
Software and other intangibles	340,363	166,339	95.6%	174,024
Property and equipment	206,022	(2,349)	(1.1)%	208,371
Accrued interest receivable	169,089	41,474	32.5%	127,615
Net pension asset	12,416	(41,350)	(76.9)%	53,766
Other	54,335	262	0.5%	54,073
Total other assets	**$ 2,281,205**	**$ 497,881**	**27.9%**	**$ 1,783,324**

ATB's other assets are composed primarily of derivative financial instruments, prepaid expenses and other receivables, software and other intangibles, property and equipment and accrued interest receivable. (See Notes 10, 11, 12 and 13 to the financial statements.)

The increase in our derivative assets was driven by an increase in fair value associated with our interest rate portfolio due to a downward trend in interest rates and an increase in fair value in our FX portfolio due to FX volatility. Additional information is described in Derivatives.

The increase in prepaid expenses and other receivables is driven by an increase in securities held by our carrying broker. This increase is associated with the obligations related to securities sold short noted in Other Liabilities. Software and other intangibles increased due to the BCV acquisition (See Note 27 to the financial statements).

Total Liabilities

Total liabilities ended FY2025 at $58.5 billion, $3.4 billion higher than FY2024. The increase is primarily from deposits used to fund our loan growth.

Deposits

Table 18: Total Deposits

As at *($ in thousands)*	Payable on demand	Payable on a fixed date	Total	Percentage of total
March 31, 2025				
Transaction accounts	$ 12,938,390	$ -	$ 12,938,390	29.9%
Savings accounts	11,018,911	-	11,018,911	25.4%
Notice accounts	6,960,790	-	6,960,790	16.1%
Non-redeemable fixed-date deposits	-	10,367,388	10,367,388	23.9%
Redeemable fixed-date deposits	-	2,046,560	2,046,560	4.7%
Total deposits	**$ 30,918,091**	**$ 12,413,948**	**$ 43,332,039**	**100.0%**
March 31, 2024				
Transaction accounts	$ 12,644,253	$ -	$ 12,644,253	31.2%
Savings accounts	9,981,121	-	9,981,121	24.6%
Notice accounts	6,064,005	-	6,064,005	14.9%
Non-redeemable fixed-date deposits	-	9,693,531	9,693,531	23.9%
Redeemable fixed-date deposits	-	2,199,907	2,199,907	5.4%
Total deposits	**$ 28,689,379**	**$ 11,893,438**	**$ 40,582,817**	**100.0%**

ATB's principal sources of funding are client deposits. Balances have increased due to a successful savings promotion campaign, higher client acquisition and continued growth in higher-interest-earning accounts, as clients locked in rates before the rate cuts.

Other Liabilities

Table 19: Total Other Liabilities

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Wholesale borrowings	$ 4,607,377	$ (312,216)	(6.3)%	$ 4,919,593
Securitization liabilities	6,550,671	(269,918)	(4.0)%	6,820,589
Derivative financial instruments	1,000,614	(69,941)	(6.5)%	1,070,555
Accounts payable and accrued liabilities (1)	844,497	(101,234)	(10.7)%	945,731
Accrued interest payable	290,505	(9,699)	(3.2)%	300,204
Due to clients, brokers and dealers	509,562	389,613	324.8%	119,949
Payment in lieu of tax	103,831	3,214	3.2%	100,617
Achievement notes	60,457	3,879	6.9%	56,578
Deposit guarantee fee payable	67,989	3,562	5.5%	64,427
Obligations related to securities sold short	179,534	179,534	-	-
Securities sold under repurchase agreements	959,291	817,567	576.9%	141,724
Total other liabilities	**$ 15,174,328**	**$ 634,361**	**4.4%**	**$ 14,539,967**

(1) Includes contingent consideration of $44,975 (2024: nil). (See Note 27.)

ATB's other liabilities are composed primarily of wholesale borrowings, securitization liabilities, derivative financial instruments, securities sold under repurchase agreements and accounts payable and accrued liabilities. (See Notes 7, 10, 15, 16 and 18 to the financial statements.) Securitization liabilities and wholesale borrowings are used as a funding source to supplement client deposits.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA, to a limit of $11.0 billion. The limit increased from $9.0 billion effective January 29, 2025. Securitization liabilities represent ATB's participation in the Canada Mortgage Bonds (CMB) program, securitization of credit card and equipment finance receivables, in addition to a synthetic securitization program introduced during FY2025. (See Note 15.)

Securities sold under repurchase agreements and obligations related to securities sold short increased during the year. The increase in obligations related to securities sold short is related to a securities trading platform introduced during FY2025 and associated with the increase in prepaid expenses and other receivables in Other Assets.

Derivative liabilities decreased due to the fair value associated with our interest rate portfolio as a result of a downward trend in interest rates. This was partially offset by an increase in fair value in our FX portfolio due to foreign exchange volatility.

Accumulated Other Comprehensive Income

Table 20: Total Accumulated Other Comprehensive Income

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Securities measured at fair value through other comprehensive income	$ 64,503	$ (812)	(1.2)%	$ 65,315
Derivative financial instruments designated as cash flow hedges	24,798	218,556	112.8%	(193,758)
Defined-benefit-plan liabilities	31,501	(42,970)	(57.7)%	74,471
Accumulated other comprehensive income (loss)	**$ 120,802**	**$ 174,774**	**323.8%**	**$ (53,972)**

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are recorded in the consolidated statement of operations only when realized or when certain trigger events occur. AOCI increased from last year as our hedge-accounted swap portfolio was favourably impacted by declining interest rates. These were partially offset by losses in our defined benefit plan valuation due to assumption changes.

Regulatory Capital

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, the ASFI, while supporting the continued growth of our business and building value for our Shareholder.

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act*, *ATB Regulation* and the OSFI *Capital Adequacy Requirements Guideline* (CAR Guideline). ATB's capital adequacy requirements were modelled after guidelines governing other Canadian deposit-taking institutions and authorized by the GoA's President of Treasury Board and Minister of Finance. ATB's minimum Tier 1 capital requirement is 7%, and the total capital requirement is the greater of 10% of risk-weighted assets or 5% of total assets. (See Note 25 to the financial statements for more on ATB's regulatory capital.)

The following table summarizes ATB's regulatory capital results, which have exceeded the Tier 1 and total capital requirements of the CAR Guideline.

Table 21: Regulatory Capital

As at March 31 *($ in thousands)*	2025	2025 vs. 2024 increase (decrease)		2024
Tier 1 capital				
Retained earnings	$ 5,561,077	$ 247,609	4.7%	$ 5,313,468
Tier 2 capital				
Eligible portions of:				
Wholesale borrowings	1,346,735	42,266	3.2%	1,304,469
Collective allowance for loan losses	233,279	6,279	2.8%	227,000
Total Tier 2 capital	**$ 1,580,014**	**$ 48,545**	**3.2%**	**$ 1,531,469**
Deductions from capital				
Software and other intangibles	340,363	166,339	95.6%	174,024
Total capital	**$ 6,800,728**	**$ 129,815**	**1.9%**	**$ 6,670,913**
Total risk-weighted assets	$ 45,492,743	$ 4,722,789	11.6%	$ 40,769,954
Risk-weighted capital ratios				
Tier 1 capital ratio	12.2%	(0.8)%		13.0%
Total capital ratio	14.9%	(1.4)%		16.3%
Assets-to-capital multiple	**9.4**	**0.3**		**9.1**

Risk-Weighted Assets

Total risk-weighted assets are determined by applying risk weightings defined in the CAR Guideline to ATB's on- and off-balance-sheet assets, as follows:

Table 22: Risk-Weighted Assets

		2025				2024	
As at March 31 ($ in thousands)	Risk-weighted percentage	**On- or off-balance-sheet value**	**Risk-weighted value**	**Risk-weighted value increase (decrease)**		**On- or off-balance-sheet value**	**Risk-weighted value**
On-balance-sheet amounts							
Cash resources	0–20	$ 1,012,276	$ 71,686	$ 1,296	1.8%	$ 1,675,126	$ 70,390
Securities	0–100	6,578,237	205,349	18,048	9.6%	5,657,673	187,301
Residential mortgages	0–100	20,063,612	4,316,699	14,254	0.3%	17,971,062	4,302,445
Other loans	0–100	34,252,916	33,259,978	2,787,077	9.1%	33,295,095	30,472,901
Other assets	20–100	2,281,205	641,694	261,581	68.8%	1,783,324	380,113
Total on-balance-sheet amounts		**$ 64,188,246**	**$ 38,495,406**	**$ 3,082,256**	**8.7%**	**$ 60,382,280**	**$ 35,413,150**
Off-balance-sheet amounts							
Guarantees and letters of credit (1)	0–100	$ 29,112,128	$ 6,997,337	$ 1,640,533	30.6%	$ 24,403,844	$ 5,356,804
Derivative financial instruments	0–50	37,846,684	-	-	-	32,402,471	-
Total off-balance-sheet amounts		**$ 66,958,812**	**$ 6,997,337**	**$ 1,640,533**	**30.6%**	**$ 56,806,315**	**$ 5,356,804**
Total risk-weighted assets		**$ 131,147,058**	**$ 45,492,743**	**$ 4,722,789**	**11.6%**	**$ 117,188,595**	**$ 40,769,954**

(1) Guarantees and letters of credit include undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis. ATB does not expect all facilities to be drawn, and some may lapse before drawdown.

Return on Average Risk-Weighted Assets

ATB achieved a 0.8% return on risk-weighted assets, which was consistent with the prior year.

Off-Balance-Sheet Arrangements

As a financial institution, ATB participates in a variety of financial transactions that, under IFRS, are either not recorded in the consolidated statement of financial position or are recorded at amounts different from the full notional or contract amount. These types of transactions are listed below.

Assets Under Administration

AUA consists of client investments managed and administered by ATB's subsidiary entities operating under the umbrella of ATB Wealth. AUA increased from $28.6 billion in FY2024 to a record $37.2 billion this year, fuelled by the acquisition of BCV and favourable market conditions. (See ATB Wealth in this MD&A.)

Derivative Financial Instruments

In the normal course of business, ATB enters into various over-the-counter and exchange-traded derivative contracts, including interest rate swaps, futures and foreign exchange (FX) and commodity instruments. These contracts are used either for ATB's own risk management purposes—to manage exposure to fluctuations in interest rates, equity and commodity markets, and FX rates—or to facilitate our clients' risk management programs.

All derivative financial instruments, including embedded derivatives and those qualifying for hedge accounting, are measured at fair value in the consolidated statement of financial position. Although transactions in derivative financial instruments are expressed as notional values, the fair value—not the notional amount—is recorded in the consolidated statement of financial position. Notional amounts serve as points of reference for calculating payments only and do not truly reflect the value associated with the financial instrument. (See Note 10 to the financial statements.)

Credit Instruments

In the normal course of lending activities, ATB enters into various commitments to provide clients with sources of credit. These typically include credit commitments for loans and related credit facilities, including revolving facilities, lines of credit, overdrafts and authorized credit card limits. To the extent that a client's authorized limit on a facility exceeds the outstanding balance drawn as at the end of the fiscal year, we consider the undrawn portion to represent a credit commitment.

For demand facilities, we still consider the undrawn portion to represent a commitment to our clients. However, the terms of the commitment are such that ATB could adjust the credit exposure if circumstances warrant doing so. Accordingly, from a risk management perspective, these demand facilities are considered to represent a lesser exposure than facilities with extended commitment terms. (See Note 21 to the financial statements.)

Contractual Obligations

During our normal daily operations, ATB enters into various contractual obligations to make future payments for certain purchase transactions and operating leases. (See Note 21 to the financial statements.) We are also obligated to make future interest payments on our securitization liabilities and wholesale borrowings. (See Notes 15 and 20 to the financial statements.)

Guarantees

In the normal course of operations, ATB enters into guarantee arrangements that satisfy the definition of guarantees established by IFRS 9 *Financial Instruments.* The principal types of guarantees are standby letters of credit and performance guarantees. (See Note 21 to the financial statements.)

Securitization

ATB participates in the CMB program. Under this program, ATB pledges qualifying mortgages to Canada Housing Trust (CHT), a special-purpose entity set up by the Canada Mortgage and Housing Corporation (CMHC), in return for funding. Part of the program is a swap agreement between ATB and CHT. This swap establishes the required cash payments between ATB and CHT. Due to the nature of the program and the fact that ATB substantially retains the risks and rewards related to the qualifying mortgages and certain securities, both are recognized in ATB's consolidated statement of financial position, while the swap is not.

ATB also enters into a securitization program with other financial institutions to securitize credit card and equipment finance receivables, in addition to synthetic securitization. These receivables and loans remain in ATB's consolidated statement of financial position as the risks and rewards have not been transferred. (See Note 15 to the financial statements.)

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Material Accounting Policies

ATB's material accounting policies are outlined in Note 2 to the financial statements. These policies are essential to understanding and interpreting the financial results presented in this MD&A and the financial statements.

Critical Accounting Estimates

Certain accounting estimates made by management while preparing the statements are considered critical in that management is required to make significant estimates and judgments that are subjective or complex about matters inherently uncertain. Significantly different amounts could have been reported if different estimates or judgments had been made. The following accounting policies require such estimates and judgments.

Allowance for Loan Losses

ATB records an allowance for loan losses for all loans and financial assets not held at fair value, which includes loan commitments and financial guarantee contracts. Impairment losses are measured based on the estimated amount and timing of future cash flows and on collateral values. For loans carried at amortized cost, impairment losses are recognized at each reporting date as an allowance for loan losses in the consolidated statement of financial position and as a provision for loan loss on the consolidated statement of income. Allowance for undrawn amounts is disclosed in Note 9 to the financial statements. Losses are based on the three-stage impairment model outlined below.

For financial assets measured at fair value through other comprehensive income, the calculated expected credit loss (ECL) is recognized as an allowance in other comprehensive income (OCI)—as an accumulated impairment amount with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is transferred to profit and loss when the asset is derecognized.

ATB assesses at each reporting date whether an asset has experienced a significant increase in credit risk since initial recognition. Assets are grouped into the following stages:

- **Stage 1:** When the asset is recognized, an allowance is recorded based on the 12-month ECL, which represents a portion of the lifetime ECL expected within 12 months of the reporting date. An asset will remain in Stage 1 until it has experienced a significant increase in credit risk since origination. Stage 1 also includes assets previously classified as Stage 2 if the credit risk has improved.
- **Stage 2:** When an asset has experienced a significant increase in credit risk since origination, an allowance is recognized for the lifetime ECL. Stage 2 also includes assets previously classified as Stage 3 if the asset is no longer credit impaired.
- **Stage 3:** Assets are considered credit impaired, with an allowance recognized equal to the discounted contractual cash shortfall expected over the remaining lifetime. Interest for assets in this stage is calculated based on the net loan balance.

Both the lifetime and 12-month ECLs are calculated either individually or collectively. If the credit quality improves in subsequent periods and results in a significant increase in credit risk no longer existing, the ECLs are measured at the 12-month ECL as the loan is moved back to Stage 1 from Stage 2. (See Risk Management in this MD&A and Note 9 to the financial statements.)

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received in the sale of a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. For those instruments with an available market price, fair value is established by reference to the last traded price before the balance sheet date. Many of ATB's financial instruments lack such an available trading market, and the associated fair values represent management's best estimates of the instruments' current value, taking into account changes in market rates or credit risk that have occurred since their origination. The most significant fair-value estimate this year relates to ATB's derivative financial instruments. (See Note 10 to the financial statements.)

Future Changes in Accounting Policies

A number of standards and amendments have been issued by the International Accounting Standards Board that may have an impact on ATB's financial statements in the future. (See Note 3 to the financial statements for a detailed explanation of future accounting changes and their expected impacts on the statements.)

RISK MANAGEMENT

The following discussion outlines ATB's approach to managing the key risks we face and includes a discussion of risk management policies and procedures relating to credit, market and liquidity risks as required by IFRS 7 *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Discussion of ATB's approach to managing key financial and other related risks forms an integral part of the audited financial statements for the year ended March 31, 2025.

ATB provides comprehensive financial and wealth management services and capital markets services to individuals, independent businesses, agriculture producers and corporate borrowers. As a result, we face exposure to a broad range of financial, business and regulatory risks, many of which are beyond ATB's direct control. ATB operates in a dynamic and increasingly competitive environment with substantial regulatory requirements and growing client and market expectations. Our mandated focus on the Alberta market continues to reflect a heightened level of geographic and concentration risk.

We define risk as the potential for loss or undesirable outcomes in earnings, liquidity, capital and/or reputation. ATB has a strong commitment to managing risk, with the objective of growing, protecting and managing Shareholder value. We manage risks by ensuring that our business strategies provide an appropriate return for the risks we take while staying within our Board-approved risk appetite. Our risk appetite statement addresses our major risk categories, which include credit, market, liquidity, operational, strategy, client experience, cybersecurity, regulatory compliance, environmental and social risks.

As we facilitate Alberta's economic growth, our primary objectives include:

- Identifying and assessing risks in our business activities and ensuring that the risks we take are within the risk appetite approved by our Board.
- Providing independent and effective challenges to risk-taking activity across ATB.
- Adopting a continuous improvement mindset with a focus on enhancing talent and evolving our methodologies, policies, processes, limits, tools and practices.
- Continuously monitoring our environment for external and internal threats to our business plans and reputation.

Top and Emerging Risks

As part of ATB's enterprise risk management (ERM) program, we regularly review and assess our operating environment to identify top and emerging risks, taking action to mitigate potential impacts.

Many risks are beyond ATB's control. Their effects may be difficult to predict, and they could cause our financial results to differ significantly from our plans and objectives. A top risk is an existing significant risk that could prevent us from achieving our strategic objectives. An emerging risk is one that has not fully materialized but is being monitored for its potential impact on our ability to achieve our objectives.

Below are highlights of the significant top and emerging risks we are facing:

Economic Uncertainty

As part of our mandate, ATB is required to operate and provide financial services predominantly in Alberta. The health of the Alberta economy affects our earnings and influences our ability to deliver on strategy and business plans. Near-term headwinds to Alberta's economic growth include the direct impacts of US tariffs on Alberta businesses and indirect impacts to Alberta's economy of US tariffs on global investor and consumer confidence, market volatility, potential output growth and commodity demand through lower commodity prices.

In addition to the near-term economic uncertainty described above, key Alberta economic sectors face long-term challenges stemming from the public policy–driven transition to a low-carbon economy over time. Escalation of climate policies and regulations may present both economic challenges and opportunities. For details on how we are approaching environmental-related risk management, refer to Environmental Risk.

Economic uncertainty affects consumer spending, business investment and housing prices and may in turn adversely impact ATB's income, performance of the loan portfolio and deposit levels. ATB closely monitors economic factors that could negatively impact our performance and relies on our risk management frameworks to manage risks related to economic uncertainty. For details on how we manage the associated risks, refer to Credit Risk, Market Risk and Liquidity Risk.

Cybersecurity

The financial services industry relies on digital technologies that are connected 24/7 across a large surface area. The threat of malicious attempts to access systems to steal data and funds, retrieve sensitive information or cause business disruption remains elevated. The increasing sophistication and continual evolution of the technologies and methods of attack exacerbate this risk, with greater exposures as we broaden our use of third-party services and digitalize our products and services. This risk is further heightened by global conflicts, as bad actors can target Canadian firms for political reasons. The consequences of cybersecurity events could be material in terms of loss of client information, business disruption, remediation and regulatory costs, legal and reputational damage, and loss of revenue and client confidence. ATB dedicates significant resources to designing, implementing and assessing our cybersecurity program across our three-lines-of-defence risk management model. For further details on how we manage these risks, refer to Cybersecurity Risk.

Competitive Disruption

ATB competes against larger national banks, small- and medium-sized banks, credit unions and financial technology (fintech) firms in the highly competitive financial services industry. This risk can result in strategic and financial performance deterioration, and, due to competitive pressures and areas like open banking, client expectations can outpace our ability to offer market-relevant digital products and services while maintaining a consistent client experience. Larger banks continue to scale digital product offerings through partnerships with fintechs, while smaller banks and credit unions have seen continued market growth. ATB is monitoring and responding to the competitive landscape as we improve our product and service offerings.

Risk Management

ATB aims to create and protect enterprise value by enabling risk-informed decision-making and balancing risk and return in our business processes. We do this by managing key risks identified throughout the business cycle that may impact the achievement of our strategic and business goals. Our ability to effectively manage risk is supported by:

- A strong risk culture.
- An effective governance and organizational structure, including the application of a three-lines-of-defence model.
- A well-articulated risk appetite statement.
- An effective ERM program (policies, processes, limits, tools and practices).

Risk Culture

We have adopted the Financial Stability Board's definition of risk culture as ATB's norms, attitudes and behaviours related to risk awareness, risk-taking and risk management. Risk management is the responsibility of all ATB team members, and our culture enables us to proactively identify, assess and respond to risks in a timely manner.

Expectations for team member behaviour and accountabilities are set out in our:

- Code of Conduct and Ethics.
- Enterprise risk appetite statement.
- Policies and procedures.
- Performance management and compensation practices.

ATB develops and fosters a risk-aware culture by:

- Establishing clear ownership of and accountability for risk management activities across the organization through the three-lines-of-defence governance model.
- Clearly and consistently communicating risk issues, supported by processes that allow for open discussion and challenge.
- Developing and implementing an enterprise risk appetite and key risk indicators.

Every team member is an integral part of our risk culture and is responsible for managing risk prudently and appropriately. Risk management is built into strategic, business and operating plans and operationalized via the implementation of our enterprise risk appetite statement.

Risk Governance

Ultimate responsibility for managing risk lies with ATB's Board of Directors, according to our risk governance framework. The following graphic illustrates the distribution of responsibilities for risk governance and oversight, risk strategic direction and control, and risk management and reporting:

Risk governance and oversight	Board of Directors	
	Risk Committee	Audit Committee

Risk strategic direction and control	Chief Executive Officer and Strategic Leadership Team						
	Ethics Committee	Asset/Liability Committee	Executive Risk Management Committee	Credit Committee	Operational Risk Committee	Cyber Risk Oversight Committee	Sustainability Steering Committee

Risk management and reporting	Three lines of defence		
	First line: Risk ownership and management	**Second line: Risk oversight**	**Third line: Independent assurance**
	• ATB's areas of expertise and strategic support units are responsible for ensuring risk controls are in place and effective across business processes.	• Risk Management group • Finance, People, Culture, Brand & Communications, Legal & Sustainability[3]	• Internal Assurance department • External auditors

Risk Governance and Oversight

While retaining overall responsibility for risk, the Board delegates risk oversight to the Risk and Audit committees. These Board committees have the risk governance responsibilities described in the following table:

Board committees	Responsibility	Chaired by
Risk	Oversees risk management throughout ATB. Reviews and recommends, for the Board's approval, ATB's risk appetite statement, approves all major risk policies and regularly reviews ATB's performance in relation to approved risk appetite levels.	A Board director
Audit	Oversees financial reporting and monitors and oversees the adequacy and effectiveness of internal controls over financial reporting.	A Board director

[3] Finance, People, Culture, Brand & Communications and Legal & Sustainability perform first-line-of-defence activities where the Risk Management group provides independent oversight. However, they also form an important control and oversight function as part of the second-line-of-defence principal structure.

Risk Strategic Direction and Control

Chaired by the CEO, the Strategic Leadership Team (SLT) comprises senior executives spanning all AOEs and SSUs. Together, they develop ATB's strategic direction, oversee the development of appropriate risk management frameworks and establish policies and procedures designed to maintain risk within our risk appetite. The SLT delegates risk oversight to the management committees described in the following table:

Management committees	Responsibility	Chaired by
Ethics	Monitors the tone on ethics at ATB and ensures ATB's practices meet or exceed ethical standards. Reviews the codes of conduct and ethics and the anonymous safe disclosure program. Reviews allegations of wrongdoing and reports to the Board of Directors.	Chief Executive Officer
Asset/Liability	Oversees the direction and management of market risk and liquidity risk, as well as ATB's funding and capital positions.	Chief Financial and Strategy Officer
Executive Risk Management	Sets the overall direction, makes key decisions relating to enterprise risk management activities across ATB and supports the design, execution and assessment of results from ATB's enterprise risk management program.	Chief Risk Officer
Credit	Adjudicates credit within prescribed limits and establishes operating guidelines, business rules and internal policies to support the management of credit risk throughout ATB.	Senior Vice President, Credit
Operational Risk	Oversees and gives direction on enterprise-wide operational risks.	Vice President, Operational Risk Management
Cyber Risk Oversight	Oversees and gives direction on enterprise-wide cybersecurity risks.	Senior Vice President, Technology Strategy, Architecture, Risk & Chief Information Security Officer
Sustainability Steering	Champions and oversees sustainability and its integration across the organization.	Chief Legal and Sustainability Officer & Corporate Secretary

Risk Management and Reporting

Our risk management program is defined through a series of policies and frameworks, processes, controls and limits, all cascading from ATB's Board-approved risk appetite statement and guided by our ERM framework.

Responsibility for risk management and reporting is guided by an established set of principles for ATB's three lines of defence:

- **First line of defence:** Risk ownership and management includes the groups that face risks directly. They are accountable for risk identification, assessment, mitigation and management, monitoring and reporting of risks against approved policies and appetite. They are accountable for taking and managing risks within their respective areas of responsibility, in line with approved limits, policies and authorities.
- **Second line of defence:** The Risk Management group establishes risk management policies and practices and provides risk guidance throughout ATB. It oversees and challenges the effectiveness of first-line risk management practices. It independently monitors and reports against established risk appetite to senior management and the Board's Risk Committee. While the Finance, People, Culture, Brand & Communications and Legal & Sustainability SSUs perform first-line activities where Risk Management provides independent oversight, they also provide an important control oversight function, advice and support across all three lines of defence.
- **Third line of defence:** The Internal Assurance department monitors the activities of management and provides independent assurance to the Board of Directors on the effectiveness of risk management practices and internal controls of the first and second lines of defence.

Risk Appetite Statement

ATB has a well-defined risk appetite statement, which establishes our enterprise-wide risk appetite as prudent, balanced and in line with our strategic objectives, mandate and responsibility to Albertans. We will:

- Ensure risks are understood and effectively managed in all business activities, recognizing that there is a client from end-to-end of all our transactions.
- Build strong company value and not take undue risk on any new product, service or strategy.
- Hold ourselves to the highest ethical standard and consider reputational risk and impact to our brand in all our current and future activities.
- Generate returns in accordance with our mandate.

ATB's geographical restrictions and business activities expose the organization to a wide variety of risks. While incurring risk is fundamental to a financial services corporation, the level of risk taken must be understood, assessed, managed and monitored against a predefined risk appetite.

ATB's risk appetite statement is the internal document that articulates the amount of risk ATB is willing to accept in pursuing our strategic objectives. It establishes the boundaries for risk-taking, includes risk definitions and measurable statements and tolerances and provides a platform for measuring risk management activities for key risks across the enterprise. Key risks for ATB include those related to credit, market, liquidity, operational, strategy, client experience, cybersecurity, regulatory compliance, environmental and social.

ATB's risk appetite may change over time. Therefore, the risk appetite statement is reviewed and updated at least annually. We report our exposures against our risk appetite to the Board's Risk Committee quarterly.

Enterprise Risk Management Framework

ATB's ERM framework is applied on an enterprise-wide basis. The goals of this framework are to:

- Ensure ERM processes are aligned with industry standards for financial institutions of ATB's size and complexity.
- Establish common risk language and direction related to risk management.
- Outline how ERM processes are deployed across the enterprise.
- Clearly define responsibilities for risk management, oversight and assurance across ATB's three lines of defence.

The framework is designed to make ERM an integral part of our management practices and an essential element of our corporate governance. ERM is intended to manage losses to expected levels and to levels within ATB's enterprise risk appetite statement and regulatory constraints. Our framework recognizes that ERM is an iterative process that encourages and facilitates continuous improvement in decision-making across ATB.

Risk Identification and Assessment

ATB deploys a variety of approaches to identify risks, and we assess risks using an evaluation methodology that considers both the severity of the risk and the likelihood of it occurring. Enterprise risks are further assessed for their impact on shorter- and longer-term objectives. Once the level of risk has been determined, the next step in the risk process is to determine how the remaining risk should be treated. Selecting the most appropriate risk treatment option involves balancing the costs of implementing each option against the benefits derived from the treatment.

Risk Monitoring and Review

Risk monitoring includes reviewing the effectiveness and appropriateness of risk treatments and the risk management system. ATB engages in continuous monitoring through routinely measuring or checking a risk's particular parameters, as well as through independent inspections, including internal and external audits. An element of effective risk management is regular reporting to senior management and the Board on, for example, ATB's risk profile (in appropriately aggregated form), top and emerging risks, the effectiveness of processes and controls and the results of internal or external audits.

Scenario Analysis and Stress Testing

Scenario analysis is a tool that informs strategic planning by challenging "business as usual" assumptions. Stress testing, a form of scenario analysis, is indispensable to risk management. Through stress testing, ATB defines and analyzes severe but plausible scenarios that could have important consequences for the company. Senior management reviews enterprise-wide stress-test results, uses the results to assess the appropriateness of capital levels and, where the impact of a stress test exceeds ATB's risk appetite, develops mitigating actions and alternative strategies.

The shaded areas of this MD&A represent a discussion of risk management policies and procedures relating to credit, market and liquidity risks as required under IFRS 7 *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Therefore, the shaded areas, which include Credit Risk, Market Risk and Liquidity Risk, form an integral part of the audited financial statements for the years ended March 31, 2025 and 2024.

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of a debtor, for whatever reason, to fully honour its financial or contractual obligations to ATB. Examples of typical products bearing credit risk include retail, commercial and corporate loans, guarantees, letters of credit and derivatives. Credit risk typically poses the greatest inherent risk of financial loss to lending institutions and is further amplified for ATB given our concentration in Alberta.

Credit Risk Governance

ATB's Credit Risk Management Policy and Framework clearly outline the governance responsibilities and processes related to the credit risk management program, including the application of prudent underwriting standards similar to other Canadian financial institutions and

the deployment of portfolio limits that ensure diversification of our portfolios. As the owners of credit risk and the first line of defence, EFS, ATB Business and ATB Wealth are accountable for credit decisions in adherence with approved policies, frameworks and operating procedures, including delegated authority. The Credit Risk Management team, part of ATB's Risk Management function, forms the second line of defence. This team provides oversight through the establishment of policies, frameworks, operating procedures and limits to independently evaluate and support recommended credit decisions provided by the AOEs and to continually monitor the overall credit risk level inherent in ATB's credit portfolio. Monitoring credit risk within the portfolio is performed independently from the credit decision process—it entails assessing ATB's credit risk level against defined credit risk thresholds, risk tolerances, risk appetite and industry peer group performance. The third line of defence is ATB's Internal Assurance department, which independently evaluates and reports on all stages and aspects of credit granting and monitoring.

We believe the three-lines-of-defence model adequately measures and mitigates credit risk exposures produced through daily lending and investment operations. This model has been used throughout the year, in addition to portfolio and individual-borrower monitoring, to ensure ATB remains aligned with the parameters of our credit risk appetite.

Credit Risk Management

ATB has a moderate appetite for credit risk, which we adhere to by pursuing lending strategies that balance risk and return, and we maintain an overall quality loan portfolio by applying prudent lending limits and practices. Our credit risk appetite requires that ATB's credit-granting operations:

- Enter into lending activities in markets only where we have the knowledge and processes in place to adequately manage risk.
- Manage credit exposures so anticipated losses from a given borrower are below risk appetite maximums, unless in rare and unique circumstances.
- Maintain terms such as retention of collateral and adherence to debt covenants to minimize potential losses.
- Operate within the boundaries of prudent lending policies, with exceptions held to defined thresholds, and provide reasonable oversight of the ongoing performance of loan assets.
- Maintain total loan losses within established tolerances.
- Maintain a diversified loan portfolio to the extent permissible within our legislative framework.
- Maintain a high-quality loan portfolio with performance monitored against risk appetite tolerances and benchmarked against our chosen peer group.
- Maintain a level of portfolio quality and diversification that produces loss estimates that are below established targets, using approved stress scenarios.

During stress events, we manage the credit portfolio while considering ATB's risk appetite and continuing to apply prudent credit policies and portfolio management techniques. Although legislation largely restricts ATB's lending operations to the Alberta marketplace, we manage a diversified portfolio by way of:

- Policies and limits that ensure diversification across various credit borrower types, sizes and credit-quality levels.
- Policies that ensure the portfolio is not overly concentrated within a particular industry sector, common risk or related group of individual borrowers, credit product or loan type, operational loan origination channel or geographic region within Alberta.
- Out-of-province syndicated loan exposure limits permitted under the *ATB Regulation*.
- Retention of sufficient loss-absorbing capital for severe but plausible stress events.

In striving to balance loan growth against maintaining credit risk exposure and key performance indicators within acceptable parameters, we manage the credit risk inherent in both individual transactions and the overall portfolio. ATB believes this dual approach to credit risk management and its alignment with our risk appetite are essential to our long-term success.

ATB's credit risk management approach recognizes that ATB operates in an ever-changing economy and must manage and moderate the potential variability of credit losses over a full economic cycle. The following key operational actions support our strategy:

- Use validated credit score models for adjudication and behavioural monitoring.
- Utilize accurate estimation processes and models for establishing the allowance for loan losses.
- Back-test and validate actual values to established forecasts to improve the accuracy of future results.
- Implement early-warning systems to give management advance notice of changing risk dimensions in credit portfolio profiles and external lending environments.
- Monitor key portfolio-risk indicators to actively maintain risk within the approved risk appetite levels or established management tolerances.
- Use credit risk mitigation techniques, as appropriate, to manage the level of credit risk.
- Use stress-testing techniques to identify and understand the potential impact of credit-quality migration or loss-rate movements as a result of extreme economic events.
- Continuously monitor to ensure ongoing compliance with ATB's risk policies, practices, appetite criteria and desired tolerances.
- Ensure accountability for managing credit risk throughout ATB according to our three-lines-of-defence model.
- Voluntarily comply with the current OSFI CAR Guideline and, pursuant to this compliance, hold adequate regulatory capital to protect the organization from severe credit-related stress events.

ATB continues to develop the capability to incorporate climate change considerations into our broader credit risk strategy, including building on our understanding of the potential impacts that both climate change and the actions to mitigate climate change will have on our borrowers.

Counterparty Risk

Client and financial institution counterparties are scrutinized through our regular credit risk management processes, and exposure limits are restricted by counterparty ratings. We also use credit risk mitigation techniques such as netting and requiring the counterparty to collateralize obligations above agreed thresholds to limit potential exposure.

Derivatives

The use of derivatives inherently involves credit risk due to the potential for counterparty default. To control this risk, we engage in various risk mitigation strategies through master netting and collateral agreements.

Within the parameters of our legislative and regulatory framework, ATB uses derivatives for managing our asset and liability positions and the risks associated with individual loan and deposit products offered to clients. We use several types of derivatives for this purpose, including interest rate swaps, futures and foreign exchange and commodity forward and futures contracts. We refer to these contracts as our corporate derivative portfolio.

ATB provides commodity, FX and interest rate derivatives to corporate clients, allowing them to hedge their existing exposure to commodity, FX and interest rate risks. We refer to these contracts as our client derivative portfolio. The client derivative portfolio is not used for generating trading income through active assumption of market risk but for meeting the requirements of ATB's corporate clients. ATB manages net exposure to such derivative contracts (except for related credit risk), as we either enter into offsetting contracts with other financial institution counterparties or, for foreign currency contracts only, incorporate them into our own FX position.

All derivative transactions are reviewed and managed within Board-approved policies, which outline the risk management requirements and standards for derivative transactions within ATB. ATB employs appropriate segregation of duties to ensure that counterparty exposure for the client and corporate derivative portfolios are managed and monitored within approved limits. Further, the Financial Risk Management group monitors derivative positions, and the Asset/Liability Committee (ALCO) reviews them monthly.

Credit Risk Measurement

ATB quantifies credit risk at the individual borrower, common risk/related group of borrowers or counterparty level, as well as the portfolio level. (See Notes 2(b) and 8 to the financial statements for further details.) Derivative exposure for ATB's corporate clients is measured using potential future exposure for commodities, FX and interest rate derivatives, and these measures are calculated and monitored daily. We are generally not exposed to credit risk for the full face value (notional amount) of derivative contracts, only to the current replacement cost if the counterparty defaults.

Table 23: Credit Risk Exposure

The amounts shown in the table below best represent ATB's exposure to credit risk, with the year-over-year increase driven by loan growth. (See Note 4 to the financial statements.)

As at *($ in thousands)*	**March 31 2025**	**March 31 2024**
Financial assets (1)	$ 62,879,190	$ 59,514,203
Other commitments and off-balance-sheet items (2)	29,101,939	24,393,968
Total credit risk	**$ 91,981,129**	**$ 83,908,171**

(1) Financial assets include derivatives stated net of collateral held and master netting agreements.
(2) Other commitments and off-balance-sheet items include the undrawn portion of ATB's loan commitments, guarantees and letters of credit.

Table 24: Industry Concentration

ATB is inherently exposed to significant concentrations of credit risk as our clients predominantly participate in the Alberta economy. The following table presents a breakdown of the three largest single-industry segments and the single largest borrower:

As at ($ in thousands)	March 31 2025	Percentage of total gross loans (%)	March 31 2024	Percentage of total gross loans (%)
Commercial real estate	$ 8,730,000	15.9	$ 7,325,781	15.4
Mining and oil-and-gas extraction	3,373,000	6.2	6,548,369	13.8
Agriculture, forestry, fishing and hunting	5,475,489	10.0	4,763,852	10.0
Largest borrower	$ 241,746	0.4	$ 1,143,833	2.4

Table 25: Real Estate Secured Lending (Insured and Uninsured)

Residential mortgage loans (RMLs) and home equity lines of credit (HELOCs) are secured by residential properties. The following table breaks down the amounts and percentages of insured and uninsured RMLs and HELOCs:

As at ($ in thousands)		March 31 2025		March 31 2024	
Residential mortgages	Insured (1)	$ 11,780,308	58.7%	$ 10,945,130	60.9%
	Uninsured	8,283,304	41.3%	7,025,932	39.1%
Total residential mortgages		**$ 20,063,612**	**100.0%**	**$ 17,971,062**	**100.0%**
Home equity lines of credit	Uninsured	$ 1,824,794	100.0%	$ 1,927,062	100.0%
Total home equity lines of credit		**$ 1,824,794**	**100.0%**	**$ 1,927,062**	**100.0%**
Total	**Insured**	**$ 11,780,308**	**53.8%**	**$ 10,945,130**	**55.0%**
	Uninsured	**10,108,098**	**46.2%**	**8,952,994**	**45.0%**

(1) Insured residential mortgages are mortgages insured against a loss caused by a borrower defaulting and include both individual and portfolio insurance. The amounts presented include bulk-insured conventional mortgages and mortgages insured by CMHC, Sagen and Canada Guaranty Mortgage Insurance.

Table 26: Real Estate Secured Lending (Amortization Period)

The following table shows the percentages of our RML portfolio that fall within various amortization periods:

As at	March 31 2025	March 31 2024
Less than 25 years	96.8%	97.9%
25 years and above	3.2%	2.1%
Total	**100.0%**	**100.0%**

Table 27: Real Estate Secured Lending (Average Loan-to-Value Ratio)

The following table provides a summary of our average loan-to-value ratio for newly originated and acquired uninsured RML and HELOC products:

As at	March 31 2025	March 31 2024
Residential mortgages	65.8%	63.8%
Home equity lines of credit	58.5%	55.7%

ATB performs stress testing on our RML portfolio as part of our overall stress-testing program to assess the impact of an economic downturn. Severe changes in house prices, interest rates and unemployment levels are among the factors considered in our testing. ATB considers potential losses in our RML portfolio under such scenarios to be manageable, given the portfolio's high proportion of insured and low loan-to-value ratio mortgages.

ATB has limited exposure to variable rate mortgages, which comprised 8.8% of total mortgages as at March 31, 2025, and 7.3% at March 31, 2024.

Market Risk

Market risk can arise due to changes in interest rates, FX rates, credit spreads, commodity prices and equity prices. ATB primarily has market risk exposure to both the risk-sensitive assets and liabilities on our balance sheet as well as to the derivatives and other financial instruments we use to manage the various risk exposures we face.

Market Risk Governance

ATB's market risks are managed in accordance with policies and frameworks that outline risk management requirements, program governance and monitoring and reporting standards across the three lines of defence. The focus of activities that result in market risks remains on servicing our clients' needs and managing the risk that arises from our clients' activities. ATB takes minimal market risk and instead aims to minimize volatility in earnings through various hedging activities.

As the second line of defence, ATB's Financial Risk Management group provides control and oversight and reports to the ALCO and the Board's Risk Committee on ATB's market risk exposures against Board-approved limits. The ERM framework gives the Risk Committee a view of the market risk profile compared to the approved market risk appetite. The Board reviews risk appetite and limits annually for market risk.

Interest Rate Risk Management

Interest rate risk is the risk of a negative impact on ATB's financial position due to changes in market interest rates, rate spreads, the shape of the yield curve or any other interest rate relationship.

Asset and liability management risk exists due to differences in the timing and pricing of interest-sensitive assets and liabilities on our balance sheet and the need to invest non-interest-sensitive liabilities and equity in interest-earning assets. Risks arise from, among other factors, different timing of interest rate resets, varying use of floating interest rate reference indices, early prepayments or unexpected drawdowns or growth of loan balances and unanticipated changes in deposit balances.

The impact of changes in interest rates on ATB's NII depends on several factors, including size and pace of change in interest rates, size and maturity of the assets and liabilities and observed lending and deposit behaviour of our clients versus expectations. ATB uses derivative financial instruments such as interest rate swaps and other capital-market alternatives to manage our interest rate risk.

Asset and liability management encompasses the following tasks:

- Develop interest rate risk management policies and limits
- Develop methods to measure, monitor and report interest rate risk
- Manage interest rate risk versus approved limits
- Measure, monitor and report interest rate risk exposure to the ALCO monthly and the Board's Risk Committee quarterly

Interest Rate Risk Measurement

ATB measures interest rate risk every month through three primary metrics:

- Interest rate gap measurement, which compares the notional difference or gap in interest rate repricings between assets and liabilities, grouped according to their repricing date
- Sensitivity of NII to sudden increases or decreases in market interest rates, measured over 12 months
- Sensitivity to the change in economic value due to changes in interest rates

(See Note 22 to the financial statements.)

Foreign Exchange Risk

Foreign exchange risk is the risk of loss resulting from fluctuations in foreign exchange rates. This risk arises from the existence of a net asset or liability position denominated in foreign currencies and/or a difference in maturity profiles for purchases and sales of a given currency.

ATB has a market risk management policy that establishes approved limits and defines the roles and responsibilities across the three lines of defence for the ongoing measurement, monitoring and management of foreign exchange risk.

ATB manages our foreign currency exposure through, for example, foreign exchange limits, measurement of non-trading exposures and buying/selling currency to remain within the Board-approved risk appetite.

As at March 31, 2025, ATB is within our approved minimum limits.

Commodity Price Risk

Commodity price risk arises when ATB offers derivative or deposit products where the value of the derivative instrument or rate of return on the deposit is linked to changes in the price of the underlying commodity. As discussed in Credit Risk, we use commodity-linked derivatives to fully hedge our associated commodity risk exposure on these products. ATB does not accept any net direct commodity price risk. (See Note 10 to the financial statements.)

Liquidity Risk

Liquidity risk is the risk that ATB may not meet all of our financial commitments in a timely manner, at reasonable prices. ATB manages liquidity risk to ensure we have timely access to cost-effective funds to meet our financial obligations as they become due, in both routine and crisis situations. We do so by managing cash flows, diversifying our funding sources and regularly stress testing, monitoring and reporting our current and forecasted liquidity position.

Liquidity Risk Governance

Treasury, acting as the first line of defence under the supervision of the ALCO, owns and manages liquidity risk in accordance with policies and limits approved by the Board. Liquidity risk management authorities, such as executing transactions and setting limits, are delegated from the Board to senior management. The Financial Risk Management group, as the second line of defence, provides independent oversight of liquidity risk exposures and is responsible for recommending changes to policy and limits.

Liquidity Risk Management

The liquidity risk management policy and framework outline ATB's liquidity risk management requirements, set thresholds for liquidity risk metrics and delegate duties and responsibilities for managing liquidity risk. The policy and framework are designed to comply with global liquidity standards set by the Bank for International Settlements and adopted by OSFI in the *Liquidity Adequacy Requirements Guideline* (LAR Guideline).

To ensure stable and well-diversified sources of funding, ATB determines and manages our liquidity needs using a wide range of financial products and borrowing programs. Our activities can include:

- Using a variety of funding sources for liquidity, such as our retail deposit base.
- Encouraging growth in deposits from individuals, which provide a stable source of funding over the long term.
- Participating in Canadian financial markets through the GoA's consolidated borrowing program, which issues short- and medium-term notes.
- Maintaining holdings of highly liquid assets in proportion to anticipated demand.
- Establishing access to other sources of liquidity that can be obtained on short notice if additional funds are required.
- Maintaining a securitization program to raise funds.
- Monitoring and managing deposit concentration levels.
- Maintaining a liquidity contingency plan that clearly sets out the alternatives for addressing liquidity shortfalls in emergency situations, whether caused by ATB-specific or generalized market-wide stress.
- Conducting stress testing to identify potential sources of liquidity strain.
- A three-lines-of-defence governance model providing oversight and challenge of liquidity risk management activities.

Liquidity Risk Measurement

We measure liquidity through a series of short-, intermediate- and long-term liquidity metrics, including the liquidity coverage ratio (LCR), net stable funding ratio and comprehensive net cumulative cash flow metrics defined in the OSFI LAR Guideline.

As at March 31, 2025, the LCR is 129.6% (2024: 128.5%), above the Board-approved minimum limit.

We monitor and proactively assess ATB's current and forward-looking liquidity position under a variety of asset and liability changes. Baseline forecasts are considered, as well as plausible but unexpected stress scenarios that could lead to large variations in liquidity. Liquidity risk is measured and managed at each AOE, as well as at an aggregated enterprise level.

Table 28: Long-Term Funding Sources

The following table describes ATB's long-term funding sources:

	2025		2024	
As at March 31 ($ in thousands)	**Long-term funding**	**Percentage of total**	**Long-term funding**	**Percentage of total**
Wholesale borrowings	$ 4,589,588	41.1%	$ 4,948,500	41.9%
Securitization liabilities	6,585,568	58.9%	6,866,553	58.1%
Total long-term funding	**$ 11,175,156**	**100.0%**	**$ 11,815,053**	**100.0%**

Table 29: Contractual Maturities (On-Balance-Sheet Financial Instruments)

The following table provides the maturity of assets and liabilities, based on the contractual maturity date:

	Term							
As at ($ in thousands)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**No specific maturity**	**Total**
March 31, 2025								
Assets								
Cash resources	$ 798,304	$ -	$ -	$ -	$ -	$ -	$ 213,972	$ 1,012,276
Securities	2,884,901	560,078	914,329	834,477	446,930	300,724	38,491	5,979,930
Securities purchased under reverse repurchase agreements	598,307	-	-	-	-	-	-	598,307
Loans	9,891,417	659,549	906,118	434,681	729,656	41,695,107	-	54,316,528
Derivative financial instruments	302,355	145,050	119,399	165,969	92,470	256,752	-	1,081,995
Other financial assets	-	-	-	-	-	-	549,147	549,147
Total financial assets	14,475,284	1,364,677	1,939,846	1,435,127	1,269,056	42,252,583	801,610	63,538,183
Other non-financial assets	-	-	-	-	-	-	650,063	650,063
Total assets	**$ 14,475,284**	**$ 1,364,677**	**$ 1,939,846**	**$ 1,435,127**	**$ 1,269,056**	**$ 42,252,583**	**$ 1,451,673**	**$ 64,188,246**
Liabilities and equity								
Deposits	$ 40,202,155	$ 1,692,077	$ 865,025	$ 388,923	$ 182,477	$ 1,382	$ -	$ 43,332,039
Wholesale borrowings	2,281,083	699,835	595,714	-	311,313	719,432	-	4,607,377
Securitization liabilities	1,167,067	1,280,698	1,406,102	1,065,919	728,686	902,199	-	6,550,671
Derivative financial instruments	336,353	195,565	107,142	119,321	59,522	182,711	-	1,000,614
Securities sold under repurchase agreements	959,291	-	-	-	-	-	-	959,291
Obligations related to securities sold short	44,023	24,240	4,632	-	6,551	100,088	-	179,534
Other financial liabilities	-	-	-	-	-	-	1,690,876	1,690,876
Total financial liabilities	44,989,972	3,892,415	2,978,615	1,574,163	1,288,549	1,905,812	1,690,876	58,320,402
Other non-financial liabilities	-	-	-	-	-	-	185,965	185,965
Total liabilities	**$ 44,989,972**	**$ 3,892,415**	**$ 2,978,615**	**$ 1,574,163**	**$ 1,288,549**	**$ 1,905,812**	**$ 1,876,841**	**$ 58,506,367**
Total equity	**-**	**-**	**-**	**-**	**-**	**-**	**5,681,879**	**5,681,879**
Total liabilities and equity	**$ 44,989,972**	**$ 3,892,415**	**$ 2,978,615**	**$ 1,574,163**	**$ 1,288,549**	**$ 1,905,812**	**$ 7,558,720**	**$ 64,188,246**

As at ($ in thousands)	Term Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	No specific maturity	Total
March 31, 2024								
Assets								
Cash resources	$ 1,368,864	$ -	$ -	$ -	$ -	$ -	$ 306,262	$ 1,675,126
Securities	1,380,766	2,056,804	93,750	470,727	545,501	273,660	29,501	4,850,709
Securities purchased under reverse repurchase agreements	806,964	-	-	-	-	-	-	806,964
Loans	11,540,529	578,304	599,868	545,306	674,246	37,327,904	-	51,266,157
Derivative financial instruments	311,941	168,027	54,678	47,166	85,047	261,864	-	928,723
Other financial assets	-	-	-	-	-	-	338,084	338,084
Total financial assets	15,409,064	2,803,135	748,296	1,063,199	1,304,794	37,863,428	673,847	59,865,763
Other non-financial assets	-	-	-	-	-	-	516,517	516,517
Total assets	**$ 15,409,064**	**$ 2,803,135**	**$ 748,296**	**$ 1,063,199**	**$ 1,304,794**	**$ 37,863,428**	**$ 1,190,364**	**$ 60,382,280**
Liabilities and equity								
Deposits	$ 38,016,557	$ 1,394,404	$ 321,927	$ 503,731	$ 337,430	$ 8,768	$ -	$ 40,582,817
Wholesale borrowings	2,678,120	349,569	699,697	593,826	-	598,381	-	4,919,593
Securitization liabilities	1,748,426	1,068,436	1,188,159	1,387,625	849,096	578,847	-	6,820,589
Derivative financial instruments	272,641	202,618	147,068	123,694	75,720	248,814	-	1,070,555
Securities sold under repurchase agreements	141,724	-	-	-	-	-	-	141,724
Obligations related to securities sold short	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	1,426,173	1,426,173
Total financial liabilities	42,857,468	3,015,027	2,356,851	2,608,876	1,262,246	1,434,810	1,426,173	54,961,451
Other non-financial liabilities	-	-	-	-	-	-	161,333	161,333
Total liabilities	**$ 42,857,468**	**$ 3,015,027**	**$ 2,356,851**	**$ 2,608,876**	**$ 1,262,246**	**$ 1,434,810**	**$ 1,587,506**	**$ 55,122,784**
Total equity	**-**	**-**	**-**	**-**	**-**	**-**	**5,259,496**	**5,259,496**
Total liabilities and equity	**$ 42,857,468**	**$ 3,015,027**	**$ 2,356,851**	**$ 2,608,876**	**$ 1,262,246**	**$ 1,434,810**	**$ 6,847,002**	**$ 60,382,280**

Table 30: Contractual Maturities (Off-Balance-Sheet Commitments)

Contractual maturities of certain off-balance-sheet financial liabilities are as follows:

As at *($ in thousands)*	Term						
Off-balance-sheet financial instruments	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
March 31, 2025							
Guarantees and letters of credit (1)	$ 1,406,496	$ -	$ -	$ -	$ -	$ -	**$ 1,406,496**
Commitments to extend credit (2)	27,706,151	-	-	-	-	-	**27,706,151**
Purchase obligations	194,649	88,167	52,741	37,626	17,637	9,558	**400,378**
March 31, 2024							
Guarantees and letters of credit (1)	$ 1,170,543	$ -	$ -	$ -	$ -	$ -	**$ 1,170,543**
Commitments to extend credit (2)	23,233,301	-	-	-	-	-	**23,233,301**
Purchase obligations	238,144	115,345	44,877	23,809	18,226	25,261	**465,662**

(1) ATB is called upon to satisfy a guarantee only when the guaranteed party fails to meet its obligations. ATB has recourse against the client for such commitments.
(2) Commitments to extend credit represent undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis. ATB does not expect all facilities to be drawn, and some may lapse before drawdown.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all our business activities, including the processes and controls used to manage credit risk, market risk and other risks we face. It can cause monetary losses and reputational harm or result in legal action or regulatory sanctions. Examples of operational risks include risks associated with third-party performance, process failure, theft and fraud, errors or misrepresentation in our products, employment practices, workplace safety, regulatory non-compliance, business disruption and exposure related to third parties, model use and damage to physical assets.

Operational Risk Governance

ATB's operational risk policy and framework outline the risk management standards, expectations, processes, programs and practices to conduct our business activities in a manner that does not expose us to a level of operational risk that exceeds the Board-approved risk appetite. The policy and framework also establish appropriate accountability for operational risk management across the three-lines-of-defence model and align with relevant regulatory principles.

Operational Risk Management

Operational risk management is achieved through the implementation and maintenance of the operational risk management programs, which encompass risk appetite, tolerances, processes, tools and controls deployed across ATB.

While operational risk can never be fully eliminated, we can manage it to reduce our exposure. We do so through a variety of techniques, including risk and control assessments, new initiative assessments, loss data collection and analysis, business continuity management, insurance and ongoing monitoring and reporting.

Third-Party Risk

The decision to engage in a relationship with a third party introduces risk to ATB's operations and reputation. While ATB may use third parties to support business activities, functions or processes, doing so does not reduce our risk management obligations. ATB's third-party risk policy and framework outline the risk management standards and activities that identify the risks associated with third-party relationships and ensure appropriate controls and processes exist to manage and/or mitigate the risks associated with third-party relationships.

ATB manages third-party risk throughout the lifecycle of a third-party relationship. ATB requires third-party relationships to be documented as a duly executed and endorsed contract agreement that addresses all fundamental elements, terms and conditions of the business relationship. ATB has an appropriate third-party risk management policy, framework and processes. We conduct business activities in a manner that does not expose us to a level of risk that would breach our risk appetite.

Model Risk

Model risk is the risk of adverse financial (for example, inadequate capital, financial losses, inadequate liquidity) and non-financial (for example, reputational, operational, ethical) consequences arising from flaws or limitations in the design, development, implementation and/or use of a model. A model is defined as the application of theoretical, empirical, judgmental assumptions and/or statistical techniques, including artificial intelligence/machine learning methods, to process input data to generate results. Model risk can originate from, among other things, inappropriate specification; incorrect parameter estimates; unwanted bias; flawed hypotheses and/or assumptions; mathematical computation errors; inaccurate, inappropriate or incomplete data; lack of controls in data lineage; inappropriate, improper or unintended usages; AI bias or hallucination output; and inadequate monitoring and/or controls.

Consistent with ATB's operational risk management policy and framework, the three-lines-of-defence operating model establishes the appropriate accountability for managing model risk. Model owners, developers and users serve as the first line of defence, while the Model Risk Management (MRM) group is the second line of defence, and ATB Internal Assurance is the third line of defence. The MRM group seeks to ensure models are robust, appropriate for their purpose and independently validated in accordance with the model risk management policy and framework. To that end, the MRM group is responsible for oversight activities that independently identify, assess, monitor and report model risk on an enterprise basis and provides a second-line-of-defence challenge, timely vetting and model revalidation, as well as model implementation and performance review. First-line model owners, developers and users work with the MRM group on the design, development, deployment, maintenance and ongoing use and performance of models in compliance with the model risk management policy and framework. ATB manages our exposure to model error and model bias through appropriate governance and controls and by ensuring exposures are within acceptable tolerances set out in ATB's Board-approved risk appetite statement.

Fraud Risk

Fraud risk is an operational risk that arises from intentional deception, resulting in not only the potential for significant financial loss to ATB and our clients but also significant exposure to reputational risk and regulatory action. It may be any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.

ATB's fraud risk management activities align with relevant principles set out by the *ASFI Supervisory Framework* and OSFI's regulatory and supervisory practices and incorporate the three-lines-of-defence model. The model includes the design, development and maintenance of internal process and system controls to identify, assess, manage and monitor fraud risks. ATB's approach to fraud risk management is to ensure effective processes, controls and metrics are deployed to manage fraud events and potential losses to levels within our Board-approved risk appetite.

Strategy Risk

Strategy risk is the risk of current or prospective adverse impacts to ATB's earnings, capital, reputation or standing arising from ineffective strategic decisions or lack of responsiveness to industry, economic or technological changes. Innovation risk is a subset of strategy risk and reflects the risk of ineffective business strategies or models associated with failing to adapt to changing client needs or having others deliver new ways of meeting those needs. Business execution risk is an extension of strategy risk and arises from an inability to successfully execute on strategic plans and goals. Business execution risk can negatively impact ATB's capital, earnings, operations or reputation. Strategy risk addresses whether ATB is "doing the right things," whereas business execution risk addresses whether we are "doing things right."

Strategy Risk Governance

The Board has overall stewardship of ATB, oversees ATB's strategic direction, monitors ATB's performance in executing our strategy and meeting our objectives, oversees implementation of an effective risk management culture and actively monitors ATB's risk profile relative to our risk appetite. The Risk Committee monitors strategy risk on a regular basis. The Executive Risk Management Committee reviews and discusses significant risk issues and action plans as they arise in the implementation of the enterprise-wide strategy.

Strategy Risk Management

ATB aims to reduce strategy risk by deploying a dynamic strategic planning process that considers our evolving environment and enterprise capabilities. On an ongoing basis, ATB assesses performance and considers top threats to our strategies and the execution of the plan. ATB manages innovation risk by driving an innovative mindset in how we work, identifying and assessing disruptive scenarios that can impact ATB today and in the future and elevating our investment in processes, tools and channels to address disruptive risks. We mitigate business execution risk through process enhancements such as reimagining how we collaborate, adopting a continuous improvement approach to foundational processes and closely monitoring the realization of our strategic tactics in our business results. Additionally, key talent risk is managed through our focus on leading people and culture programs, building on ATB's commitment to putting people first and creating an undeniable reputation in the talent marketplace as being the place to work.

Client Experience Risk

Client experience risk is the risk of sudden or progressive erosion of client confidence in ATB's ability to meet client needs and expectations. This may lead to an inability to retain and attract clients, which, in turn, could lead to volatility in income levels.

ATB incorporates business practices, policies, actions and behaviours to ensure our clients have an optimal experience. In doing this, ATB balances experience while consistently acting in each client's and ATB's best interest with consideration of the laws and regulations ATB is obligated to adhere to. Client experience risk is managed through regular monitoring of key metrics and deliberate action in response to any negative trends.

Cybersecurity Risk

Cybersecurity risk is the risk of loss or potential loss related to technical infrastructure or the use of technology by ATB or our third parties (including unauthorized access to our clients' data). Cybersecurity risk can arise from a lack of training/awareness, vendor/supply chain vulnerabilities, lack of or ineffective compliance with cybersecurity controls, concentration of data and associated analytics, lack of resources/investment, external dependency management, poor change management controls and ineffective cyber-incident management and resilience. As the landscape of cyber threats evolves, it is critical to continuously assess and address these risks to protect sensitive data, ensure operational continuity and safeguard trust with clients.

Cybersecurity risk is not only an IT issue—it is an enterprise-wide risk that requires an interdisciplinary approach and a commitment to ensure all aspects of the business are aligned to support effective cybersecurity practices. ATB's cybersecurity risk management strategy is focused on building a sustainable and resilient approach to operating and managing risk for our team members, clients, infrastructure, data, assets and systems. Our approach includes the design, implementation, governance and regular assessment of policy, framework and corresponding controls aligned to industry best practices.

ATB prioritizes investments and resources in cybersecurity to reduce our exposures to acceptable levels in line with our risk appetite. The Cybersecurity Risk Management program contains key pillars to address cyber-risk vulnerabilities and protect the assets of the organization and our clients against rapidly evolving cyber threats. Our cybersecurity efforts rely on highly skilled team members, advanced tools and technologies and sound processes across the three lines of defence. We assess individual initiatives for their impact on ATB's cyber-risk profile and consider how they will strategically advance the maturity of our defences. ATB has controls in place to prevent, detect, respond to and recover from cyber threats, and we regularly conduct assessments of our control environment against best practices and standards. To bolster ATB's resiliency in the face of cyber attacks, defence capabilities are extended through partnerships with well-established cybersecurity vendors, and we provide mandatory cybersecurity awareness training to all our team members.

Regulatory Compliance Risk

Regulatory compliance risk exists if ATB does not comply with applicable regulatory requirements, including those in the *ATB Act*, *ATB Regulation*, associated guidelines and other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which we operate. These include anti-money-laundering (AML) and anti-terrorist-financing (ATF) requirements and privacy requirements.

Mounting regulatory changes are significant and include, but are not limited to, those addressing payment modernization, consumer-directed finance (open banking), sustainability and climate change, third-party risk, investor protection, privacy and anti–money laundering. These changes—along with the delivery of other government interventions in the financial sector (for example, lending to individuals and businesses) and ongoing and increasing expectations of regulators and partners to assess and more tightly manage the risk profile—carry the risk of materially impacting ATB's capacity to deliver on our business plan and strategic priorities.

Failure to properly manage regulatory compliance risks may result in litigation, criminal or regulatory proceedings commenced against ATB, sanctions and potential harm to ATB's reputation. Financial penalties, judgments and other costs associated with legal and regulatory proceedings may also adversely affect ATB's business, results or financial condition.

Regulatory Risk Governance

ATB is exposed to regulatory compliance risks in almost everything we do, and we have established a program to proactively promote risk-based management of regulatory compliance risk through an enterprise-wide risk-based model.

ATB's Regulatory Compliance Management (RCM) group maintains an enterprise regulatory compliance management policy, framework and relevant procedures to identify, assess and manage regulatory compliance risk in alignment with the Board-approved risk appetite. Regulatory developments are actively monitored by the RCM group, which works with the first line of defence to implement required changes to systems and processes and to manage legal and regulatory compliance risks within risk appetite. Legal Services provides legal strategies and advice on the performance of legal obligations and manages litigation that involves or impacts ATB or our subsidiaries. To ensure compliance stewardship, regular reporting is provided to senior management and the Board.

Money Laundering and Terrorist Financing Risk

Money laundering and terrorist financing risk is the risk that ATB will be used as a conduit to launder money or assets derived from criminal activity or to fund terrorist activities.

ATB has an established AML/ATF program, including policies, frameworks, technology and procedures that appropriately identify, assess, measure and manage ATB's AML/ATF risks in a way that does not expose us to a level of risk that would exceed the risk appetite approved by the Board. The Chief Anti-Money Laundering Officer (CAMLO) is responsible for managing the AML/ATF program.

The AML/ATF risk assessment methodology identifies current and emerging money laundering and terrorist financing risks inherent in ATB's business activities and is designed to meet the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated regulations. The objective of the risk assessment is to identify the AOEs and clients that are at a higher risk for money laundering or terrorist financing activities. Applicable business units are responsible for the design, documentation and implementation of business unit–specific policies, procedures and controls to manage all AML/ATF obligations identified by the CAMLO and to manage and mitigate inherent money laundering and terrorist financing risks. The CAMLO provides business unit oversight, including ongoing monitoring efforts and enhanced due diligence.

Privacy Risk

Privacy risk is the risk of ATB not complying with privacy legislation (for example, all applicable privacy laws and regulations) that is applicable to the products or financial services ATB offers.

ATB adopts the three-lines-of-defence model to manage privacy risk and has implemented a corporate privacy policy, procedures and suitable controls to address privacy risk and safeguard personal information. The level of safeguards implemented must be commensurate with the nature and sensitivity of personal information involved. The privacy landscape is dynamic, and regulatory expectations continue to evolve at a rapid pace, including new AI rules and data requirements. ATB continues to adopt privacy guidelines, regulatory guidance and industry best practices to enhance our privacy program and implementation of privacy controls. Senior management and the Board exercise oversight to continuously evaluate and monitor the enterprise privacy program.

Environmental Risk

Environmental risk is the risk of financial loss or reputational damage resulting from environmental liabilities and/or physical, transition and liability impacts of climate change. ATB considers significant environmental-related risks as transverse risks that can impact ATB's key risk categories, including credit, market, liquidity, operational, regulatory and reputational risk. ATB manages our environmental risk via an environmental risk appetite statement and associated risk tolerances. ATB has taken a pragmatic approach to prioritize climate-related risks in our risk management system.

Physical risks caused by events such as severe weather and longer-term shifts in climate patterns, such as chronic drought, extreme heat or floods, may impact the performance of ATB or our clients directly or indirectly. Transition risks are the financial and reputational risks to ATB and our clients stemming from the economic, political, legal and technological changes expected to occur as society transitions to a lower-carbon economy over time. Liability risks relate to potential exposure to the risks associated with climate-related litigation.

The regulatory environment concerned with environmental risks continues to evolve. OSFI has published Guideline B-15: *Climate Risk Management*, which establishes expectations related to the disclosure of climate-related risks and opportunities. In addition, the Canadian Sustainability Standards Board has released its standards for sustainability-related and climate-related voluntary disclosure. ATB continues to monitor these developments and evolve our approach to the implementation of relevant standards and regulations over time.

Environmental Risk Governance

ATB's Board of Directors provides oversight of key environmental risks, including those affected by climate change. The Risk Committee assists the Board in fulfilling its responsibilities by overseeing management of key business risks within risk appetite, establishment of key risk management policies and compliance with regulatory requirements. The Audit Committee oversees financial reporting, including the potential for, or actual, environmental-related financial impacts on ATB. The Governance and Conduct Review Committee develops governance policies and procedures, including ATB's Sustainability Governance Policy and oversees ATB's sustainability-related reporting, including climate-related disclosure.

The management of environmental risk requires a multidisciplinary approach across the organization. ATB's Chief Legal and Sustainability Officer & Corporate Secretary leads the formalization and implementation of ATB's approach to sustainability. In support of ATB's approach to sustainability, and to ensure ATB continues to prudently manage our key risks, ATB Risk Management gives consideration to the establishment of or amendment to policies, processes and controls to support the identification and management of climate risk. ATB's Executive Risk Management Committee oversees the overall direction relating to the integration of environmental risk within our existing enterprise risk management activities. ATB's Sustainability Executive Steering Committee is accountable for overseeing sustainability and its integration across the organization.

Environmental Risk Strategy

We believe that integrating sustainability is a prudent business strategy that enables us to meet short-term goals while laying the foundation for long-term shared value. This approach serves as a key enabler of ATB's enterprise strategy and sustainability commitment to advancing our economy and environment together. ATB incorporates sustainability into strategic planning and risk management activities by applying a stakeholder lens, including the incorporation of sustainability considerations into our risk management governance documents. Ongoing monitoring of regulatory requirements, global standards, scenario analysis results and stakeholder perspectives and expectations will continue to inform strategic planning in the years to come.

Environmental Risk Management

ATB has been managing environmental and climate risk exposure for many years. Our ERM framework guides our practices, including:

- Ensuring ATB's environmental risk activities are aligned with our mandate and purpose.
- Supporting ATB's strategic objectives and risk mitigation process.
- Integrating environmental considerations into relevant risk processes.
- Reporting on environmental risk issues in a manner consistent with relevant reporting standards and frameworks and meeting applicable legal and regulatory requirements and accounting standards.

In addition, ATB considers the impacts of borrowers' environmental liabilities in our existing credit risk assessment processes. In recent years, we effectively managed the impacts of physical climate risks on our portfolio due to forest fires, drought, early snowfall and severe flooding. By offering relief programs and working directly with affected clients to arrive at a solution, we have sustained their operations while mitigating our risk of loss.

Environmental risk management activities continue to focus on building capabilities to effectively integrate emerging climate change considerations into our existing risk practices across business lines, as well as asset and liability classes. We engage with industry experts to gain knowledge and build internal expertise, and we conduct scenario analysis of potential environmental risk pathways using internationally recognized climate change scenarios and models.

The results of ongoing scenario analysis will continue to inform ATB's identification, assessment, management and disclosure of climate-related risks and further development of our environmental risk management program.

Metrics and Targets

ATB has been measuring and disclosing the greenhouse gas emissions related to our own operational footprint annually since 2017, and rebaselined to 2019 in FY2024. For more details regarding ATB's emissions measurement methodology and metrics, see the FY2025 Sustainability Report.

Social Risk

Social risk is the risk arising from activities perceived as unethical, causing moral controversies or negatively impacting the social benefit of the Alberta communities in which we operate. These may result in legal, cultural, economic or reputational harm to ATB, our team members, suppliers, clients and Albertans. Social risks are managed by implementing practices that ensure ethical principles are consistently applied to investment, governance and operating decisions and that ATB's reputation is safeguarded and protected through stakeholder management.

ATB's codes of conduct and ethics outline the principles and standards that guide the conduct of every ATB director and team member. The Board's code sets the "tone at the top" for upholding the law, rules and regulations. The Board Chair is ultimately responsible for monitoring Board members' compliance with their Code of Conduct and Ethics. Multiple Board committees, including Risk and Audit, oversee ATB team members' compliance.

ATB manages ethics-related social risk through our team member Code of Conduct and Ethics, the availability of a whistleblower hotline, an ethics framework touching on specific aspects of ATB's operations and a strong tone at the top to reinforce ATB's shared principles. Mitigation efforts address many aspects of ATB's operations and include the highlighting of ethics issues in communications to team members, the implementation of proactive testing regarding the ethical use of AI and data, and the tracking of key indicators for significant third parties.

ATB proactively manages our reputation in a number of ways, including adopting transparent communication with our clients, maintaining high standards of governance and consistently monitoring social and traditional media to identify and respond to potential issues.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Principles

Our executive compensation philosophy is based on the belief that a high-performing executive team that can advance the corporate strategy is a cornerstone of our organization, that our executives must have the opportunity to earn competitive compensation for talent relative to our market and that leadership development and succession planning are critical.

ATB's competitive total compensation policies and programs are guided by business and talent strategies used to attract, retain and motivate the talent needed in a highly competitive marketplace.

- Our total compensation approach aligns with our purpose, strategic goals and desired culture to drive enterprise performance for both short-term results and long-term success.
- Our compensation plans align with Shareholder expectations by creating ongoing financial value, business sustainability and client obsession.
- Our compensation practices and performance-setting follow good corporate governance.
- Our compensation plans are transparent and support performance-differentiated pay within acceptable risk practices and tolerances.

In keeping with our compensation philosophy, and to ensure successful execution of the Path to 2030, our compensation policies and programs align with the following key principles:

- Leaders and team members are focused on the success of the Path to 2030, including long-term sustainability and One ATB.
- Performance-differentiated pay, with pay reflecting performance.
- Alignment with the competitive talent market—targeting mid-market on total direct compensation (base plus short-term and long-term incentives). The combination of culture, opportunities for personal and professional growth, health and wellness benefits, pension and support of life beyond work differentiates ATB from the market.
- Simple, fair and transparent compensation programs.

We continually review the breadth and depth of information we provide about compensation. Our disclosure is aligned with our competitors, including other Canadian financial institutions. We believe this format provides a fulsome review of our compensation plans and the appropriate level of information regarding the compensation packages of our President and CEO, Chief Financial and Strategy Officer (CFO) and the next three most highly compensated senior executive officers at ATB.

Compensation Governance and Alignment to Corporate Strategy

Board of Directors

- Approves the compensation and benefits for the CEO.
- Annually approves the CEO's performance objectives.
- The Board Chair, in partnership with the HR Committee Chair, evaluates the CEO's performance against established objectives and approves all CEO short-term and long-term incentive compensation. The CEO's base salary is set by the Lieutenant Governor in Council (LGIC) of Alberta.
- The Board reviews the evaluation of the CEO's performance and the CEO's variable pay elements. Reviews compensation awards and performance information for other senior executive officers in light of ATB's results.
- Reviews and ensures appropriate pension governance policies and procedures are in place, related to its obligations as a plan sponsor and administrator and in accordance with applicable legislation and regulations.
- Ensures that appropriate risk management and internal controls structures are in place for broadly establishing structures to ensure good governance, including the integration of sustainability principles.
- Approves new or material changes to enterprise-wide compensation and benefit plans.

Human Resources Committee

- Recommends to the Board of Directors to approve compensation and benefits for the CEO.
- Recommends annually to the Board of Directors to approve the CEO's performance objectives.
- The HR Committee Chair, in partnership with the Board of Directors Chair, evaluates the CEO's performance against established objectives.
- The HR Committee reviews the evaluation of the CEO's performance and CEO's variable pay elements, as well as the compensation, benefits and performance assessment of executives who report directly to the President and CEO, are named executive officers, or are designated officers.
- Approves total rewards strategies, compensation philosophy and principles—with consideration for alignment of those strategies with ATB's sustainability principles and practices, management's report on compensation disclosure, executive severance guidelines, pension plan risk management statement and governance structure, significant matters including funding and investment policies, and actuary reports.
- Recommends to the Board of Directors to approve new or material changes to enterprise-wide compensation and benefit plans.

Management

- Provides recommendations on strategies, plans and programs for consideration by the HR Committee, including compensation programs, executive severance guidelines and pension plan.
- The CEO approves executive compensation, benefits and performance assessments for the top executives in the organization and presents this information to the HR Committee for review.
- Management uses the Compensation Executive Steering Committee (CESC)(1) to formulate recommendations for the HR Committee on matters pertaining to compensation philosophy and principles, management's report on compensation disclosure and new or material changes to enterprise-wide compensation and benefit plans.
- Management also reviews the Chief Risk Officer's (CRO's) annual report addressing alignment of risk appetite and compensation practices.
- The CESC approves the non-material compensation framework and design changes based on alignment to strategic business direction, expert advice and/or third-party market data, and oversees the ongoing administrative requirements associated with compensation.

(1) The CESC meets quarterly, at a minimum, and includes the President and CEO, Chief Financial and Strategy Officer, CRO, Chief Client Experience and Technology Officer, Group Head of an area of expertise (AOE) and the Chief People, Culture, Brand and Communications Officer. The Chair of the HR Committee of ATB's Board of Directors may observe with the intent to serve as a mentor for the committee.

ATB's compensation philosophy and established principles guide the design of our compensation programs. Executive goals reflect the journey to executing on our strategy and achieving the right results in both the short and long term. Emphasis is on performance-driven incentive pay, especially for outstanding executive leaders and performers. We believe our compensation programs support the right balance of acquisition and growth of critical executive talent that is required to deliver on ATB's corporate strategy.

Compensation Risk Management

Alignment With Risk Appetite

Risk awareness and mitigation are integrated into business planning, objective setting and governance—all of which influence the executive compensation program. Performance expectations align with our articulated risk profile and appetite. When setting goals, performance targets and compensation trajectories, ATB considers evolving risks such as market conditions, demographic shifts and regulatory standards. The Board of Directors approves all corporate performance targets. The setting of relevant performance objectives supports a clear line of sight to teams, AOEs and organizational goals, as applicable, without promoting excessive risk-taking. We aim to ensure compensation aligns with the short-term interests and long-term sustainability of our organization and Shareholder interests. The Risk Committee of the Board and the Board of Directors receive quarterly updates on risk performance relative to risk appetite, compliance with risk management policies, compliance with regulatory requirements and ATB's financial performance across the organization.

Annual Compensation Risk Assessment

Annually, the CRO conducts a compensation risk assessment, providing highlights to the Risk Committee and HR Committee. This assessment gives consideration to compensation plans—focusing on incentives, performance objectives and results, and adequacy of governance practices relative to ATB's risk appetite, Financial Stability Board principles, and industry practices. Based on this assessment, the CRO may recommend an adjustment to an executive's incentive compensation, for consideration by the CEO, HR Committee and Board of Directors, as applicable. The CRO's FY2025 assessment did not identify any material issues affecting the overall integrity of ATB's compensation system.

Variable Compensation Forfeiture and Clawback

ATB's Executive Variable Compensation Forfeiture and Clawback Policy allows the Board of Directors to require, in specific situations, the reimbursement and/or forfeiture of incentive compensation awarded to named executive officers (NEOs). The policy assists in effectively balancing risk and reward for ATB from a compensation perspective. Variable compensation is any incentive pay earned for objective achievement, including but not limited to short-term incentives (STIs) and long-term incentives (LTIs)—subject to a two-fiscal-year look-back period. The CRO's annual compensation risk assessment supports the policy by reporting on material risk events and weaknesses to aid the HR Committee and Board in determining if forfeiture and clawback action should be taken.

The policy covers two types of material risk events: financial restatement and intentional wrongful acts. Wrongful acts include misconduct, theft, embezzlement, fraud or other malfeasance or misfeasance. In the event of financial restatement, the Board will conduct an independent review of the circumstances leading to the restatement. If the Board determines the restatement was due to an intentional wrongful act by one or more NEOs, the Board shall claw back or cancel some or all of the variable compensation awarded. If the Board determines the restatement was not due to an intentional wrongful act by one or more NEOs, the Board may at its discretion claw back or cancel some or all of the variable compensation awarded. In the event the Board determines that an NEO committed an intentional wrongful act, regardless of whether a restatement has occurred or may occur, the Board will claw back or cancel some or all of the variable compensation awarded to that particular NEO.

In the event of executive termination with cause, ATB's LTI and STI plans that apply to executives, in addition to the NEOs, have provisions that provide for full forfeiture of outstanding and previously awarded but unpaid compensation. These plans also have provisions to correct any unpaid variable compensation values for all executives in an instance of material financial restatement.

Alignment With Shareholder Expectations

ATB is operationally independent of the Government of Alberta (GoA), under the oversight of a diverse Board. ATB's mandate from our Shareholder includes delivering returns comparable to our peers. As a result, ATB's compensation is designed for the competitive financial services market in which we operate, to attract and retain talent while demonstrating alignment with the GoA's core compensation principles. These core principles require that compensation reflects a commitment to public service; is fair and consistent; is transparent to Board members, employees and the public; and is fiscally prudent. Under Alberta's *Public Sector Employers Act*, ATB's executive compensation is subject to review by the GoA.

Independent Compensation Advice

ATB's HR Committee engages independent advisors to provide external insight related to executive compensation best practices and market trends. The advisors offer specialized expertise relative to compensation philosophy, governance, design, and policy and performance measurement and assessment. In FY2024, Hugessen Consulting provided advice to the HR Committee related to the design of a new LTI plan for FY2025 and provided feedback on committee meeting materials prepared by management. The following table shows the fees paid to Hugessen Consulting during the last two fiscal years for executive and non-executive compensation matters:

	Billed in FY2025	Billed in FY2024
Executive compensation-related fees	$ 43,611	$ 103,602
Other fees	-	-
Total	**$ 43,611**	**$ 103,602**

Compensation Comparator Group and Market Positioning

To ensure ATB's executive compensation and practices are aligned with the market, we regularly benchmark against other organizations in the financial services industry. ATB periodically retains executive compensation consulting experts to review our benchmarking approach and comparator selection criteria, with an objective to align with ATB's strategic direction and mandate. The Board-approved executive compensation comparator group includes national and/or dominant regional private industry banking and financial services companies headquartered in Canada. ATB competes with these comparators from both a client and talent perspective. These organizations are generally one-third to three times ATB's revenue.

Executive Compensation Comparator Group

CI Financial Corp.	iA Financial Corporation Inc.
E-L Financial Corporation Ltd.	IGM Financial Inc.
EQB Inc. (previously Equitable Group Inc.)	Laurentian Bank of Canada
Fédération des caisses Desjardins du Québec	National Bank of Canada
First National Financial Corporation	Servus Credit Union

ATB's compensation philosophy is to position total compensation for each executive at the median (50^{th} percentile) of our compensation comparator group when results meet expectations. The size, scope and complexity of the comparator organizations and their NEO roles are considered when benchmarking ATB's NEO compensation. We ensure competitive compensation aligns with the market while taking into consideration the experience of each ATB incumbent.

Elements of Executive Total Direct Compensation

ATB's executive base salary is designed to pay at the middle of the market. Our total direct compensation, which includes base salary and short- and long-term incentives, is designed to pay a mid-market rate, reflecting target-level performance. The actual compensation received by an executive may be above or below mid-market because it reflects their relative performance and the performance of the enterprise.

Executive Total Direct Compensation

Element	Description	Why we provide it	How it aligns with external market comparators
Base salary	Fixed component	Reflects the complexity and value of job responsibilities and the executive's demonstrated skills, experience and job performance.	Median, based on sustained performance and internal equity
Short-term incentive	Variable component	Motivates and rewards performance relative to predetermined goals in the current fiscal year's business plan.	Median, based on performance
Long-term incentive	Variable component	Incentivizes and rewards for achieving success in executing strategic objectives that create value and long-term sustainability. Granted as a three-year deferred incentive to align with future organizational performance.	Median, based on performance

Base Salary

Our base salary is designed to ensure that individual pay reflects the value and accountabilities of the position. The market reference point for each NEO is set at a competitive rate based on the median from within our comparator peer group, adjusted to reflect differences in scope and scale of the comparator market. The base salary of each NEO is determined by position, their sustained performance, the strategic value and complexity of the role, internal equity and market competitiveness for the role. The CEO's base salary is set by the LGIC. The base salaries of the other NEOs are set by the CEO and reviewed with the HR Committee of the Board.

Short-Term Incentive

STI is the component within the executive compensation program that rewards performance relative to established goals over one year. STI is not guaranteed and is designed to:

- Create executive alignment with the achievement of annual business plans.
- Focus executive performance on achieving objectives at the enterprise level and AOE or strategic support unit (SSU).

ATB's performance enablement system and Enterprise STI Plan work together to enable performance objectives that are tightly aligned to business strategy, to elevate performance and to provide performance-differentiated pay. The executive STI plan mirrors the broader enterprise plan and is funded based on enterprise-level results, with an opportunity for Board discretion. The distribution of the funding is based on AOE or SSU and individual performance.

To fund the plan, enterprise performance is measured using an enterprise scorecard with net income before provision for loan losses (NIBP) (for STI plan), Client Obsession Index (COI), two distinct risk modifiers and Board discretion. As the predominant driver of financial performance, NIBP (for STI plan) is weighted at 70%. COI is weighted at 30%, as a measure of the health of our clients' relationships with ATB, based on a comprehensive client survey program with representation from all ATB client segments. Each metric's result is assessed relative to the target in ATB's Board-approved business plan or budget and a threshold level of performance achieved to generate funding.

The objective of the risk modifiers within ATB's STI plan—in addition to financial performance and client experience—is to correlate the impacts of risk management on the level of the incentive funding. The enterprise scorecard result may then be modified by up to 20%—positively or negatively—based on loan loss provision (LLP) management, which measures ATB's performance relative to peers and risk appetite. Then, a second modifier of up to 25% may be applied negatively, based on capital and liquidity levels relative to the risk appetite statement. In the event of a breach of ATB's Common Equity Tier 1 (CET1) or liquidity coverage ratio (LCR) regulatory floor, the STI plan will not be funded.

The Board, in its discretion, may apply a qualitative adjustment to the plan's preliminary funding rate, resulting in the final plan funding. This qualitative assessment may be based on extraordinary and unforeseen circumstances.

Each AOE and SSU will share in ATB's success, as distribution of enterprise funding to AOEs/SSUs is based on relative performance against predetermined and calibrated AOE/SSU scorecard results. The AOE/SSU scorecards have common metric dimensions to ensure a consistent and fair measure of performance and also include AOE/SSU-specific metrics designed to reflect the unique contribution each AOE/SSU makes to realize the enterprise targets. Scorecard dimensions are enterprise, financial, operational, client, risk management and human capital management. The specific metrics within each scorecard dimension are reviewed annually and may change to reflect the current fiscal year's business plan. Each AOE and SSU's STI plan funding is determined by assessing metric performance results to targets, in combination with the weighting of each metric and within the context of the success of other AOEs/SSUs.

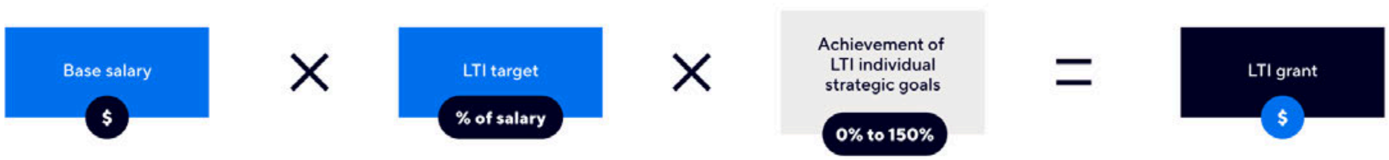
The target award for each executive reflects a percentage of base salary. AOE/SSU funding and individual performance—including delivery on their respective AOE/SSU Operating Plan—differentiate the STI award for each executive.

The STI plan includes forfeiture provisions to adjust or rescind unpaid awards in the case of termination of employment for cause and to align with the corrected financial results due to a material accounting restatement. No adjustments were required in FY2025.

(1) Determined by Enterprise STI Plan funding and distribution of funding based on AOE/SSU STI scorecard results.

Long-Term Incentive

LTI rewards the successful execution of strategic objectives that create long-term value and sustainability for the organization. LTI grant targets are expressed as a percentage of base salary, with strategic objectives set annually by the LTI participant and their leader. In the case of the CEO, the Board sets the strategic objectives. LTI grants are awarded annually and can range from 0% to 150% of the grant target, based on the executive's individual performance in achieving their strategic objectives. For the CEO, the HR Committee (HRC) determines whether to adjust a grant above or below target. For other senior executives and designated officers, grant determinations are reviewed with the HRC and approved by the CEO. LTI grants vest (mature) over three years.



Starting in FY2025, ATB introduced a new LTI plan. The ATB Growth Long-Term Incentive Plan is a unit-based plan, where the value of each unit is linked to a multiple of ATB's three-year average net income (NI). The unit price will increase and decrease over the vesting period. This plan aims to achieve:

- **Value creation:** The value of each vested ATB Growth LTI unit is tied to a value driver based on a multiple of net income (NI). This mechanism mirrors share value changes in publicly traded companies, ensuring the LTI's simplicity and connection to value creation. It also introduces both downside risk and upside potential, aligning participant rewards with the overall financial performance of the organization.
- **Alignment with Shareholder interests:** The use of NI as a proxy for ATB's value aligns the interests of executives with those of our Shareholder. When ATB's NI grows, the value of the LTI units increases, benefiting both the participants and the Shareholder.
- **Increased engagement and motivation:** The unit-based structure provides a clearer and more tangible measure of how individual efforts contribute to ATB's value. This fosters a sense of ownership and encourages participants to actively seek opportunities to drive organizational growth.

This plan has built-in risk mitigation mechanisms: To mitigate the risk of volatility in ATB's net income, the ATB Growth LTI incorporates several mechanisms to ensure payouts align with long-term performance and market conditions. These mechanisms include:

- **Three-year rolling average for NI:** This approach reduces the impact of single-year fluctuations and aligns payouts with performance over the entire three-year vesting period.
- **Asymmetrical guards on payout values:** The plan includes upper and lower limits on payout values. Given the impact of market sentiment on peer share prices and ATB's LLP volatility, there are asymmetrical guards on ATB's three-year rolling average NI and resulting cap and floor on payout calculations. The maximum payout is capped at twice the unit price at the time of grant, while the minimum payout is 50% of the initial grant value. These limits only apply to unit price at time of vesting for the purpose of payout calculations; new grants are based on a 10X multiple of NI at the time of granting.
- **Board discretion:** The Board has the authority to adjust LTI grants or payouts in response to extraordinary or unforeseen circumstances.

The ATB Growth Long-Term Incentive Plan offers greater leverage with potential payouts ranging from 0% to 300% of target, contingent on enterprise performance aligned with shareholder interests. The ATB Growth LTI is designed to enhance the alignment between executive compensation and ATB's long-term growth and shareholder interests. There is a direct linear relationship between the change in three-year average NI and the change in LTI value. By promoting both individual performance and collaborative efforts, this plan is expected to drive ATB's continued success.

LTI grants for FY2023 and FY2024 appreciate or depreciate based on the average actual risk-adjusted return on capital (RAROC) performance measured against a RAROC target and an appropriate hurdle rate over the three-year vesting period approved by ATB's HRC in advance of each grant. The grant could appreciate by a maximum of 50% if the three-year average RAROC exceeded the at-risk capital target and depreciate by up to 50% if it was less than the target. When a grant vests, the current value, including appreciation or depreciation, is paid out.

ATB's Change in Control (CIC) policy for LTI treatment enhances executive neutrality, talent retention, fairness, transparency and investor confidence, and aligns with market best practices. This double-trigger policy applies to both current and future LTI grants, activating upon a change in control and involuntary termination without cause. In such a scenario, the terminated employee receives a prorated grant (at target) for the fiscal year, accelerated vesting of all unvested grants (paid at the most recent unit value within 100 days), and payment of all other vested, unpaid grants (within 100 days of termination or maturity—whichever is earlier). The Board retains discretion regarding unvested grants prior to a CIC event.

In the case of termination of employment for cause, or to align with the corrected financial results due to a material accounting restatement, the LTI plan includes forfeiture provisions to adjust or rescind previously awarded unpaid grants and/or appreciation or depreciation.

Key Performance Indicators Driving Incentive Results

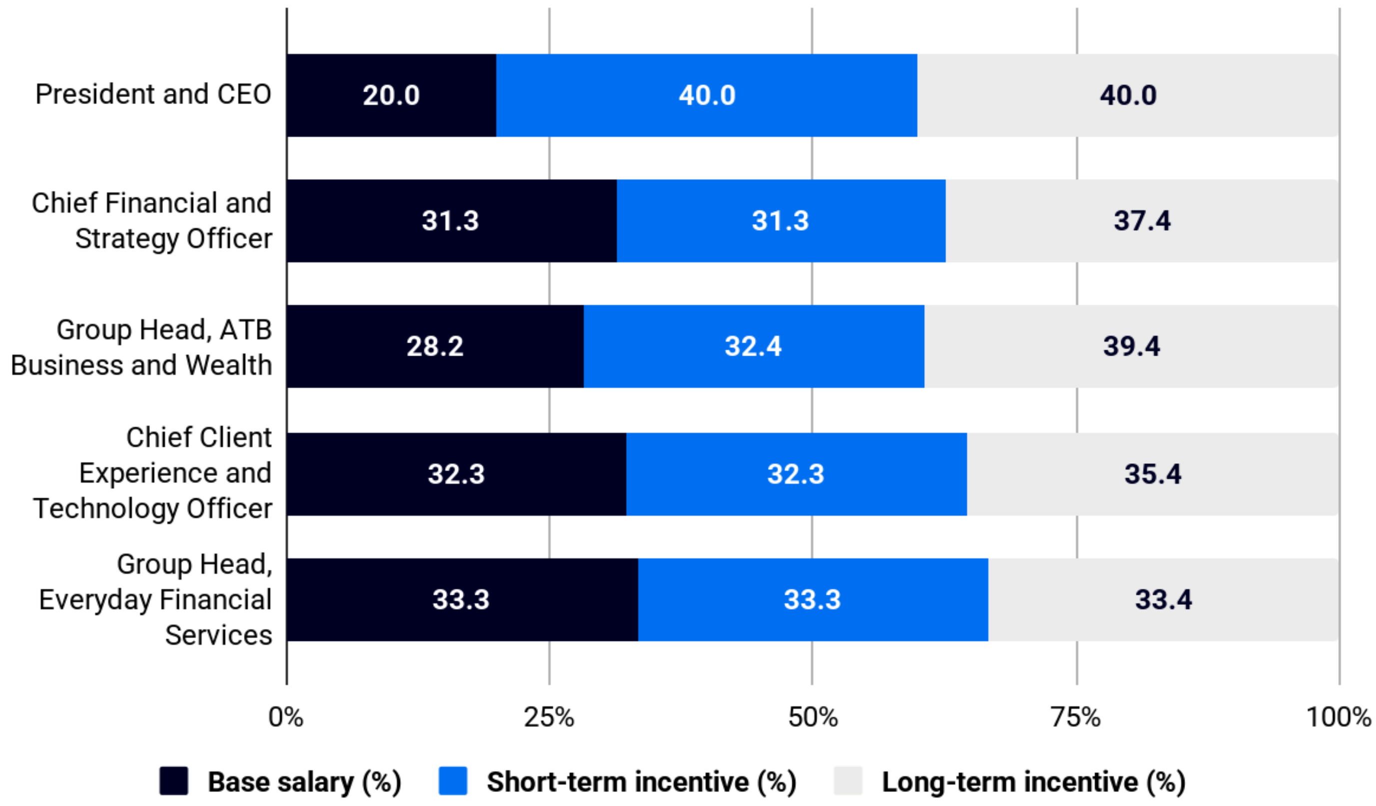
ATB's executive STI and LTI plans include annual objectives for the following performance metrics. In addition to these metrics, executives may also have individual performance objectives to enrich and embed ATB's sustainability practices. Sustainability signals a different approach to our economy—one that includes social license, short-term profitability and long-term sustainability.

Net income (for LTI plan)	• Total revenue less expenses, provision for loan losses and payment in lieu of tax
Net income before provision for loan losses (NIBP) (for STI plan)	• Measures enterprise net income (NI) before payment in lieu of tax, provision for loan losses, STIs and exceptional expenses and/or revenue • Aligns with ATB's strategic growth strategy
Client Obsession Index (COI)	• Reflects the health of ATB's client relationships by measuring how well we are meeting their needs • Takes a holistic view of ATB clients across all products and AOEs and surveys their experience with ATB • Aligns with ATB's client experience, expert advisory services and digital platform strategies
Management of the provision for loan losses (LLP) modifier	• Measures how effectively ATB has managed LLP based on two factors: 1) expected losses as a portion of our total loan portfolio, compared to risk appetite, and 2) a set of quantitative measures to gauge ATB's loan loss performance relative to designated peers • Impacted by minimizing high-risk and impaired loans through prudential underwriting and the deployment of early intervention strategies, which reduces levels of impaired loans and maintains strong client relationships, while pursuing quality growth • May positively or negatively modify STI funding
Other risks modifier	• Assesses capital and liquidity levels relative to risk appetite • May negatively modify STI funding
Risk-adjusted return on capital (RAROC)	• Measures NI divided by risk-adjusted capital, where NI takes a long-term view of ATB's provision for loan losses across the economic cycle, rather than using the fiscal-year provision for loan losses • Takes a longer-term view of the value that ATB is producing so as to not overly reward or punish management for short-term economic volatilities

Target Total Direct Compensation Mix

The relative combination of base salary and incentive pay varies depending on market practice and the level of accountability for each role. In general terms, the more senior an executive, the greater the portion of their variable incentive pay in the form of STI and LTI.

The following graph represents the target total direct compensation mix of each NEO. A significant portion of this compensation is "at risk" to motivate and reward executives for creating value for the Shareholder.



The Total Rewards Perspective

ATB's total rewards program includes cash compensation (base salary, STI and LTI) for executives, a flexible pension plan and a flexible health and wellness benefit plan. Nonmonetary benefits include learning and development, recognition and programs promoting a healthy and balanced lifestyle.

Flexible Pension Plan

ATB's Flexible Pension Plan is a registered pension plan (the ATB Plan) for management and executive team members, excluding the President and CEO, is an innovative plan focused on total wealth and financial wellness. It has a core employer contribution to a defined-contribution (DC) pension plan with a flexible employer contribution that is directed, based on personal preference, into retirement savings (DC pension plan or registered retirement savings plan [RRSP]), debt reduction through mortgage repayment, or a registered education savings plan. In addition to the core and flexible employer contributions, executives can also voluntarily contribute up to 6% of their pensionable earnings to the DC plan. ATB matches voluntary contributions up to 4% of the plan participant's pensionable earnings.

For the majority of the ATB Plan participants whose annual pension contributions exceed allowable maximums under the *Income Tax Act*, excess amounts are allocated to the notional supplemental plan (NSP)—a non-registered plan providing notional DC benefits that cannot be provided within the ATB Plan due to income tax restrictions.

Benefits

ATB's executives and their families participate in the same benefits program as all other team members, providing security and contributing to their quality of life. The program provides all participants with core benefits and ATB-provided flexible benefits credits, which can be used to "purchase" from a variety of levels of health, dental, insurance, vision and prescription drug coverage based on family status and need. All participants have health spending and wellness accounts and can use their flex credits to top up either account. All these benefits are measured and benchmarked in line with the total rewards program to ensure ATB remains competitive with comparable organizations.

As another step in mitigating risk and investing in the holistic health of our senior executives, we encourage these critical leaders to participate in an annual comprehensive health assessment and in the LifePlus and Teledoc programs, which feature expert medical care that includes around-the-clock virtual care and complementary services.

Eligible executives also receive an annual perquisite allowance, in the form of a flat dollar amount, in lieu of ATB providing individual perquisites such as car allowances and club memberships. The amounts provided are reviewed regularly to align with the competitive offerings in the market.

Wellness

ATB's Total Health strategy puts people first by recognizing holistic health as the support system for exceptional performance, which enables our team members to deliver on our promise of client obsession. We create consistent and easy-to-understand language, concepts and actions that build on the pillars of physical, mental, social and financial wellness. Our efforts are inclusive and accessible to all team members. We leverage an internal network of wellness champions across the enterprise who model and encourage participation.

Annual mental health campaigns include Mental Health Week and National Depression Screening Day, supported by organizations with mental health expertise, such as the Canadian Mental Health Association and the Mental Health Commission of Canada. To support foundational resilience, ATB has engaged with *headversity*—an app-based, self-directed resilience-building program—and an online employee and family assistance program called Inkblot, which provides mental health therapy, coaching support and access to a mental health crisis line.

ATB has fostered a strong partnership with the Mental Health Commission of Canada to deliver consistent training. The Working Mind assists ATB leaders and team members with managing mental health issues, reducing stigma and building confidence in having conversations about mental health, using the mental health continuum as a guide.

Leadership Development

Leadership development is directly linked to succession capability and organizational success. Leadership at ATB is defined by the Leadership system and development framework, which outlines the why, what and how of leadership at ATB. The framework comprises practices that clearly outline the expected leader capabilities and skills required to successfully deliver on our Path to 2030 and our purpose. Through the lens of this framework, we recruit, assess, develop and progressively advance leaders at all levels in the organization, including executives. Our intentional focus on development creates a pipeline of capable internal successors who not only know our business but live our culture.

Succession at ATB is focused on our future leadership needs and includes a talent review that identifies leaders with the potential and desire to become executives. Success relies on our ability to anticipate and plan for change, critically assess our talent and develop successor capabilities for greater responsibilities. We actively develop leaders, including our executives, through a number of internal and external avenues. We've built an internal leadership community that promotes connections across the entire organization and engages leaders in unique experiences that enhance their understanding of enterprise governance while advancing their own leadership capabilities. We selectively invest in key executives' growth with independent developmental assessments and provide coaching through a roster of internal and external professionals.

Banking Products and Services

As a financial institution, we expect team members to use ATB products. We encourage them by offering preferred interest rates and fees for everyday banking, mortgages, loans, credit cards, foreign exchange and lines of credit. ATB has a team of experts who specialize in team member banking needs and offer focused and personalized service to help team members reach their financial goals. As proud consumers of ATB's banking products, team members refer friends, family and other potential clients. We know firsthand that ATB provides a differentiated experience to consistently deliver value to Albertans. Advocacy is a key component to driving business success.

FY2025 Performance and Executive Compensation

Key Performance Indicators Driving Incentive Results

Metric	Threshold	Target	Maximum	Performance	Metric attainment
NIBP (for STI plan) *($ in millions)*	$ 459.2	$ 610.6	$ 686.4	$ 678.6	Above target
COI	58.7%	62.7%	66.7%	61.9%	Near target
Management of LLP modifier (1)	(20.0)%	Neutral	20.0%	At target	Neutral
Other risks modifier (1)	(25.0)%	Neutral	Neutral	Above target	Neutral
RAROC	6.4%	12.7%	25.2%	13.8%	Above target

(1) With neutral metric attainment, STI funding is unchanged—neither positively nor negatively impacted.

The first two financial and operational performance metrics above have a material weighting in determining STI awards for NEOs. ATB's FY2025 results include:

- Above-target NIBP (for STI plan)—driven by higher than planned revenue, which can be attributed to NII and OI. The NII increase was driven by strong growth in our business and residential mortgage loans portfolios. The increase in OI was primarily attributed to growth in several key areas: wealth management, financial markets, credit fees and service charges.
- Near-target COI—ATB has achieved an upward trend in COI scores over the years and is in the top third of each vertical it competes in: Retail, Business and Wealth. While ATB narrowly missed its COI target this year, it continues to make strides in financial planning, Retail service standards and its focus on target sectors and segments.

The management of LLP and other risk modifiers are also performance measures impacting the STI awards for NEOs. LLP comprising of net write-offs, recoveries and allowance for Stage 1, 2, and 3 loans saw lower provisions compared to both budget and to risk appetite. LLP is favourable to budget, reflecting strong economic performance, overall health and resilience of the loan portfolio, the effectiveness of early intervention strategies, due diligence, and strong negotiation. Management and monitoring of LLP also considers ATB's performance relative to peers. ATB had stronger performance for rolling four quarter provisions, allowance coverage, and rolling four quarter write-off, with a weaker impaired rate. CET1 and LCR performance were strong and optimized to risk appetite, above the Board-approved minimum limits.

LTI awards for ATB executives are a direct result of the progress made on individualized strategic objectives that provide long-term value to our Shareholder. The value of LTI grants made in FY2025 will appreciate or depreciate based on the change to Net Income over the next three years. The value of the FY2023 and FY2024 LTIP grants will appreciate or depreciate at maturity, based on the average RAROC performance over the three-year vesting period.

Profiles, Performance and Compensation Awarded to Named Executive Officers

Curtis Stange

President and CEO

Curtis Stange was appointed President and Chief Executive Officer of ATB Financial on June 30, 2018. With courage, disciplined thought and precise action, he leads a team of more than 5,000 team members who are dedicated to ATB's purpose—to make it possible for over 835,000 clients and business owners.

With close to 40 years of experience in financial services in Canada, Curtis has led teams across diverse geographic markets and through various economic cycles—always with an inquisitive nature and a desire to get to know the people and places around him. Under his tenure, ATB Financial has grown to become the eighth largest financial institution in the country by assets, providing expert advice and capital to businesses to grow and prosper, with strong expertise and market share in energy, agriculture and real estate. Curtis has helped to shape ATB's client-focused culture—to become a financial partner that's proactive, collaborative and excited to share expertise and explore new ways to bring possibilities to life. Through this dedication, ATB is consistently named as one of the best workplaces in Canada and one of the top financial institutions in the country when it comes to differentiating on client experience through our people.

Before becoming CEO, Curtis held a number of senior leadership roles at ATB Financial, as well as at one of Canada's big five banks. He successfully led large-scale retail, wealth management and commercial banking throughout British Columbia, Alberta, Saskatchewan and Ontario; headed up a complex and massive conversion of a core banking system; created a new line of business focused on entrepreneurs and served as a Chief Client Officer. If there's one thing that his career has taught him, it's that people are at the heart of everything. Curtis is highly respected for his banking expertise, but more importantly, he is known as a great listener, communicator and committed advocate for team members and clients. In 2023, Curtis was awarded as Canada's Most Admired CEO™ by Waterstone Human Capital.

Curtis is a Stanford alumnus and member of the Alberta Business Council and the Canadian Chamber of Commerce Western Executive Council. He also chairs the ATB Subsidiary board, serves on advisory boards for the Edmonton International Airport, Visa Canada, Axis Connects, and Advancing Women Executives in Western Canada, and he co-chairs the STARS Air Ambulance board. As a strong advocate for mental health, Curtis is a driving force behind reducing stigma, building peer support and creating psychologically safe and healthy workplaces. He believes deeply in raising the collective well-being of society, both to strengthen our social fabric as well as improve our economic future.

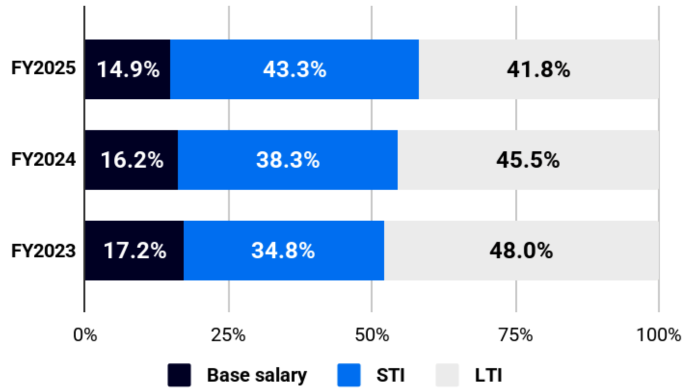
Fiscal-year performance highlights

- Delivered remarkable experiences and deep expertise to more than 835,000 clients, highlighted by our repeated recognition in the J.D. Power Canada Retail Banking Satisfaction Study, which ranked ATB number two among all mid-sized banks in Canada in the fiscal year. Additionally, we completed the largest acquisition in our organization's history, expanding our wealth management capabilities and reach across much of Canada for the benefit of our clients.
- Generated long-term value for Alberta and our Shareholder, the Alberta Government, by delivering $100 million in dividends in FY2025 as a result of ATB growing alongside Alberta, its economy and its businesses. Also of note during the fiscal year, ATB exceeded $100 billion in total assets and assets under administration, a first in the company's history, and a proof point of our strong balance sheet in a very competitive market.
- Strengthened ATB's world-class culture through continued investments in our leaders and team members which contributed to being recognized for the 10th year in a row by Best Workplaces™ on its annual list for Best Workplaces in Canada—1,000+ Employees. We also launched a groundbreaking leadership certification program with the University of Alberta to support our leaders in ensuring ATB's culture positively impacts our team member experience, our financial performance and our ability to deliver remarkable client experiences.
- FY2025 was an impactful year on a number of fronts related to ATB's community support and societal impact. Notable achievements included receiving Bronze certification through the Partnership Accreditation in Indigenous Relations program from the Canadian Council for Indigenous Business. We also introduced the ATB Community Foundation, which strengthens the lasting legacy we will have in delivering community impact across the province.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2025	**$ 500**	**$ 1,451**	**$ 1,400**	**$ 3,351**
FY2024	500	1,178	1,400	3,078
FY2023	500	1,010	1,390	2,900

Actual compensation mix



Dan Hugo

Chief Financial and Strategy Officer

Dan Hugo is an accomplished financial service executive and corporate officer with expertise in financial and commercial business operations, financial planning and reporting, forecasting, expense management, corporate development and strategy. He was drawn to ATB because of the difference they make in Alberta—ATB is big enough to matter, yet small enough to care.

Originally from South Africa, Dan is a Chartered Accountant and a Certified Public Accountant who has spent significant time in senior leadership at companies that include Bank of America, Capital One and Ernst & Young. He is actively involved with the fintech community and was a part of eBay at the height of the internet revolution.

Dan earned his reputation as a sage business advisor through over 30 years of weighing stakeholder needs against those of the business. He has demonstrated an aptitude for growing businesses and for finding innovative solutions to modern-day business challenges.

He currently serves as the Vice Chair of the Board of Governors for NorQuest College and is a Steering Committee Member of Edmonton's Downtown Revitalization Coalition. He also sits on the advisory board of Nature Conservancy Canada (Alberta).

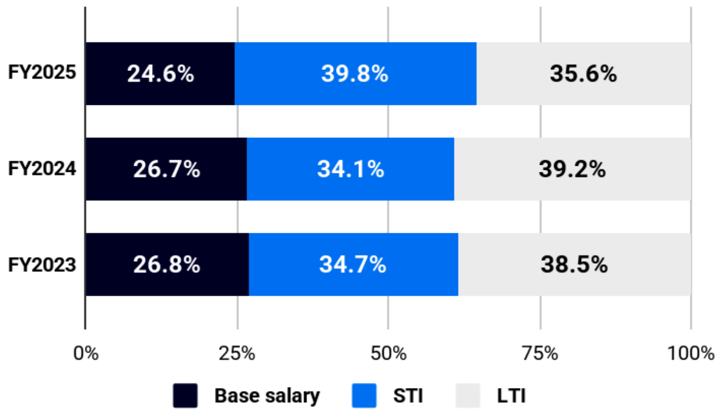
Fiscal-year performance highlights

- Achieved strong financial performance in FY2025, delivering revenue of $2.2 billion and growing total assets to $64.2 billion, exceeding targets through strategic growth and prudent financial management amidst a dynamic economic landscape.
- Strategically expanded ATB's reach and capabilities through the successful acquisition of BCV Asset Management Inc., a leading Manitoba-based portfolio management firm, positioning the organization for continued growth and market leadership.
- Managed overall bank liquidity and capital levels to ensure overall stability and trust in ATB.
- Delivered significant value to the Shareholder—the Government of Alberta—with $100 million in dividends, reflecting robust capital management and a commitment to returning value.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2025	**$ 393**	**$ 635**	**$ 569**	**$ 1,597**
FY2024	383	489	564	1,436
FY2023	375	486	540	1,401

Actual compensation mix



Chris Turchansky

Group Head, ATB Business and Wealth

As Group Head, ATB Business and Wealth, Chris Turchansky leads teams who support clients in business, corporate banking, capital markets and wealth. He understands the need to put the client at the centre of everything we do at ATB and that an exceptional client experience begins with exceptional team members who take the time to engage clients with intense curiosity, serve them with deep expertise, build trust and deliver value.

Chris's 25-year financial career has been fuelled by a passion for providing clients with advice and solutions fostered through a deep level of engagement. Prior to his current role, his journey at ATB has allowed him to connect with clients across several positions, from the President of ATB Wealth to the Chief Experience Officer.

Having grown up in a small Alberta town, Chris understands and appreciates the province's strong sense of community, and he draws on that life experience to help team members come together. Being Métis, he hopes to continue to promote and support public and private sector partnerships that will improve the economic circumstances and quality of life for all Indigenous people.

Chris holds a Commerce degree from the University of Alberta, an MBA from Athabasca University, a Chartered Financial Analyst designation and an Accredited Investment Fiduciary. He is also on the board of the Hockey Alberta Foundation.

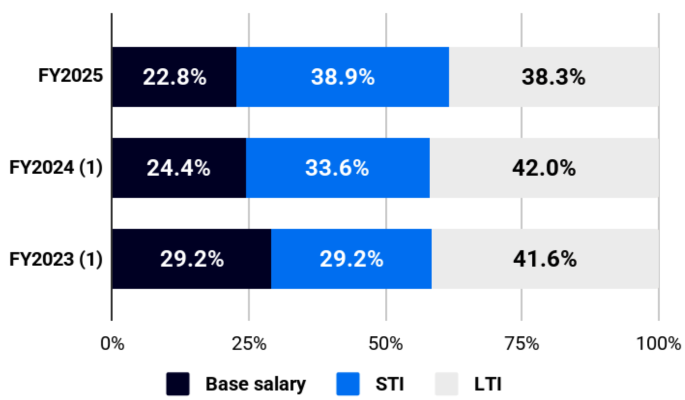
Fiscal-year performance highlights

- Supported ATB Capital Markets' introduction of an Income Trading Desk, Liability Trading Desk, Carbon Trading, and Fixed Income, Currencies & Commodities team, supporting Canadian business growth and meeting client needs. Additionally, launched the ATB Energy Strategy targeted at becoming leading banking experts in mid-cap energy across all of North America.
- Led ATB Business and ATB Wealth to other income growth of more than $27 million year-over-year and ATB Business gross loan origination of $7.9 billion through proactive expertise, industry-leading insights, and deepened client engagement, which also supported a 22% increase in ATB Wealth clients from FY2024.
- Supported the advancement of advisor knowledge and capabilities to enhance the overall client experience we provide through the launch of the Advisory Academy.
- Advanced the expansion of ATB's wealth management services across Western Canada through the acquisition of BCV Asset Management Inc.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2025	**$ 430**	**$ 733**	**$ 723**	**$ 1,886**
FY2024 (1)	407	559	698	1,664
FY2023 (1)	386	387	550	1,323

Actual compensation mix



(1) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Chief Experience Officer.

John Tarnowski

Chief Client Experience and Technology Officer

John Tarnowski is a high-performing senior executive with a talent for strategically evolving and growing businesses. Throughout his career, he has led digital transformations, executed complex strategic programs and disrupted conventional thinking to deliver results.

John has spent the last 25 years in the financial services industry. Prior to creating the combined Client Experience and Technology group, John led Everyday Financial Services, where he spent five years streamlining and focusing the business to achieve profitability. He has spent his career transforming digital, payment and financial service experiences by placing the client at the centre of everything he and his team do. He leads change by leveraging creative problem solving and disruptive technologies to help organizations compete and thrive.

As technology evolves to enable new and empowering client experiences, John believes it is important to prepare team members for the future, so they are able to adapt to client needs and expectations, both in-person and digitally. To that end, John is committed to the continuous development of the more than 1,100 team members who are part of the team he leads. As a former competitive ski racing coach, John leads with a strong coaching philosophy, investing in the development of his teams to help them grow as leaders and high-performing collaborators to achieve results.

John has an educational background in investments and economics and currently sits on the Mastercard Canada Advisory Board. Whether he's dealing with high-performance athletes or his team members at ATB, John takes every opportunity to motivate, inspire and bring out peak performance in everyone he interacts with.

Fiscal-year performance highlights

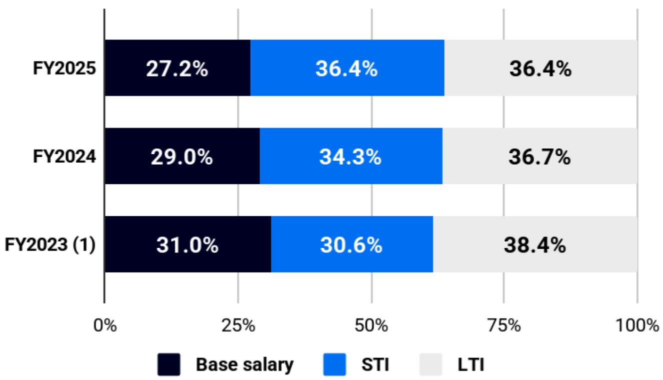
- Enhanced ATB's client experience and digital self-services by introducing modern, client-centric calculators, automating our mortgage renewal capabilities to simplify and accelerate the renewal process for clients, in addition to expanding our many self-service tools that empower clients. We enhanced our product offering, successfully relaunching the World Elite and Gold My Rewards Mastercards. These advancements have contributed to notable improvements in the overall client journey, as evidenced by an increase in J.D. Power digital client satisfaction, positioning ATB favourably against digital-first competitors.
- Demonstrated market innovation by establishing a tiered Carbon Credit trading desk, positioning ATB as an early leader in Canada's sustainable finance sector. Additionally, supported the delivery of a modern syndication complex lending solution, automating and streamlining the reporting for the $6.2 billion portfolio for 51 key clients (representing $1.25 million in lifetime value per client), moving off spreadsheets to increase efficiency and strengthen ATB's position and leadership in syndicated loans.
- The successful integration of Google's innovative Gemini GenAI across the enterprise has significantly boosted productivity and is a first across Canada to empower all team members with generative capabilities. Also of note, advanced ATB's technology infrastructure and security posture through key modernizations, including wireless infrastructure and network management tools, bolstering the ability to proactively manage and monitor critical networks for enhanced resilience. Ongoing improvements in identity access management have further fortified the security environment for clients of ATB.
- Effectively supported the Client Experience and Technology team's efficiency, financial discipline and program governance evolution, achieving 20.8% spend against a 22.0% revenue target this fiscal year. The team has continued to streamline and modernize its technology stack, use of automation and overall productivity of its program governance, which all continue to contribute to the positive progression in our efficiency metrics.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2025	**$ 396**	**$ 528**	**$ 528**	**$ 1,452**
FY2024	377	446	477	1,300
FY2023 (1)	357	352	442	1,151

(1) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Executive Vice President, Everyday Financial Services.

Actual compensation mix



Lisa McDonald

Group Head, Everyday Financial Services

Lisa McDonald leads the Everyday Financial Services (EFS) team at ATB Financial of more than 1,800 team members who serve ATB's retail and small business clients. Her portfolio is the largest gateway between Albertans and all that ATB has to offer and includes the oversight of over 280 locations and ATB's Client Care team. Lisa's passion for people ensures that clients and team members are at the centre of every decision made in EFS, resulting in a highly engaged workforce and leading client experiences.

Prior to being appointed Group Head of Everyday Financial Services, Lisa held the position of Chief Risk Officer (CRO) for ATB, supporting the company's performance through the strategic oversight of risk-taking activity and management of risk and compliance across the organization. In her five years as CRO, Lisa played a key role in managing through a number of crises, including ATB's response to COVID-19 and supporting clients through both the Calgary/High River floods and the Fort McMurray wildfires.

With more than 25 years of professional experience in the banking, oil and gas and pharmaceutical industries, Lisa knows that success is attainable by focusing on client experience, an inclusive workplace culture and clear goals. She holds an MBA from the Schulich School of Business at York University and a Bachelor of Business Commerce from Memorial University.

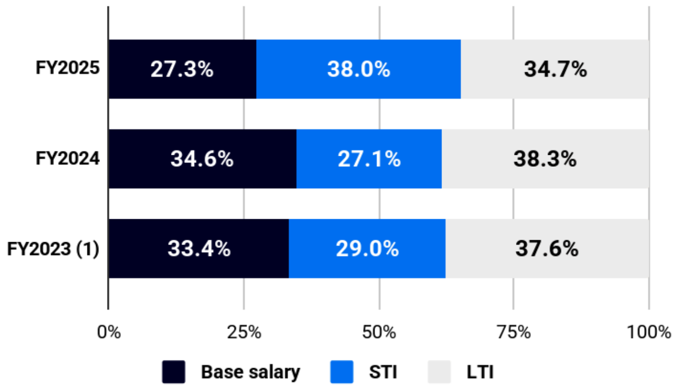
Fiscal-year performance highlights

- In a highly competitive market, Everyday Financial Services (EFS) delivered high-quality low-cost deposit growth exceeding $1.5 billion this fiscal, and exceptional loan growth of $1.97 billion, delivering total revenue of $752 million (up 3% YoY). Total net income for EFS reached $102.9 million, a 3% increase over FY2024's record-breaking results.
- EFS helped more than 20,000 Albertans achieve their home ownership goals, through record new residential mortgage loan origination of $4.4 billion (up 42% year-over-year) and strong mortgage retention rates: 84.6% for maturing mortgages and 91% overall portfolio retention for FY2025.
- Throughout FY2025, EFS advanced key strategic initiatives, which prioritized team member experience and capabilities in creating a differentiated client experience. EFS front-line team members were recognized for the third year in a row by J.D. Power for creating exceptional experiences in the branches and the Client Care Centre by offering expert advice and personalized solutions. Additionally, EFS team members continued to play a key role in Alberta's communities, improving financial literacy and fostering access to financial services in more than 210 communities across the province.
- Team member sentiment in EFS continued to show positive momentum, as seen in Q4 Cultural Health Index (CHI) results, with a 3% year-over-year increase to 82%.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2025	**$ 393**	**$ 546**	**$ 500**	**$ 1,439**
FY2024	356	279	394	1,029
FY2023 (1)	329	286	371	986

Actual compensation mix



(1) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The amounts shown for FY2023 include compensation for her previous position as Chief Risk Officer.

Compensation Summary

(audited)

Name and position	Fiscal year	Base salary (1)	Non-equity incentive plan compensation: Annual incentive plan (2)	Non-equity incentive plan compensation: LTI plan (3)	Pension value (4)	All other compensation (5) (6)	Total compensation
Curtis Stange President and CEO	**2025**	**$ 500,000**	**$ 1,450,920**	**$ 1,400,000**	**-**	**$ 332,606**	**$ 3,683,526**
	2024	500,000	1,177,660	1,400,000	-	302,560	3,380,220
	2023	500,000	1,010,000	1,390,000	-	266,560	3,166,560
Dan Hugo Chief Financial and Strategy Officer	**2025**	**$ 393,077**	**$ 635,230**	**$ 568,800**	**$ 9,000**	**$ 109,882**	**$ 1,715,989**
	2024	383,077	489,045	563,640	9,000	108,836	1,553,598
	2023	375,000	485,585	540,000	9,000	110,836	1,520,421
Chris Turchansky (7) Group Head, ATB Business and Wealth	**2025**	**$ 430,000**	**$ 733,135**	**$ 722,400**	**$ 10,000**	**$ 109,606**	**$ 2,005,141**
	2024	406,923	558,565	698,320	8,000	96,560	1,768,368
	2023	386,154	386,920	550,000	9,000	99,560	1,431,634
John Tarnowski (8) Chief Client Experience and Technology Officer	**2025**	**$ 396,154**	**$ 527,955**	**$ 528,000**	**$ 8,000**	**$ 91,606**	**$ 1,551,715**
	2024	377,115	446,455	476,520	7,000	85,560	1,392,650
	2023	357,269	351,600	441,650	7,000	138,560	1,296,079
Lisa McDonald (9) Group Head, Everyday Financial Services	**2025**	**$ 392,308**	**$ 546,410**	**$ 500,000**	**$ 7,000**	**$ 89,606**	**$ 1,535,324**
	2024	356,154	279,315	393,300	6,000	87,560	1,122,329
	2023	328,846	286,120	371,450	7,000	86,560	1,079,976

(1) Actual base salary paid from April 1 to March 31 of each year.
(2) STI award earned for the year and paid as cash within the first 100 days of the end of the fiscal year.
(3) LTI grant earned for the year. Payment of the grant is deferred for up to three years and will include appreciation or depreciation as described in the Long-Term Incentive section.
(4) Pension value includes the annual compensatory value from the ATB Plan. Additional detail is provided in the Flexible Pension Plan section.
(5) Benefits included in all other compensation are the benefits NEOs receive in excess of the benefits all other ATB team members receive. All other compensation for Curtis Stange includes perquisite allowance, health-care spending account (HCSA) credits, an executive health benefit and employer contributions to an RRSP and the DC supplemental executive retirement plan (SERP) within the CEO Pension Plan (details below). All other compensation for Dan Hugo includes perquisite allowance, HCSA credits, personal tax advice, an executive health benefit and employer contributions to the NSP in FY2023, FY2024 and FY2025. All other compensation for Chris Turchansky, John Tarnowski and Lisa McDonald includes perquisite allowance, HCSA credits, an executive health benefit and employer contributions to the NSP. John Tarnowski received a project bonus in FY2023.
(6) ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act.* The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions. Additional detail is provided in the Notional Supplemental Plan section.
(7) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Chief Experience Officer.
(8) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Executive Vice President, Everyday Financial Services.
(9) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The amounts shown for FY2023 include compensation for her previous position as Chief Risk Officer.

Outstanding Long-Term Incentive Awards

LTI awards are granted after the close of a fiscal year and vest at the end of a three-year term. The following table presents details of unvested LTI awards as at April 1, 2025. The current values of grants reflect the value at the time of grant. Payment of the grant is deferred for up to three years and will include appreciation or depreciation as described in the Long-Term Incentive section.

				Fiscal year-end that grant will vest		
Name	**Fiscal year of grant**	**Total grant awarded**	**Current value of grant that has not vested (1)**	**2026**	**2027**	**2028**
Curtis Stange	**2025**	**$ 1,400,000**	$ 1,400,000			**X**
	2024	1,400,000	1,400,000		X	
	2023	1,390,000	1,390,000	X		
Dan Hugo	**2025**	**$ 568,800**	**$ 568,800**			**X**
	2024	563,640	563,640		X	
	2023	540,000	540,000	X		
Chris Turchansky (2)	**2025**	**$ 722,400**	**$ 722,400**			**X**
	2024	698,320	698,320		X	
	2023	550,000	550,000	X		
John Tarnowski (3)	**2025**	**$ 528,000**	**$ 528,000**			**X**
	2024	476,520	476,520		X	
	2023	441,650	441,650	X		
Lisa McDonald (4)	**2025**	**$ 500,000**	**$ 500,000**			**X**
	2024	393,300	393,300		X	
	2023	371,450	371,450	X		

(1) The current value of grants is not updated to include appreciation or depreciation until the maturity/vesting date, as described in the Long-Term Incentive section.
(2) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Chief Experience Officer.
(3) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Executive Vice President, Everyday Financial Services.
(4) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The amounts shown for FY2023 include compensation for her previous position as Chief Risk Officer.

Incentive Plan Awards—Value Vested or Earned During the Year

The following table shows the total value of all LTI plan awards previously granted to NEOs that vested at the end of FY2025. It also shows the total amount earned from STI plan compensation in FY2025.

Name	LTI plan awards—value vested during the year (1)	STI plan compensation—value earned during the year (2)
Curtis Stange	$ 1,236,854	$ 1,450,920
Dan Hugo	556,584	635,230
Chris Turchansky (3)	401,978	733,135
John Tarnowski (4)	289,115	527,955
Lisa McDonald (5)	289,115	546,410

(1) This is the payout value of the FY2022 LTI plan awards.
(2) This is the STI plan cash award for FY2025 and is paid within the first 100 days of the end of the fiscal year. This amount is shown under "Annual incentive plan" in the Compensation Summary.
(3) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022, and Chief Experience Officer on January 1, 2020. The LTI plan award includes compensation for his previous position as EVP and President, ATB Wealth. The STI plan award includes compensation for his previous position as Chief Experience Officer.
(4) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The LTI plan award shown is for his previous position as Executive Vice President, Everyday Financial Services. The STI plan award includes compensation for his previous position as Executive Vice President, Everyday Financial Services.
(5) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The LTI plan award shown is for her previous position as Chief Risk Officer. The STI plan award includes compensation for her previous position as Chief Risk Officer.

Retirement Benefits

The following table outlines the NEO retirement benefits for FY2025. Detailed descriptions of the benefits follow the table.

Name	The ATB Plan contribution (1)	NSP contribution (2)	NSP return (3)	RRSP contribution (4)	DC SERP contribution (5)	DC SERP return (6)	Total
Curtis Stange	$ -	$ -	$ 41,000	$ 32,000	$ 270,000	$ 174,000	**$ 517,000**
Dan Hugo	9,000	85,000	36,000	n/a	n/a	n/a	**130,000**
Chris Turchansky	10,000	92,000	81,000	n/a	n/a	n/a	**183,000**
John Tarnowski	8,000	74,000	48,000	n/a	n/a	n/a	**130,000**
Lisa McDonald	7,000	72,000	45,000	n/a	n/a	n/a	**124,000**

(1) Employer contribution to the ATB Plan (DC plan) on behalf of the NEO. This amount is shown under the FY2025 "Pension value" in the Compensation Summary.
(2) Employer contribution to the NSP on behalf of the NEO. This amount is included under the FY2025 "All other compensation" in the Compensation Summary.
(3) Return on the NSP, based on the rate of return of a designated balanced fund applied to the beginning of the calendar-year balance and the interest credit on current calendar-year contributions based on a designated savings-deposit rate. Both are provided by the employer on behalf of the NEO.
(4) Employer contribution to the RRSP on behalf of the CEO. This amount is included under the FY2025 "All other compensation" in the Compensation Summary.
(5) Employer contribution to the DC SERP on behalf of the CEO. This amount is included under the FY2025 "All other compensation" in the Compensation Summary.
(6) Return on the DC SERP is the same rate as that earned on the assets of the CEO's RRSP. All RRSP investment decisions are made by the CEO.

Flexible Pension Plan

The ATB Plan offers a combination of retirement savings in a registered DC plan with a wealth accumulation component that offers flexibility for plan members to save for retirement and achieve their financial goals, including an option for a spousal RRSP. ATB automatically contributes 4% of the team member's pensionable earnings (which include annual base salary and STI pay) to the DC portion of the plan. Plan members can also voluntarily contribute up to 6% of pensionable earnings to their DC plan account, and ATB will match up to 4% of those contributions.

Notional Supplemental Plan

For any NEO ATB Plan member, where annual pension contributions exceed allowable maximums under the *Income Tax Act,* excess amounts are allocated to the NSP—an unfunded non-registered plan that provides notional DC benefits that cannot be provided within the ATB Plan due to income tax restrictions. The NSP has no formal contribution limit; however, the *Income Tax Act* restricts annual contributions. As a result, NEOs may be limited in their voluntary contributions and ATB matching contributions. A gain or loss is provided on the beginning of the calendar-year balance of the account based on the return of a designated balanced fund. Contributions for the current calendar year receive an interest credit based on a designated savings-deposit rate. ATB's notional contributions to the NEO's NSP are included as other compensation in the Compensation Summary table.

CEO Pension Plan

Curtis Stange is the sole participant in the CEO Pension Plan. This plan includes an RRSP and an unfunded supplementary pension plan operating on a defined-contribution basis (DC SERP). ATB contributes 18% of Curtis Stange's base salary to the RRSP, up to the maximum annual contribution permitted under the Canadian *Income Tax Act* for a given calendar year. The DC SERP is maintained through a notional account that is credited annually with 18% of pensionable earnings minus the contribution to the RRSP. The notional account is also credited with interest each year at the same rate as is earned on the assets of the RRSP. All RRSP investment decisions are made by the CEO. The DC SERP is not funded until the CEO retires.

Termination and Change in Control Payments and Benefits

Employment Agreements

Two of ATB's NEOs have personal employment agreements: Curtis Stange and Dan Hugo. The incremental payments and benefits that each NEO would be contractually entitled to in the event of termination vary based on their agreement.

Curtis Stange

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Curtis Stange in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2025. The actual amount Curtis could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Curtis would be obliged to abide by three conditions:

1. For 18 months following early termination, he shall not accept, without the approval of the ATB Board Chair, employment with any ATB competitor in which his role would involve responsibilities for operations in the province of Alberta.
2. For 12 months from his termination, he shall not directly or indirectly recruit, hire or solicit, for the purpose of providing services to an ATB competitor, any person employed by ATB during his term.
3. For 12 months from his termination, he shall not directly or indirectly contact or solicit business from ATB nor provide financial services to any ATB client who was an ATB client during his term.

Payment/ benefit (1)	Early termination (2)	Resignation without Good Reason, with notice (3)	Retirement (4)
Severance	Lump sum equivalent to 18 months' salary plus a lump sum in lieu of benefits (5), or salary continuance and benefits for 18 months. Lump sum equivalent to 18 months' STI—calculated at target or provided as salary continuance. Lump sum equivalent to 18 months' LTI—calculated at target or provided as salary continuance.	None	None
Short-term incentive	Prorated for fiscal year until early termination date, calculated at target.	None	Prorated for fiscal year until retirement date—pursuant to the eligibility criteria and based on fiscal-year-end results. (4)
Long-term incentive	Prorated for fiscal year until early termination date, calculated at target. All grants vest and are paid at current value.	Vested grants are paid within 100 days of resignation or the expiry of the Vesting Period, whichever is earlier.	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan. Unvested FY2023 and FY2024 grants are paid at current value or left in the plan for payment on the scheduled date, based on participant's choice. Starting with FY2025 grant, prorated grants and previously awarded grants continue to vest and are paid on the scheduled date. Vested grants are paid at current value.
Relocation	Reimbursement of expenses, in accordance with ATB Relocation Policy, for relocation back to the previous municipality of residence.	None	None
Estimated total value	$8,174,054 (6) (7)	$ - (7)	$ 4,190,000 (6) (7)

(1) Curtis Stange would also receive, in all termination scenarios, payment of accrued vacation and his DC SERP account balance transferred to a retirement compensation arrangement or provided as a monthly pension, based on the option he elects.

(2) "Early termination" includes: (a) termination other than by Curtis Stange without Good Reason (as set forth in [3] below); (b) termination at the end of the term (or any extended term) and is not renewed; (c) termination by virtue of his death or permanent disability; (d) the Board recommending termination of Curtis Stange to the LGIC whether or not an Order in Council is issued by the LGIC terminating him as CEO or removing or suspending him as CEO; (e) without the recommendation of the Board, the LGIC issuing an Order in Council terminating Curtis Stange as CEO or removing or suspending him as CEO; and (f) termination by Curtis Stange for Good Reason, with prior written notice. In the event Curtis Stange dies or becomes permanently disabled, the Board of Directors shall determine the amount of any STIP awards and LTIP grant payable for any period immediately prior to the death or permanent disability. In such an event, all previously awarded LTIP grants will immediately vest and be payable. In the event of termination situations not detailed herein, the provisions of the Long-Term Incentive plan document will apply.

(3) Good Reason includes at least one of the following: a material reduction in authority, duties or responsibilities; responsibilities inconsistent in any material respect from those of the CEO; a material reduction in remuneration or a change of at least 50% of the members of the Board of Directors over six consecutive months.

(4) Curtis Stange is eligible to retire at age 55 with at least 10 years of service, or at any age plus service years that together total at least 80 years.

(5) "Benefits" include perquisite allowance, health benefits, vacation, preferred banking rates and long-term disability.

(6) Curtis Stange's FY2025 STI payment is excluded from the total, as the payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is not incremental, based on a March 31, 2025, termination date.

(7) Curtis Stange's vested FY2022 LTI grant payment (shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2025, termination date.

Dan Hugo

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Dan Hugo in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2025. The actual amount Dan could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Dan would be obliged to abide by three conditions:

1. In the event of termination for cause, choosing to terminate the employment agreement or the agreement not being renewed, not accept employment involving responsibilities for operations in the province of Alberta with an ATB competitor without prior written consent of ATB, such consent not to be unreasonably withheld, for a period of twelve months following termination of the employment agreement.
2. For twelve months from his termination, he shall not directly or indirectly recruit, hire or solicit, for the purpose of providing services to an ATB competitor, any person employed by ATB during his term.
3. For twelve months from his termination, he shall not directly or indirectly contact or solicit business from ATB nor provide financial services to any ATB client who was an ATB client during his term.

Payment/ benefit (1)	Termination with cause	Termination without cause	Resignation with three months' notice	No longer legally able to work in Canada
Severance	None	Lump sum equivalent to 12 months' salary plus a lump sum in lieu of benefits. (2) Lump sum equivalent to 12 months' STI calculated at target. Lump sum equivalent to 12 months' LTI calculated at target.	None	None
Short-term incentive	None	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results. (3)	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal year-end results. (3)	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results. (3)
Long-term incentive	None	Prorated for fiscal year, until termination date—pursuant to the eligibility criteria and based on attainment as per plan. All grants vest and are paid at current value.	Prorated for fiscal year, until termination date—pursuant to the eligibility criteria and based on attainment as per plan. Vested grants are paid at current value.	Lump sum equivalent to 12 months' LTI calculated at target. Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan. All grants vest and are paid at current value. (4)
Estimated total value	$ -	$ 2,969,890 (5) (6)	$ 568,800 (5)	$ 2,134,440 (5) (6)

(1) The same as any salaried employee, in all termination scenarios, the NEO also receives payment of accrued vacation, ATB Plan account balance transfer to a locked-in vehicle, payment of NSP account balance and, in accordance with the terms of the Achievement Notes Plan, payment of the current value of any achievement notes previously purchased.
(2) "Benefits" include perquisite allowance, health benefits, vacation, preferred banking rates and long-term disability.
(3) The CEO's determination is subject to HR Committee review.
(4) All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted. In the event of termination situations not detailed herein, the provisions of the LTI plan document will apply.
(5) Dan Hugo's FY2025 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2025, termination date.
(6) Dan Hugo's vested FY2022 LTI grant payment (shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2025, termination date.

Remaining Named Executive Officers

ATB has a framework for providing termination benefits for the remaining NEOs. The actual amount an NEO might receive as a result of termination is based on several factors, including type of termination, age, years of service, level and nature of the role and any other factors that may be relevant, with respect to applicable common law. The actual amount the remaining NEOs could receive in the future due to termination of employment could differ materially from the amounts below.

	Payment/benefit (1)		
	Termination with cause	Termination without cause (2)	Death or permanent disability (3)
Chris Turchansky	-	$ 4,927,320	$ 1,970,720
John Tarnowski	-	3,093,170	1,446,170
Lisa McDonald	-	3,178,750	1,264,750

(1) The same as any salaried employee, in all termination scenarios, the NEO also receives payment of accrued vacation, ATB Plan account balance transfer to a locked-in vehicle, payment of NSP account balance and, in accordance with the terms of the Achievement Notes Plan, payment of the current value of any achievement notes previously purchased.

(2) Includes lump sum equivalent to base salary for the severance period; lump sum in lieu of pension, benefits and perquisite allowance; lump sum in lieu of LTI for FY2025 (as shown in the Compensation Summary); STI and LTI at target for the severance period; and payment of unvested LTI grants, subject to appreciation/depreciation, as per ATB's Long-Term Incentive Plan. All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted. In the event of termination situations not detailed herein, the provisions of the LTI plan document will apply. FY2025 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2025, termination date. Vested FY2022 LTI grant payment (as shown in the Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2025, termination date.

(3) Includes lump sum in lieu of LTI for FY2025 (as shown in the Compensation Summary). Permanently disabled or retired participants in the LTI plan receive payment of unvested LTI grants, subject to appreciation/depreciation, as per the plan schedule. The amount indicated assumes the NEO received payment of unvested grants. All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted. FY2025 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2025, termination date. Vested FY2022 LTI grant payment (as shown in the Incentive Plan Awards—Value Vested or Earned During the Year table) is excluded from the total, as the payment is not incremental, based on a March 31, 2025, termination date.

Supplementary Financial Information

Five-Year Financial Review

Summarized Consolidated Statement of Financial Position

($ in thousands)	2025	2024	2023	2022	2021
Cash resources and securities	$ 7,590,513	$ 7,332,799	$ 8,247,677	$ 8,352,866	$ 8,659,681
Net loans	54,316,528	51,266,157	47,234,083	45,928,704	44,597,222
Other assets	2,281,205	1,783,324	1,989,097	2,770,465	2,498,132
Total assets	**$ 64,188,246**	**$ 60,382,280**	**$ 57,470,857**	**$ 57,052,035**	**$ 55,755,035**
Deposits	$ 43,332,039	$ 40,582,817	$ 39,473,493	$ 37,319,482	$ 37,758,388
Other liabilities	15,174,328	14,539,967	13,180,444	15,280,359	13,921,724
Equity	5,681,879	5,259,496	4,816,920	4,452,194	4,074,923
Total liabilities and equity	**$ 64,188,246**	**$ 60,382,280**	**$ 57,470,857**	**$ 57,052,035**	**$ 55,755,035**

Summarized Consolidated Statement of Income

($ in thousands)	2025	2024	2023	2022	2021
Interest income	$ 3,106,907	$ 2,917,749	$ 2,281,678	$ 1,699,977	$ 1,793,052
Interest expense	1,689,002	1,547,137	962,385	457,662	614,485
Net interest income	1,417,905	1,370,612	1,319,293	1,242,315	1,178,567
Other income	768,641	654,104	616,238	661,566	599,380
Total revenue	2,186,546	2,024,716	1,935,531	1,903,881	1,777,947
Provision for (recovery of) loan losses	116,838	131,472	24,633	(203,879)	271,085
Non-interest expense	1,618,268	1,455,781	1,354,493	1,346,228	1,233,453
Net income before payment in lieu of tax	451,440	437,463	556,405	761,532	273,409
Payment in lieu of tax	103,831	100,617	127,973	175,152	62,884
Net income	**$ 347,609**	**$ 336,846**	**$ 428,432**	**$ 586,380**	**$ 210,525**

Summarized Key Performance Indicators

(%)	2025	2024	2023	2022	2021
Return on average assets	**0.5**	0.6	0.7	1.0	0.4
Return on average risk-weighted assets	**0.8**	0.8	1.1	1.6	0.6
Total revenue change	**8.0**	4.6	1.7	7.1	3.0
Efficiency ratio	**74.0**	71.9	70.0	70.7	69.4
Performing loan change	**6.0**	7.3	2.8	2.3	(3.1)
Deposit change	**6.8**	2.8	5.8	(1.2)	6.7
Change in assets under administration	**30.2**	10.2	(1.1)	5.3	25.3

Quarterly Financial Review

Summarized Consolidated Statement of Financial Position

For the three months ended ($ in thousands)	Q4 Mar 31/25	Q3 Dec 31/24	Q2 Sep 30/24	Q1 Jun 30/24	Q4 Mar 31/24	Q3 Dec 31/23	Q2 Sep 30/23	Q1 Jun 30/23
Cash resources and securities	$ 7,590,513	$ 9,572,494	$ 7,363,573	$ 8,406,187	$ 7,332,799	$ 7,339,072	$ 8,847,454	$ 8,099,919
Business loans	30,323,885	29,913,873	29,873,815	29,279,248	29,059,731	28,411,804	27,486,928	26,197,864
Residential mortgages	20,063,612	19,651,948	19,062,703	18,312,324	17,971,062	18,026,690	17,772,933	17,193,207
Personal loans	3,609,794	3,667,537	3,718,350	3,762,000	3,843,806	3,946,583	4,047,376	4,175,786
Credit card	748,285	780,369	781,836	787,746	757,574	773,441	755,767	757,933
Allowance for loan losses	(429,048)	(376,331)	(348,941)	(353,790)	(366,016)	(319,621)	(321,620)	(323,401)
Net loans	54,316,528	53,637,396	53,087,763	51,787,528	51,266,157	50,838,897	49,741,384	48,001,389
Other assets	2,281,205	2,256,104	1,886,027	1,848,150	1,783,324	2,015,770	2,329,727	2,229,002
Total assets	**$ 64,188,246**	**$ 65,465,994**	**$ 62,337,363**	**$ 62,041,865**	**$ 60,382,280**	**$ 60,193,739**	**$ 60,918,565**	**$ 58,330,310**
Transaction accounts	$ 12,938,390	$ 13,192,331	$ 12,982,894	$ 13,102,427	$ 12,644,253	$ 12,578,844	$ 13,284,584	$ 13,183,196
Savings accounts	11,018,911	10,674,471	10,277,333	10,001,767	9,981,121	10,003,752	10,447,118	10,543,467
Notice accounts	6,960,790	6,891,373	6,836,820	6,546,757	6,064,005	5,943,117	6,105,942	5,920,417
Non-redeemable fixed-date deposits	10,367,388	10,655,290	10,704,209	10,178,091	9,693,531	9,550,540	9,558,666	9,223,463
Redeemable fixed-date deposits	2,046,560	2,116,691	2,155,916	2,263,886	2,199,907	2,112,687	1,742,996	1,459,070
Deposits	43,332,039	43,530,156	42,957,172	42,092,928	40,582,817	40,188,940	41,139,306	40,329,613
Other liabilities	15,174,328	16,289,405	13,798,437	14,554,905	14,539,967	14,801,296	14,806,635	13,123,831
Equity	5,681,879	5,646,433	5,581,754	5,394,032	5,259,496	5,203,503	4,972,624	4,876,866
Total liabilities and equity	**$ 64,188,246**	**$ 65,465,994**	**$ 62,337,363**	**$ 62,041,865**	**$ 60,382,280**	**$ 60,193,739**	**$ 60,918,565**	**$ 58,330,310**

Consolidated Statement of Changes in Equity

For the three months ended *($ in thousands)*	**Q4 Mar 31/25**	**Q3 Dec 31/24**	**Q2 Sep 30/24**	**Q1 Jun 30/24**	**Q4 Mar 31/24**	**Q3 Dec 31/23**	**Q2 Sep 30/23**	**Q1 Jun 30/23**
Retained earnings								
Balance at beginning of the period	$ 5,537,500	$ 5,473,784	$ 5,393,442	$ 5,313,468	$ 5,278,961	$ 5,183,912	$ 5,096,593	$ 4,976,622
Net income attributable to ATB	48,577	88,716	105,342	104,974	34,507	95,049	87,319	119,971
Dividends	(25,000)	(25,000)	(25,000)	(25,000)	-	-	-	-
Balance at end of the period	**5,561,077**	**5,537,500**	**5,473,784**	**5,393,442**	**5,313,468**	**5,278,961**	**5,183,912**	**5,096,593**
Accumulated other comprehensive income (loss)								
Securities measured at fair value through other comprehensive income								
Balance at beginning of the period	62,252	59,689	63,431	65,315	42,284	36,478	31,494	18,177
Other comprehensive income (loss)	2,251	2,563	(3,742)	(1,884)	23,031	5,806	4,984	13,317
Balance at end of the period	**64,503**	**62,252**	**59,689**	**63,431**	**65,315**	**42,284**	**36,478**	**31,494**
Derivative financial instruments designated as cash flow hedges								
Balance at beginning of the period	(28,294)	(29,530)	(148,076)	(193,758)	(173,873)	(338,932)	(329,142)	(249,310)
Other comprehensive income (loss)	53,092	1,236	118,546	45,682	(19,885)	165,059	(9,790)	(79,832)
Balance at end of the period	**24,798**	**(28,294)**	**(29,530)**	**(148,076)**	**(193,758)**	**(173,873)**	**(338,932)**	**(329,142)**
Defined-benefit-plan liabilities								
Balance at beginning of the period	74,975	77,811	85,235	74,471	56,131	91,166	77,921	71,431
Other comprehensive income (loss)	(43,474)	(2,836)	(7,424)	10,764	18,340	(35,035)	13,245	6,490
Balance at end of the period	**31,501**	**74,975**	**77,811**	**85,235**	**74,471**	**56,131**	**91,166**	**77,921**
Accumulated other comprehensive income (loss)	**120,802**	**108,933**	**107,970**	**590**	**(53,972)**	**(75,458)**	**(211,288)**	**(219,727)**
Equity at end of the period	**$ 5,681,879**	**$ 5,646,433**	**$ 5,581,754**	**$ 5,394,032**	**$ 5,259,496**	**$ 5,203,503**	**$ 4,972,624**	**$ 4,876,866**

Consolidated Statement of Cash Flows

For the three months ended *($ in thousands)*	Q4 Mar 31/25	Q3 Dec 31/24	Q2 Sep 30/24	Q1 Jun 30/24
Cash flows from operating activities				
Net income	$ 48,577	$ 88,716	$ 105,342	$ 104,974
Adjustments for non-cash items and others				
Provision for (recovery of) loan losses	31,380	53,518	18,916	13,024
Depreciation and amortization	30,496	29,623	29,141	31,296
Net (gains) losses on securities	(3,631)	(3,413)	8,104	(2,482)
(Gains) losses on foreign-denominated wholesale borrowings	1,267	4,003	(1,571)	8,086
Adjustments for net change in operating assets and liabilities				
Loans	(698,902)	(608,704)	(1,276,304)	(529,700)
Deposits	(203,445)	582,846	843,124	1,512,131
Trading securities	(158,997)	157,718	(159,377)	(185,555)
Derivative financial instruments	(40,382)	18,167	17,080	478
Prepayments and other receivables	(75,434)	(28,618)	69,083	(159,249)
Accounts receivable—financial market products	101,190	(82,891)	(19,840)	(208)
Due to (from) clients, brokers and dealers	226,945	(175,120)	167,483	179,319
Deposit guarantee fee payable	17,313	17,268	17,159	(48,178)
Accounts payable and accrued liabilities	(51,628)	49,684	(4,680)	(146,314)
Accounts payable—financial market products	(767,764)	765,617	2,168	71
Liability for payment in lieu of tax	14,508	26,502	31,465	(69,261)
Net interest receivable and payable	941	17,989	3,289	(23,333)
Change in accrued-pension-benefit liability	(1,007)	239	(1,711)	858
Obligations related to securities sold short	76,341	(50,920)	(79,058)	233,171
Other	12,868	(22,081)	(22,623)	28,361
Net cash (used in) provided by operating activities	**(1,439,364)**	**840,143**	**(252,810)**	**947,489**
Cash flows from investing activities				
Purchase of BCV (1)		(139,759)	-	-
Purchase of securities, other than trading	(2,478,926)	(2,653,196)	(2,931,370)	(3,086,950)
Proceeds from sales and maturities of securities, other than trading	2,950,776	1,308,196	2,856,796	3,595,078
Change in interest-bearing deposits with financial institutions	(23,001)	(13,175)	24,885	17,717
Purchases and disposals of property and equipment, and software and other intangibles	(23,505)	(21,925)	(15,225)	(11,217)
Net cash (used in) provided by investing activities	**425,344**	**(1,519,859)**	**(64,914)**	**514,628**
Cash flows from financing activities				
Dividends	(25,000)	(25,000)	(25,000)	(25,000)
Issuance of wholesale borrowings	1,021,431	3,608,164	1,199,524	2,250,539
Repayment of wholesale borrowings	(2,053,240)	(1,600,000)	(2,505,645)	(2,358,025)
Issuance of securitization liabilities	181,732	478,040	29,213	628,526
Repayment of securitization liabilities	(426,915)	(275,564)	(223,945)	(746,020)
Change in securities sold under repurchase agreements	618,650	(460,662)	501,404	158,175
Repayment of lease liabilities	(7,840)	(7,926)	(7,907)	(8,790)
Net cash (used in) provided by financing activities	**(691,182)**	**1,717,052**	**(1,032,356)**	**(100,595)**
Net increase (decrease) in cash	(1,705,202)	1,037,336	(1,350,080)	1,361,522
Cash at beginning of the period	2,541,533	1,504,197	2,854,277	1,492,755
Cash at end of the period	**$ 836,331**	**$ 2,541,533**	**$ 1,504,197**	**$ 2,854,277**
Net cash (used in) provided by operating activities includes:				
Interest paid	$ (387,324)	$ (486,925)	$ (459,736)	$ (446,722)
Interest received	726,354	819,117	812,373	797,652

(1) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details, refer to Note 27.

For the three months ended *($ in thousands)*	Q4 Mar 31/24	Q3 Dec 31/23	Q2 Sep 30/23	Q1 Jun 30/23
Cash flows from operating activities				
Net income (loss)	$ 34,507	$ 95,049	$ 87,319	$ 119,971
Adjustments for non-cash items and others				
Provision for (recovery of) loan losses	74,518	29,543	30,320	(2,909)
Depreciation and amortization	32,429	30,580	33,450	33,319
Net (gains) losses on securities	1,198	1,950	1,430	(1,799)
(Gains) losses on foreign-denominated wholesale borrowings	15,704	4,338	14,453	(5,425)
Adjustments for net change in operating assets and liabilities				
Loans	(526,740)	(1,056,975)	(1,802,842)	(798,373)
Deposits	393,877	(950,366)	814,031	851,782
Derivative financial instruments	42,838	(53,841)	53,746	(6,632)
Prepayments and other receivables	26,173	33,438	7,453	(12,207)
Accounts receivable—financial market products	(10)	2	6,420	(6,420)
Due to (from) clients, brokers and dealers	(8,274)	(7,328)	25,319	(8,099)
Deposit guarantee fee payable	15,900	16,721	16,251	(43,368)
Accounts payable and accrued liabilities	(17,632)	19,921	59,691	51,431
Accounts payable—financial market products	(9,739)	(83,005)	79,594	13,085
Liability for payment in lieu of tax	10,308	28,391	26,082	(92,137)
Net interest receivable and payable	38,090	(15,622)	19,511	24,891
Change in accrued-pension-benefit liability	1,507	(386)	(686)	463
Other	(4,140)	37,774	(7,974)	(7,882)
Net cash (used in) provided by operating activities	**120,514**	**(1,869,816)**	**(536,432)**	**109,691**
Cash flows from investing activities				
Purchase of securities, other than trading	(3,030,373)	(1,709,256)	(2,208,546)	(1,376,676)
Proceeds from sales and maturities of securities, other than trading	2,912,006	1,709,538	1,378,642	2,640,685
Change in interest-bearing deposits with financial institutions	7,851	230,204	(119,627)	(33,041)
Purchases and disposals of property and equipment, and software and other intangibles	(26,841)	(20,045)	(21,908)	(21,714)
Net cash (used in) provided by investing activities	**(137,357)**	**210,441**	**(971,439)**	**1,209,254**
Cash flows from financing activities				
Issuance of wholesale borrowings	2,283,892	3,106,156	2,708,628	350,000
Repayment of wholesale borrowings	(2,405,130)	(2,475,497)	(1,051,363)	(200,000)
Issuance of securitization liabilities	131,095	224,693	141,979	286,019
Repayment of securitization liabilities	(284,989)	(487,384)	(492,610)	(554,666)
Change in securities sold under repurchase agreements	141,712	-	-	(122,556)
Repayment of lease liabilities	(8,584)	(8,408)	(8,462)	(8,326)
Net cash (used in) provided by financing activities	**(142,003)**	**359,560**	**1,298,172**	**(249,529)**
Net increase (decrease) in cash	(158,846)	(1,299,815)	(209,699)	1,069,416
Cash at beginning of the period	1,651,601	2,951,416	3,161,115	2,091,699
Cash at end of the period	**$ 1,492,755**	**$ 1,651,601**	**$ 2,951,416**	**$ 3,161,115**
Net cash (used in) provided by operating activities includes:				
Interest paid	$ (359,945)	$ (464,807)	$ (317,699)	$ (316,587)
Interest received	761,679	776,637	695,732	672,630

Quarterly Segmented Results

For the three months ended ($ in thousands)	Net interest income	Other income (loss)	Total revenue (loss)	Provision for (recovery of) loan losses	Non-interest expenses (1)	Net income (loss) before payment in lieu of tax	Payment in lieu of tax	Net income (loss)	Total assets	Total liabilities
March 31, 2025										
Everyday Financial Services	$ 146,457	$ 45,426	$ 191,883	$ 9,409	$ 153,063	$ 29,411	$ 6,765	$ 22,646	$ 32,829,951	$ 21,024,430
ATB Business	186,269	70,068	256,337	21,328	147,308	87,701	20,171	67,530	30,053,819	23,062,231
ATB Wealth	10,150	95,379	105,529	(303)	106,837	(1,005)	349	(1,354)	1,264,011	1,357,704
Strategic support units	5,739	535	6,274	946	58,349	(53,021)	(12,776)	(40,245)	40,465	13,062,002
Total	**$ 348,615**	**$ 211,408**	**$ 560,023**	**$ 31,380**	**$ 465,557**	**$ 63,086**	**$ 14,509**	**$ 48,577**	**$ 64,188,246**	**$ 58,506,367**
December 31, 2024										
Everyday Financial Services	$ 146,038	$ 44,240	$ 190,278	$ 10,725	$ 144,146	$ 35,407	$ 8,143	$ 27,264	$ 33,226,328	$ 20,381,990
ATB Business	192,144	83,469	275,613	42,538	150,087	82,988	19,089	63,899	29,688,833	20,986,314
ATB Wealth	10,264	81,394	91,658	(147)	88,691	3,114	374	2,740	1,378,820	1,490,590
Strategic support units	14,528	(5,400)	9,128	402	15,019	(6,293)	(1,106)	(5,187)	1,172,013	16,960,667
Total	**$ 362,974**	**$ 203,703**	**$ 566,677**	**$ 53,518**	**$ 397,943**	**$ 115,216**	**$ 26,500**	**$ 88,716**	**$ 65,465,994**	**$ 59,819,561**
September 30, 2024										
Everyday Financial Services	$ 144,465	$ 42,196	$ 186,661	$ 13,039	$ 138,752	$ 34,870	$ 8,020	$ 26,850	$ 31,730,754	$ 19,962,413
ATB Business	192,058	64,410	256,468	4,377	142,833	109,258	25,128	84,130	29,177,557	20,766,123
ATB Wealth	10,484	72,749	83,233	395	80,216	2,622	604	2,018	1,401,306	1,500,782
Strategic support units	6,870	(7,014)	(144)	1,105	8,693	(9,942)	(2,286)	(7,656)	27,746	14,526,291
Total	**$ 353,877**	**$ 172,341**	**$ 526,218**	**$ 18,916**	**$ 370,494**	**$ 136,808**	**$ 31,466**	**$ 105,342**	**$ 62,337,363**	**$ 56,755,609**
June 30, 2024										
Everyday Financial Services	$ 143,062	$ 40,263	$ 183,325	$ 6,128	$ 143,220	$ 33,977	$ 7,815	$ 26,162	$ 32,211,185	$ 19,646,126
ATB Business	203,983	72,635	276,618	5,884	143,537	127,197	29,255	97,942	27,998,940	19,936,903
ATB Wealth	10,737	70,444	81,181	(161)	83,082	(1,740)	(400)	(1,340)	1,637,367	1,747,257
Strategic support units	(5,343)	(2,153)	(7,496)	1,173	14,435	(23,104)	(5,314)	(17,790)	194,373	15,317,547
Total	**$ 352,439**	**$ 181,189**	**$ 533,628**	**$ 13,024**	**$ 384,274**	**$ 136,330**	**$ 31,356**	**$ 104,974**	**$ 62,041,865**	**$ 56,647,833**
Year ended March 31, 2025	**$ 1,417,905**	**$ 768,641**	**$ 2,186,546**	**$ 116,838**	**$ 1,618,268**	**$ 451,440**	**$ 103,831**	**$ 347,609**	**$ 64,188,246**	**$ 58,506,367**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

For the three months ended ($ in thousands)	**Net interest income (loss)**	**Other income (loss)**	**Total revenue (loss)**	**Provision for (recovery of) loan losses**	**Non-interest expense (1)**	**Net income (loss) before payment in lieu of tax**	**Payment in lieu of (recovery of) tax**	**Net income (loss)**	**Total assets**	**Total liabilities**
March 31, 2024										
Everyday Financial Services	$ 147,927	$ 40,478	$ 188,405	$ 14,585	$ 146,361	$ 27,459	$ 6,315	$ 21,144	$ 31,703,318	$ 19,272,793
ATB Business	200,200	77,156	277,356	59,137	137,172	81,047	18,641	62,406	25,970,322	18,287,055
ATB Wealth	11,273	69,069	80,342	(171)	74,115	6,398	569	5,829	1,714,136	1,800,673
Strategic support units	(13,270)	(27,268)	(40,538)	967	28,583	(70,088)	(15,216)	(54,872)	994,504	15,762,263
Total	**$ 346,130**	**$ 159,435**	**$ 505,565**	**$ 74,518**	**$ 386,231**	**$ 44,816**	**$ 10,309**	**$ 34,507**	**$ 60,382,280**	**$ 55,122,784**
December 31, 2023										
Everyday Financial Services	$ 141,600	$ 39,454	$ 181,054	$ 17,669	$ 143,552	$ 19,833	$ 4,562	$ 15,271	$ 30,836,205	$ 18,520,949
ATB Business	213,072	62,583	275,655	12,610	132,069	130,976	30,125	100,851	25,953,973	18,615,854
ATB Wealth	10,892	66,884	77,776	649	79,757	(2,630)	(605)	(2,025)	1,835,416	1,900,819
Strategic support units	(17,283)	787	(16,496)	(1,385)	9,628	(24,739)	(5,691)	(19,048)	1,568,145	15,952,614
Total	**$ 348,281**	**$ 169,708**	**$ 517,989**	**$ 29,543**	**$ 365,006**	**$ 123,440**	**$ 28,391**	**$ 95,049**	**$ 60,193,739**	**$ 54,990,236**
September 30, 2023										
Everyday Financial Services	$ 146,138	$ 37,011	$ 183,149	$ 1,548	$ 139,550	$ 42,051	$ 9,672	$ 32,379	$ 30,447,671	$ 18,281,741
ATB Business	205,849	61,168	267,017	28,604	135,335	103,078	23,707	79,371	27,111,942	20,053,919
ATB Wealth	11,064	68,007	79,071	(15)	72,740	6,346	1,460	4,886	1,658,236	1,701,158
Strategic support units	(18,677)	(7,357)	(26,034)	183	11,858	(38,075)	(8,758)	(29,317)	1,700,716	15,909,123
Total	**$ 344,374**	**$ 158,829**	**$ 503,203**	**$ 30,320**	**$ 359,483**	**$ 113,400**	**$ 26,081**	**$ 87,319**	**$ 60,918,565**	**$ 55,945,941**
June 30, 2023										
Everyday Financial Services	$ 139,932	$ 35,919	$ 175,851	$ (3,779)	$ 138,950	$ 40,680	$ 9,356	$ 31,324	$ 30,092,944	$ 18,081,999
ATB Business	189,993	62,356	252,349	(20)	127,636	124,733	28,689	96,044	26,200,303	19,434,720
ATB Wealth	10,487	66,098	76,585	(82)	70,043	6,624	1,523	5,101	1,560,261	1,588,338
Strategic support units	(8,585)	1,759	(6,826)	972	8,432	(16,230)	(3,732)	(12,498)	476,802	14,348,387
Total	**$ 331,827**	**$ 166,132**	**$ 497,959**	**$ (2,909)**	**$ 345,061**	**$ 155,807**	**$ 35,836**	**$ 119,971**	**$ 58,330,310**	**$ 53,453,444**
Year ended March 31, 2024	**$ 1,370,612**	**$ 654,104**	**$ 2,024,716**	**$ 131,472**	**$ 1,455,781**	**$ 437,463**	**$ 100,617**	**$ 336,846**	**$ 60,382,280**	**$ 55,122,784**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2025

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STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

ATB Financial's (ATB) consolidated financial statements and all other information contained in the annual report, including Management's Discussion and Analysis (MD&A) of ATB's operating results and financial position, have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information therein. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the International Accounting Standards Board, and the accounting requirements of the Alberta Superintendent of Financial Institutions. See the Glossary and Acronyms for our defined terms.

Other financial information presented in this annual report is consistent with that in the consolidated financial statements. The consolidated financial statements, MD&A and related financial information presented in this annual report reflect amounts determined by management, based on informed judgments and estimates as to the expected future effects of current events and transactions, with appropriate consideration to materiality.

Management is responsible for the design and maintenance of an accounting and financial reporting system, along with supporting systems of internal controls designed to provide reasonable assurance that financial information is reliable, transactions are properly authorized and recorded, liabilities are recognized and ATB's assets are appropriately safeguarded. These controls include written policies and procedures, the careful selection and training of qualified staff and a corporate code of conduct. Additionally, they prescribe the establishment of organizational structures with well-defined delegations of authority that provide appropriately defined divisions of responsibilities and accountabilities for performance. This process includes a Compliance team that independently supports management in its evaluation of the design and effectiveness of its internal controls over financial reporting.

The Senior Vice President of Internal Assurance and her team of internal assurance partners periodically review and evaluate all aspects of ATB's operations and, in particular, our systems of internal controls. The Senior Vice President of Internal Assurance has full and unrestricted access to, and meets regularly with, the Audit Committee to discuss the results of her team's work.

The Board of Directors (the Board), acting through the Audit Committee, oversees management's responsibilities for ATB's financial reporting and systems of internal controls. Before recommending the consolidated financial statements for approval to the Board, the committee reviews the consolidated financial statements and other financial information presented in the quarterly and annual reports, as well as any issues related to them, with management and the external auditors. The Audit Committee's review of the consolidated financial statements includes an assessment of key management estimates and judgments material to the financial results. The committee also assesses the effectiveness of internal controls over the accounting and financial reporting systems.

The Auditor General of Alberta has performed an independent external audit of these consolidated financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the report that follows. The Auditor General has full and unrestricted access to the Audit Committee and meets with it periodically to discuss his audit, both in the presence and absence of management, including any findings as to the integrity of ATB's financial reporting processes and the adequacy of our systems of internal controls.

Joan Hertz
Chair of the Board
Edmonton, Alberta
May 21, 2025

Curtis Stange
President and CEO
Edmonton, Alberta
May 21, 2025

Dan Hugo
Chief Financial and Strategy Officer
Edmonton, Alberta
May 21, 2025

Auditor General
OF ALBERTA

Independent Auditor's Report

To the President of Treasury Board and Minister of Finance

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of ATB Financial (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its financial performance, and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *ATB Annual Report 2025*, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 21, 2025
Edmonton, Alberta

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at *($ in thousands)*	Note	March 31 2025	March 31 2024
Cash	6	$ 836,331	$ 1,492,755
Interest-bearing deposits with financial institutions		175,945	182,371
Total cash resources		**1,012,276**	**1,675,126**
Securities measured at fair value through profit or loss		448,966	115,150
Securities measured at fair value through other comprehensive income		5,530,964	4,735,559
Securities purchased under reverse repurchase agreements		598,307	806,964
Total securities	7	**6,578,237**	**5,657,673**
Business		30,323,885	29,059,731
Residential mortgages		20,063,612	17,971,062
Personal		3,609,794	3,843,806
Credit card		748,285	757,574
Total gross loans		**54,745,576**	**51,632,173**
Allowance for loan losses	9	(429,048)	(366,016)
Total net loans	8	**54,316,528**	**51,266,157**
Derivative financial instruments	10	1,081,995	928,723
Property and equipment	11	206,022	208,371
Software and other intangibles	12	340,363	174,024
Other assets	13	652,825	472,206
Total other assets		**2,281,205**	**1,783,324**
Total assets		**$ 64,188,246**	**$ 60,382,280**
Transaction accounts		$ 12,938,390	$ 12,644,253
Savings accounts		11,018,911	9,981,121
Notice accounts		6,960,790	6,064,005
Non-redeemable fixed-date deposits		10,367,388	9,693,531
Redeemable fixed-date deposits		2,046,560	2,199,907
Total deposits	14	**43,332,039**	**40,582,817**
Securitization liabilities	15	6,550,671	6,820,589
Wholesale borrowings	20	4,607,377	4,919,593
Derivative financial instruments	10	1,000,614	1,070,555
Securities sold under repurchase agreements		959,291	141,724
Obligations related to securities sold short		179,534	-
Other liabilities	16	1,876,841	1,587,506
Total other liabilities		**15,174,328**	**14,539,967**
Total liabilities		**58,506,367**	**55,122,784**
Retained earnings		5,561,077	5,313,468
Accumulated other comprehensive income (loss)		120,802	(53,972)
Total equity		**5,681,879**	**5,259,496**
Total liabilities and equity		**$ 64,188,246**	**$ 60,382,280**

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board:

Joan Hertz
Chair of the Board

Michael Kelly
Chair of the Audit Committee

CONSOLIDATED STATEMENT OF INCOME

For the year ended *($ in thousands)*	Note	**March 31 2025**	**March 31 2024**
Loans		$ 2,791,291	$ 2,547,146
Securities		230,983	257,119
Interest-bearing deposits with financial institutions		84,633	113,484
Interest income		**3,106,907**	**2,917,749**
Deposits		1,278,648	1,130,760
Wholesale borrowings		172,655	150,978
Securitization		237,699	265,399
Interest expense		**1,689,002**	**1,547,137**
Net interest income		**1,417,905**	**1,370,612**
Wealth management		314,537	265,500
Service charges		106,833	94,750
Card fees		94,354	93,374
Credit fees		79,537	62,087
Financial markets		74,732	56,183
Capital markets		66,380	64,532
Foreign exchange gains (losses)		4,394	17,848
Insurance		22,505	24,215
Net gains (losses) on derivative financial instruments		2,378	(6,296)
Net gains (losses) on securities		1,422	2,779
Sundry		1,569	(20,868)
Other income		**768,641**	**654,104**
Total revenue		**2,186,546**	**2,024,716**
Provision for (recovery of) loan losses	9	**116,838**	**131,472**
Salaries and employee benefits	17, 18	919,000	830,850
Data processing		202,865	179,140
Premises and occupancy, including depreciation		76,834	76,426
Professional and consulting costs		101,391	80,677
Deposit guarantee fee	14	60,164	56,027
Equipment, including depreciation		11,233	11,206
Software and other intangibles amortization	12	77,652	88,118
General and administrative		88,251	82,758
ATB agencies		17,670	17,442
Other		63,208	33,137
Non-interest expense		**1,618,268**	**1,455,781**
Income before payment in lieu of tax		**451,440**	**437,463**
Payment in lieu of tax	19	103,831	100,617
Net income		**$ 347,609**	**$ 336,846**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended *($ in thousands)*	March 31 2025	March 31 2024
Net income	**$ 347,609**	**$ 336,846**
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss		
Unrealized net gains (losses) on securities measured at fair value through other comprehensive income (loss)		
Unrealized net gains (losses) arising during the period	73,555	59,314
Net losses (gains) reclassified to net income	(74,367)	(12,176)
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges		
Unrealized net gains (losses) arising during the period	106,936	(148,665)
Net losses (gains) reclassified to net income	111,620	204,217
Items that will not be reclassified to profit or loss		
Remeasurement of defined-benefit plan liabilities	(42,970)	3,040
Other comprehensive income (loss)	**174,774**	**105,730**
Comprehensive income (loss)	**$ 522,383**	**$ 442,576**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended *($ in thousands)*	March 31 2025	March 31 2024
Retained earnings		
Balance at beginning of the period	$ 5,313,468	$ 4,976,622
Net income	347,609	336,846
Dividends	(100,000)	-
Balance at end of the period	**5,561,077**	**5,313,468**
Accumulated other comprehensive income (loss)		
Securities measured at fair value through other comprehensive income		
Balance at beginning of the period	65,315	18,177
Other comprehensive income (loss)	(812)	47,138
Balance at end of the period	**64,503**	**65,315**
Derivative financial instruments designated as cash flow hedges		
Balance at beginning of the period	(193,758)	(249,310)
Other comprehensive income (loss)	218,556	55,552
Balance at end of the period	**24,798**	**(193,758)**
Defined-benefit-plan liabilities		
Balance at beginning of the period	74,471	71,431
Other comprehensive income (loss)	(42,970)	3,040
Balance at end of the period	**31,501**	**74,471**
Accumulated other comprehensive income (loss)	**120,802**	**(53,972)**
Equity	**$ 5,681,879**	**$ 5,259,496**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended ($ in thousands)	March 31 2025	March 31 2024
Cash flows from operating activities		
Net income	$ 347,609	$ 336,846
Adjustments for non-cash items and other items		
Provision for (recovery of) loan losses	116,838	131,472
Depreciation and amortization	120,556	129,778
Net losses (gains) on securities	(1,422)	2,779
Losses (gains) on foreign-denominated wholesale borrowings	11,785	29,070
Adjustments for net changes in operating assets and liabilities		
Loans	(3,113,610)	(4,184,930)
Deposits	2,734,656	1,109,324
Trading securities	(346,211)	-
Derivative financial instruments	(4,657)	36,111
Prepayments and other receivables	(194,218)	54,857
Accounts receivable—financial market products	(1,749)	(8)
Due to (from) clients, brokers and dealers	398,627	1,618
Deposit guarantee fee payable	3,562	5,504
Accounts payable and accrued liabilities	(152,938)	113,411
Accounts payable—financial market products	92	(65)
Liability for payment in lieu of tax	3,214	(27,356)
Net interest receivable and payable	(1,114)	66,870
Change in accrued-pension-benefit liability	(1,621)	898
Obligations related to securities sold short	179,534	-
Other	(3,475)	17,778
Net cash provided by (used in) operating activities	**95,458**	**(2,176,043)**
Cash flows from investing activities		
Purchase of BCV, net of cash acquired (1)	(139,759)	-
Purchase of securities, other than trading	(11,150,442)	(8,324,851)
Proceeds from sales and maturities of securities, other than trading	10,710,846	8,640,871
Change in interest-bearing deposits with financial institutions	6,426	85,387
Purchases and disposals of property and equipment, software and other intangibles	(71,872)	(90,508)
Net cash provided by (used in) investing activities	**(644,801)**	**310,899**
Cash flows from financing activities		
Dividends	(100,000)	-
Issuance of wholesale borrowings	8,079,658	8,448,676
Repayment of wholesale borrowings	(8,516,910)	(6,131,990)
Issuance of securitization liabilities	1,317,511	783,786
Repayment of securitization liabilities	(1,672,444)	(1,819,649)
Change in securities sold under repurchase agreements	817,567	19,156
Repayment of lease liabilities	(32,463)	(33,780)
Net cash provided by (used in) financing activities	**(107,081)**	**1,266,200**
Net increase (decrease) in cash	(656,424)	(598,944)
Cash at beginning of the period	1,492,755	2,091,699
Cash at end of the period	**$ 836,331**	**$ 1,492,755**
Net cash provided by (used in) operating activities includes:		
Interest paid	$ (1,780,707)	$ (1,459,038)
Interest received	3,155,496	2,906,678

(1) On November 25, 2024, we completed the acquisition of BCV Asset Management Inc. (BCV). The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details, refer to Note 27.

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2025

1 Nature of Operations

ATB is an Alberta-based financial services provider engaged in retail and commercial banking, credit cards and wealth management, investment management and capital markets services. ATB is an agent of the Crown in right of Alberta and operates under the authority of the *ATB Financial Act* (the *ATB Act*), Revised Statutes of Alberta, 2000, Chapter A-37. Under the *ATB Act*, ATB was established as a provincial Crown corporation governed by a Board of Directors appointed by the Lieutenant Governor in Council. Under the *Alberta Public Agencies Governance Act*, ATB is recognized as a government commercial enterprise and remains operationally independent from the provincial government. The address of the head office is 2100, 10020-100 Street, Edmonton, Alberta, Canada, T5J 0N3.

ATB is exempt from Canadian federal and Alberta provincial income taxes but pays an amount to the Government of Alberta designed to be in lieu of such charges. (See Note 19.)

2 Material Accounting Policies

a. General Information

Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, and the accounting requirements of the Alberta Superintendent of Financial Institutions. These consolidated financial statements were approved by the Board on May 21, 2025.

The consolidated financial statements have been prepared on a historical cost basis, except for securities measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), derivative financial instruments, financial assets and liabilities designated at FVTPL, equity instruments designated at FVOCI, liabilities for cash-settled, share-based payments and contingent consideration arising from a business combination, which have been measured at fair value.

The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand dollars, except where otherwise indicated.

Consolidation—Subsidiaries

Subsidiaries are entities controlled by ATB. Control exists when ATB is exposed to or has rights to variable returns from our involvement with the entity and can affect those returns through our power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements, from the date control starts until the date it ends. The financial statements of the subsidiaries have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

These consolidated financial statements include the assets, liabilities and results of operations and cash flows of ATB and our subsidiaries. All intercompany transactions and balances have been eliminated from the consolidated results.

On June 24, 2024, ATB established the ATB Community Foundation under the *Societies Act* (Alberta) with a focus on making a positive impact across Alberta and the communities we serve.

On November 25, 2024, ATB acquired 100% of the issued and outstanding shares of BCV Asset Management Inc. (BCV), including its wholly owned subsidiary, Nelson Portfolio Management Corporation (NPMC). BCV was originally incorporated under the *Canada Business Corporations Act,* and NPMC was originally incorporated under *The Corporations Act* (Manitoba). BCV and NPMC were continued into Alberta on February 12, 2025, under the *Business Corporations Act* (Alberta). (See Note 27.)

The following wholly owned subsidiaries, created for the purpose of offering investor services, were established by Order in Council and incorporated under the *Business Corporations Act* (Alberta):

- ATB Investment Management Inc., incorporated August 21, 2002
- ATB Securities Inc., incorporated February 6, 2003
- ATB Insurance Advisors Inc., incorporated July 21, 2006

The following wholly owned subsidiaries, created for the purpose of offering advisory and institutional financial services, were incorporated under the *Business Corporations Act* (Alberta):

- ATB Capital Markets (USA) Inc., incorporated June 21, 2010
- ATB Private Equity GP Inc., incorporated February 24, 2012
- ATB Private Equity, LP, registered March 23, 2020
- ATB Private Equity II, LP, registered August 23, 2023

ATB Capital Markets Inc. and ATB Securities Inc. merged effective January 1, 2024, and continue as ATB Securities Inc. The merger did not have any impact on the consolidated financial statements.

Significant Accounting Judgments, Estimates and Assumptions

While applying ATB's accounting policies, management has exercised judgment and made estimates in determining amounts recognized in the consolidated financial statements. The most significant judgments and estimates include the allowance for loan losses, the fair value of financial instruments, the assumptions underlying the accounting for employee benefit obligations and the fair value of assets acquired and liabilities assumed in a business combination. Actual results could differ significantly from these estimates, and the impact of any such differences will be recorded in future periods.

The consolidated financial statements for the year ended March 31, 2025, provide additional information in the following notes:

2(b): Financial Instruments—for establishing the fair value
2(b): Impairment of Financial Assets—for establishing the allowance for loan losses
7: Securities—for establishing the fair value of investments made by ATB and subsidiaries in a broad range of mainly private Alberta companies
18: Employee Benefits—for establishing the assumptions used
27: Business Combination—for establishing fair value of assets acquired and liabilities assumed in the acquisition of BCV

Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date, except non-monetary assets and liabilities measured at historical cost that are translated using the historical exchange rate. Total revenue and expenses related to foreign currency transactions are translated using the exchange rate in effect at the date of the transaction. Realized and unrealized gains and losses arising from these translations are included in other income, in the consolidated statement of income, with the exception of unrealized foreign exchange gains and losses on FVOCI securities, which are included in other comprehensive income (OCI).

b. Financial Instruments

Classification and Measurement of Financial Assets

ATB assesses all financial assets except equity instruments and derivatives based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics in the following categories:

- Debt instruments at amortized cost
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses in profit or loss on derecognition
- FVTPL

Business Model Assessment

ATB determines our business models at a level that best reflects how the financial assets are managed. Judgment is used in determining ATB's business models, supported by observable relevant factors, such as:

- How the asset and performance are evaluated and reported to key management personnel.
- The risks that affect the asset's performance and how they are managed.
- The expected frequency, value and timing of sales.

ATB's business models fall into three categories, which are indicative of the key strategies used:

- Hold to collect (HTC): In the HTC model, financial assets are held to collect the contractual principal and interest cash flows. Sales may occur, but they are incidental and expected to be insignificant or infrequent.
- Hold to collect and sell (HTC&S): Collecting both contractual cash flows and sales is integral to achieving this business model's objective.
- Other fair-value business models: Neither HTC nor HTC&S, other fair-value business models represent business objectives where assets are managed on a fair-value basis.

The following table presents the business models for ATB's financial assets:

Financial asset	Business model
Cash	Hold to collect
Interest-bearing deposits with financial institutions	Other fair-value business models
Securities measured at fair value through profit or loss	Other fair-value business models
Securities measured at fair value through other comprehensive income	Hold to collect and sell
Securities purchased under reverse repurchase agreements	Hold to collect
Loans	Hold to collect
Derivatives	Other fair-value business models
Other assets	Hold to collect

Financial Assets Measured at Amortized Cost

Financial assets are measured at amortized cost if they are held within an HTC business model and their contractual cash flows pass the solely payments of principal and interest (SPPI) test. The assets are initially recognized at fair value—which is the cash consideration to originate or purchase the asset, including any transaction costs and up-front fees—and subsequently measured at amortized cost using the effective interest rate (EIR) method. Financial assets measured at amortized cost are reported in the consolidated statement of financial position as loans, securities purchased under reverse repurchase agreements and other assets. Interest is included in the consolidated statement of income as part of net interest income (NII). For loans, expected credit losses (ECLs) are reported in the consolidated statement of financial position as an allowance for loan losses that reduces the loan's carrying value and are recognized in the consolidated statement of income as a provision for loan losses (LLP).

The Solely Payments of Principal and Interest Test

ATB assesses the contractual terms of the financial asset to determine if the contractual cash flows represent a basic lending agreement, where the cash flows comprise SPPI. Principal is defined as the fair value of the asset at initial recognition, and it may change over the asset's life due to repayments or amortization of premiums and discounts. Interest payments primarily include compensation for credit risk and the time value of money, as well as liquidity risks and servicing or administrative costs.

Where contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending agreement, the related financial asset is classified and measured at FVTPL.

Fair Value Through Other Comprehensive Income

Financial assets with an HTC&S business model, where contractual cash flows meet the SPPI test, are measured at FVOCI. These financial assets are subsequently measured at fair value, with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange (FX) gains and losses are included in the consolidated statement of income in NII and FX revenue in other income (OI), respectively.

Fair Value Through Profit or Loss

Financial assets in this category are either irrevocably designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9 *Financial Instruments*. Management designates an instrument at FVTPL only upon initial recognition, on an instrument-by-instrument basis, when the designation eliminates or significantly reduces the inconsistent treatment that would result from measuring the assets or recognizing gains or losses differently.

Financial assets at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded to the relevant category in OI in the consolidated statement of income. Interest earned from instruments designated at FVTPL is accrued in interest income using the EIR, taking into account any discount/premium and qualifying transaction costs as being integral parts of the instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded to OI in the consolidated statement of income as sundry income, when the right to the payment has been established.

Equity Instruments

Upon initial recognition, ATB occasionally elects to irrevocably classify, on an instrument-by-instrument basis, some of our equity investments at FVOCI when they are not held for trading.

Gains and losses on these equity instruments are never transferred to the consolidated statement of income. Dividends are recognized as sundry income when the right of the payment has been established, except when the proceeds are a partial recovery of the instrument's cost. If so, the proceeds are instead recorded in OCI. Equity instruments at FVOCI are not assessed for impairment.

If the instrument is measured at FVTPL, fair-value changes are recorded as part of net gains on securities in OI in the consolidated statement of income.

Classification of Financial Liabilities

Financial liabilities are classified and measured either at FVTPL or amortized cost.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities in this category are either designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL only upon initial recognition, instrument by instrument, when one of the following criteria is met:

- The designation eliminates or significantly reduces the inconsistent treatment that would result from measuring the liabilities or recognizing gains or losses differently.
- The liabilities are part of a group of financial liabilities that are managed and have their performance evaluated on a fair-value basis, in accordance with a documented risk management or investment strategy.

Financial liabilities at FVTPL are recorded at fair value in the consolidated statement of financial position. Changes in fair value are recorded to the relevant category in OI in the consolidated statement of income, excluding movements in fair value of liabilities designated at FVTPL, if there were changes in ATB's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get transferred to profit or loss. Interest incurred on instruments designated at FVTPL is accrued in interest expense using the EIR, taking into account any discount/premium and qualifying transaction costs being integral parts of the instrument. ATB classifies certain wholesale borrowings at FVTPL.

Financial Liabilities Measured at Amortized Cost

Financial liabilities not classified as FVTPL are measured at amortized cost and reported in the consolidated statement of financial position. They include deposits, wholesale borrowings, securitization liabilities, securities sold under repurchase agreements and other liabilities. Interest expense is recognized using the EIR method and included in the consolidated statement of income as part of NII.

Reclassification of Financial Assets and Liabilities

ATB has not reclassified any of our financial assets and would do so only if a significant change were to occur subsequent to initial recognition. Financial liabilities are never reclassified.

Impairment of Financial Assets

ATB records an allowance for loan losses for all loans and financial assets not held at FVTPL, which includes loan commitments and financial guarantee contracts, using a forward-looking ECL model. Equity investments are not subject to impairment under IFRS 9.

For financial assets measured at FVOCI, the calculated ECL is recognized as an allowance in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. When the asset is derecognized, the accumulated loss recognized in OCI is transferred to OI as net gains on securities.

For loans carried at amortized cost, impairment losses are recognized at each reporting date as an allowance for loan loss in the consolidated statement of financial position and an LLP in the consolidated statement of income. Allowances associated with undrawn amounts are presented under other liabilities in the consolidated statement of financial position and disclosed in Note 9. Losses are based on the three-stage impairment model outlined below.

ATB assesses at each reporting date whether an asset has experienced a significant increase in credit risk since initial recognition. Assets are grouped into Stage 1, Stage 2 or Stage 3, described as follows:

- **Stage 1:** When the asset is recognized, an allowance is recorded based on the 12-month ECL, which represents a portion of the lifetime ECL expected within 12 months of the reporting date. An asset will remain in Stage 1 until it has experienced a significant increase in credit risk since origination. Stage 1 also includes assets previously classified as Stage 2 if the credit risk has improved.
- **Stage 2:** When an asset has experienced a significant increase in credit risk since origination, an allowance is recognized for the lifetime ECL. Stage 2 also includes assets previously classified as Stage 3 if the asset is no longer credit impaired.
- **Stage 3:** Assets are considered credit impaired, with an allowance recognized equal to the discounted contractual cash shortfall expected over the remaining lifetime. Interest income for assets in this stage is calculated based on the net loan balance.

Assessing for significant increases in credit risk is done daily, based on the following three factors. Should any of these indicate a significant increase in credit risk, the loan is moved from Stage 1 to Stage 2:

- Established thresholds are based on both a percentage and absolute change in lifetime probabilities of default relative to initial recognition.
- Loans 30 days past due are typically considered to have experienced a significant increase in credit risk except, all else being equal, for payment deferrals granted under ATB's relief programs.
- All non-retail loans with a borrower risk rating of 10 and 11 are generally considered high risk, as described in Note 8.

Both the lifetime and 12-month ECLs are calculated either individually or collectively. If the credit quality improves in subsequent periods to the point where a significant increase in credit risk no longer exists, the ECLs are measured at the 12-month ECL as the loan is moved back to Stage 1 from Stage 2.

Measurement of Expected Credit Losses

ECL calculations use a complex model that is reviewed and updated when necessary. The calculation methods for each stage are as follows:

- **Stage 1:** ATB estimates an asset's projected probability of default (PD), exposure at default (EAD) and loss given default (LGD) over a maximum of 12 months following the reporting date and uses ECLs as of the reporting date.
- **Stage 2:** ATB estimates an asset's projected PD, EAD and LGD over the remaining lifetime of the asset and discounts the ECLs by the asset's EIR.
- **Stage 3:** For credit-impaired assets, ATB recognizes the cumulative changes in lifetime ECLs since initial recognition. The calculation is similar to Stage 2 assets, with the PD set at 100%.

Forward-Looking Information

To measure the expected cash shortfalls, the model is based on three probability-weighted scenarios (pessimistic, baseline and optimistic) designed to capture a wide range of possible outcomes associated with different PDs, EADs and LGDs and probability of occurrence. The probability and scenarios are adjusted quarterly, based on forecasted future economic conditions. The scenarios are subject to review and challenged by the established Economic Forecast Committee, which comprises ATB team members from across the enterprise and includes Risk, Capital Markets (Energy, Foreign Exchange), the CFO Portfolio, Business (Agriculture, Real Estate), Everyday Financial Services and Customer Experience.

In the model, ATB relies on a broad range of forward-looking economic information. The inputs vary based on the asset and include:

- Gross domestic product (GDP).
- Unemployment rate.
- Housing starts.
- 3-month T-bill yield.
- Oil prices.

As the inputs may not capture all factors at the date of the financial statements, qualitative adjustments may be applied when these differences are considered material.

Expected Life

For loans in Stages 2 and 3, allowances are based on the ECLs over a loan's expected remaining lifetime. For most loans, the life is based on the remaining contractual life.

Exceptions can apply if:

- The loan includes both a loan and an undrawn commitment component.
- The loan agreement includes the contractual ability to demand repayment and cancel the undrawn commitment.
- Credit loss exposure exceeds the contractual notice period.

Loans with these characteristics are exposed to credit losses exceeding the remaining contractual life and are not mitigated by ATB's normal credit risk management practices. The estimated period is based on significant judgment using historical information for similar exposures and normal credit risk management actions that vary by product.

Significant Increase in Credit Risk

Stage 1 and Stage 2 movement relies on significant judgment to assess whether a loan's credit risk has significantly increased, relative to the date the loan was initially recognized. For this assessment, an increase in credit risk is based on a loan's lifetime PD, segregated by product or segment and done at the instrument level.

Movement from Stage 2 back to Stage 1 is symmetrical to moving from Stage 1 to Stage 2. As a result, if a loan is no longer considered to have a significant increase in credit risk relative to its initial recognition, the loan moves back to Stage 1.

Financial assets with low credit risk are considered to have a low risk of default, as the borrower can still fulfil its contractual obligations—even in stress scenarios. For these assets, ATB has assumed that the credit risk has not increased significantly since initial recognition. Securities measured at FVOCI, securities purchased under reverse repurchase agreements and certain financial assets have been identified as having low credit risk.

Definition of Default

Loans are assessed at each reporting date to determine if one or more loss events have occurred. ATB's definition of default is consistent with our internal credit risk management practices and varies across products. ATB's loans are considered impaired when they are more than 90 days past due, unless there is a reasonable expectation of timely collection of principal and interest. Impairment may also occur earlier if there is objective evidence of a negative impact on the loan's estimated future cash flows.

Write-Offs

Financial assets are written off either partially or entirely only when there is no reasonable expectation of recovery or ATB has stopped pursuing the recovery. If the amount written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance and then applied against the gross carrying amount. Any subsequent recoveries are credited to the consolidated statement of income.

Modifications and Derecognitions

A modification occurs when a financial asset's original term, payment schedule, interest rate and limit are renegotiated or modified, which results in a change to the loan's contractual cash flows.

A modification gain or loss is calculated by taking the net present value of the new contractual cash flows, discounted at the original EIR less the current carrying value. The asset will continue to be subject to the same assessments for significant increase in credit risk and stage migration prior to being modified.

When an asset is derecognized and re-recognized, the new loan will be recorded in Stage 1 unless the loan was credit-impaired when renegotiated. When assessing for significant increases in credit risk, the date of initial recognition is based on the date the loan was modified.

Estimated Fair Value

The fair value of a financial instrument is the price that would be received in the sale of a financial asset, or paid to transfer a financial liability, in an orderly transaction between market participants at the measurement date. The best evidence of the fair value of a financial instrument at initial recognition is the fair value of the consideration received or paid.

When financial instruments are subsequently remeasured, quoted market prices in an active market provide the best evidence of fair value. When such prices are available, ATB uses them to measure financial instruments. A financial instrument is considered to be quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or pricing service and those prices reflect actual and regularly occurring market transactions on an arm's-length basis. The fair value of a financial asset traded in an active market generally reflects the quoted closing bid price, while that of a financial liability traded in an active market generally reflects the quoted closing ask price.

If the market for a financial instrument is not active, ATB establishes fair value using a valuation technique that primarily makes use of observable market inputs. Such valuation techniques include the use of available information concerning recent market transactions, reference to the current fair value of a comparable financial instrument, discounted cash flow analysis, option pricing models and all other valuation techniques commonly used by market participants that provide reliable estimates.

In cases where the fair value is established using valuation models, ATB makes assumptions about the amount, including the timing of estimated future cash flows and the discount rates used. These assumptions are based primarily on observable market inputs, such as interest rate yield curves, FX rates, credit curves and price and rate volatility factors. When one or more significant inputs are not observable in the markets, fair value is established primarily on the basis of internal estimates and data, with consideration of the valuation policies in effect at ATB, the economic environment, the specific characteristics of the financial asset or liability and other relevant factors. For investments made by ATB and our subsidiaries in private Alberta companies where there is no observable market price, fair value is estimated using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies while applying liquidity discounts as appropriate and other valuation techniques. (See Notes 4 and 7.)

The fair values are estimated at the balance sheet date using the following valuation methods and assumptions.

Financial Instruments Whose Carrying Value Equals Fair Value

The estimated fair value of items that are short-term in nature is considered to be equal to their carrying value. These items include cash, securities purchased under reverse repurchase agreements, other assets and other liabilities.

Securities and Interest-Bearing Deposits With Financial Institutions

The fair values of securities and interest-bearing deposits with financial institutions are based on quoted market prices, if available. Where an active market for identical assets does not exist, the fair value is estimated using observable market data. Where there is no quoted and observable market data, management judgment and valuation techniques based on certain assumptions are used.

Derivative Instruments

Fair value of over-the-counter (OTC) and embedded derivative financial instruments is estimated using pricing models that take into account credit valuation adjustments, current market and contractual prices for the underlying instruments, time value and yield curve or volatility factors underlying the positions. The fair value of exchange-traded contracts is based on quoted market prices in an active market.

Hybrid instruments are contracts that contain an embedded derivative. If the contract is a financial asset in scope of the standard, IFRS 9's classification and measurement criteria are applied to the entire hybrid instrument. If the contract is either a financial liability or an asset not in scope of IFRS 9, the embedded derivative is separately recognized if it is not closely related to the contract, unless the fair-value option has been elected. The contract is then accounted for in accordance with its relevant accounting standard.

Loans and Deposits

For floating-rate financial instruments, fair value is equal to carrying value as the interest rates reprice when market rates change. For fixed-rate loans, fair value is estimated by discounting the expected future cash flows at market rates. For fixed-rate deposits, fair value is estimated by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms.

Due to the use of subjective assumptions and measurement uncertainty, the fair-value amounts should not be interpreted as being realizable in an immediate settlement of these instruments.

Wholesale Borrowings and Securitization Liabilities

The fair values of wholesale borrowings and securitization liabilities are estimated by discounting contractual cash flows, using market reference rates currently offered for debt instruments, with similar terms and credit risk ratings.

Derecognition of Financial Assets and Liabilities

ATB derecognizes a financial asset when the contractual right to receive cash flows from the asset has expired or when all risks and rewards of ownership are substantially transferred. For funding transactions, all financial assets that cannot be derecognized continue to be held on ATB's consolidated statement of financial position, and a secured liability is recognized for the proceeds received. ATB derecognizes a financial liability when our contractual obligations are discharged or cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and consideration paid is recognized as sundry income in the consolidated statement of income.

Securities Purchased Under Reverse Repurchase Agreements and Securities Sold Under Repurchase Agreements

Securities purchased under reverse repurchase agreements represent a purchase of Government of Canada securities by ATB, with a simultaneous agreement to sell them back at a specified price on a future date. The difference between the cost of the purchase and the predetermined proceeds to be received, based on the repurchase agreement, is recorded as securities interest income in the consolidated statement of income. Securities purchased under reverse repurchase agreements are fully collateralized—minimizing credit risk—and have been classified and measured at amortized cost.

Securities sold under repurchase agreements represent a sale of Government of Canada securities by ATB with a simultaneous agreement to buy them back at a specified price on a future date. The difference between the proceeds of the sale and the predetermined cost to be paid based on the repurchase agreement is recorded as interest expense in the consolidated statement of income.

Derivative Financial Instruments

Derivative financial instruments are financial contracts whose value is derived from an underlying reference rate such as an interest rate, a currency exchange rate, the price of an equity or debt security or an equity or commodity index.

In the normal course of business, ATB enters into various OTC and exchange-traded derivatives, including interest rate swaps, futures and FX and commodity contracts. ATB uses such instruments for two purposes: for our risk management program and to meet the needs of ATB clients.

ATB's corporate derivative portfolio is not intended for speculative income generation but for asset/liability management purposes—that is, to manage ATB's interest rate–, FX- and equity-related exposures arising from our portfolio of investments, loan assets, deposits, Canada Mortgage Bonds (CMB) and wholesale borrowings.

ATB's client derivative portfolio is not used to generate trading income through active assumption of market risk, but rather to meet the risk management requirements of ATB clients. ATB accepts no net exposure to such derivative contracts (except for credit risk), as we either enter into offsetting contracts with other financial institution counterparties or incorporate them into our own risk management programs.

Derivative financial instruments are measured at fair value in the consolidated statement of financial position. Derivatives with positive fair value are presented as derivative assets, and those with negative fair value are presented as derivative liabilities. Changes in the fair value of derivative financial instruments are recorded to the relevant category in OI in the consolidated statement of income, unless the derivative is designated for hedge accounting as a cash flow hedge, in which case the effective portion of changes in fair value is reflected in OCI.

Hedge Accounting

For a derivative instrument to qualify for hedge accounting, the hedging relationship between the derivative (hedging) instrument and the hedged item(s) must be designated and formally documented at inception. ATB must also document, both at the inception of the hedging relationship and on an ongoing basis, an assessment of the effectiveness of the derivative instrument in offsetting changes in cash flows or fair value of the hedged item. When ATB designates a derivative as a hedge, it is classified as either a cash flow or fair-value hedge. ATB has elected to continue applying the hedge accounting principles under International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement* instead of those under IFRS 9.

ATB discontinues hedge accounting when one of the following conditions occurs:

- Hedge accounting criteria are no longer met (for example, the hedging relationship is no longer highly effective or its effectiveness is no longer measurable).
- The hedging instrument expires or is sold, terminated or exercised.
- The hedged item matures or is sold or repaid.
- The hedged forecast transaction is no longer highly probable or no longer expected to occur.
- The entity de-designates the hedge relationship.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in equity and is recognized when the hedged item is ultimately recognized in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is immediately transferred to OI as net gains on derivatives in the consolidated statement of income.

Cash Flow Hedge

ATB's derivative instruments in cash flow hedges are intended to generate cash flows that offset the variability in expected and/or anticipated cash flows from the hedged item(s). ATB uses various interest rate and cross-currency derivatives to manage risk relating to the variability of cash flows from certain loans and deposits. In a qualifying cash flow hedge relationship, the effective portion of the change in fair value of the hedging derivative instrument is recognized in OCI and the ineffective portion to net gains/losses on derivatives in the consolidated statement of income. Amounts are reclassified from OCI into NII in the consolidated statement of income in the same period that the underlying hedged item affects NII.

Fair-Value Hedge

Changes in fair value of derivatives that are designated as fair-value hedges are recorded to net gains on derivatives in OI in the consolidated statement of income, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk recorded in OI in the consolidated statement of income. ATB uses interest rate swaps to manage our exposure to fair-value changes of certain fixed-interest-rate loans and deposits and alternative funding sources caused by interest rate changes. If the hedge relationship no longer meets the criteria for hedge accounting, it is discontinued. For fair-value hedges of interest rate risk, the fair-value adjustment to the hedged item is amortized to the consolidated statement of income over the period to maturity of the previously designated hedge relationship. If the hedged item is sold or repaid, the unamortized fair-value adjustment is recognized immediately in the consolidated statement of income.

Financial Guarantees

Liabilities under financial guarantee contracts are initially recorded at their fair value, which is generally the fee received or receivable. Subsequently, the financial guarantee liabilities are measured at the higher of the initial fair value, less cumulative amortization, or the best estimate of the expenditure required to settle the obligation.

Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments are recognized in the consolidated statement of income using the EIR method. When calculating the EIR, ATB estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment options). The calculation includes all fees integral to the EIR that are paid or received between parties to the contract, transaction costs and all other premiums or discounts.

Financial Markets

Income comprises various OTC and exchange-traded derivatives, including interest rate swaps, FX and commodity contracts. These are used to meet the risk management requirements of ATB clients, and ATB either enters into offsetting contracts with other financial institution counterparties or incorporates them into our own risk management programs, thereby resulting in no net exposure. Changes in the fair value of derivative financial instruments are recorded as part of financial markets in OI in the consolidated statement of income.

c. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, except for land, which is carried at cost. Buildings, computer equipment, furniture and fixtures, other equipment and leasehold improvements are depreciated on a straight-line basis over their estimated useful lives. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets, considering expected usage and expected physical wear and tear. The depreciable amount is the gross carrying amount less the estimated residual value at the end of the asset's useful economic life. Property and equipment acquired under a finance lease are capitalized, and the depreciation period for a finance lease corresponds to the lesser of the useful life or lease term. No depreciation is recorded on property and equipment under construction or development until the assets are available for use. The estimated useful life for each asset class is as follows:

- Buildings: Up to 20 years
- Right-of-use assets: Up to 30 years, with renewals assessed case by case
- Computer equipment: Up to 4 years
- Furniture and fixtures: Up to 10 years
- Other equipment: Up to 5 years
- Leasehold improvements:
  - Branch properties: Lease term, plus one renewal period if reasonably assured
  - Corporate properties: Lease term

Depreciation rates, calculation methods and the residual values underlying the calculation of depreciation of property and equipment are reviewed to account for any change in circumstances. Gains and losses on the disposal of property and equipment are recorded to other expenses in the consolidated statement of income in the year of disposal.

d. Software, Goodwill and Other Intangibles

Software and other intangibles are carried at cost less accumulated amortization and amortized on a straight-line basis over their estimated useful lives. Goodwill refers to any sum paid above the fair value of the net identifiable assets obtained on the date the business is acquired. Intangible assets acquired through a business combination are recognized separately from goodwill when they are separable or arise from contractual or other legal rights, and their fair value can be measured reliably. No amortization is recorded on software under construction or development until the assets are available for use. The estimated useful life for software is 3 to 5 years, with certain software having a useful life of 15 years. Other intangibles include brand and customer and referral relationships related to the acquisition of BCV with a useful life of 4 to 25 years.

Costs related to software developed or obtained for internal use are capitalized if it is probable that future economic benefits will flow to ATB and that the cost can be measured reliably. Eligible costs include external direct costs for materials and services, as well as payroll and payroll-related costs for employees directly associated with an internally developed software project.

e. Impairment of Property and Equipment, Software, Goodwill and Other Intangibles

The carrying amount of non-financial assets—which include property and equipment, software, goodwill and other intangibles—is reviewed for impairment whenever events, changes in circumstances or technical or commercial obsolescence indicate the carrying amount may not be recoverable. Goodwill and software under development are tested annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest level, where there are separately identifiable cash inflows or cash-generating units (CGU).

If there is any indication of impairment, the asset's recoverable amount is estimated. The recoverable amount is the greater of an asset's fair value less cost to sell or its value in use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Impairment losses are recorded to the appropriate line under non-interest expenses (NIE) in the consolidated statement of income.

Goodwill is tested for impairment annually, or more frequently if there are objective indications of impairment, by comparing the recoverable amount of a CGU with its carrying amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal or its value in use. The recoverable amount is determined using a discounted cash flow model that projects future cash flows based on forecasted revenue. The discount rate is based on an implied internal rate of return using a combination of working capital, cash flow growth, annual capital expenditures and ATB's payment in lieu of tax. Both estimates involve significant judgment when determining the inputs. If the carrying amount of a CGU exceeds its recoverable amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other identifiable assets proportionately, based on the carrying amount of each asset. Subsequent reversals of goodwill impairment are prohibited.

f. Leases

Lessee Accounting

Classification

At the start of a contract, ATB assesses if the contract is a lease or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, a right-of-use asset and a lease liability are recognized. The right-of-use asset is presented under property and equipment, and the lease liability is presented under other liabilities in the consolidated statement of financial position.

Measurement

Measuring the lease liability includes the following components:

- Fixed lease payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts ATB expects to pay for residual-value guarantees
- The amount paid for a purchase option if ATB is reasonably certain we will exercise the option
- Penalties for terminating the lease, if the term includes the option to terminate and that option is exercised

The lease liability is measured at amortized cost using the EIR method and remeasured when:

- Future lease payments change due to an index or rate change.
- The amount ATB expects to collect for a residual-value guarantee changes.
- The likelihood of exercising a purchase, extension or termination option changes.

The interest rate for lease liabilities has been calculated using the weighted-average approach. ATB did not hold any short-term or low-value asset leases as at March 31, 2025, or at March 31, 2024.

Remeasurements are recorded to the carrying amount of the right-of-use asset or, if that carrying amount is zero, to the appropriate line in the consolidated statement of income.

Lease payments are discounted over the non-cancellable term using the interest rate implicit in the lease. However, if the interest rate cannot be readily determined, the incremental borrowing rate is used. For ATB, the incremental borrowing rate is based on our wholesale borrowing costs.

The right-of-use asset is initially measured to be equal to the right-of-use liability and is depreciated using the straight-line method until the earlier of the end of the useful life of the right-of-use asset or the lease term. In addition, right-of-use assets may be reduced by impairment losses, if any, or for certain remeasurements made to the lease liability.

If the contract does not contain a lease, no asset or liability is recorded in the consolidated statement of financial position. Instead, payments are recognized to NIE as equipment, including depreciation, in the consolidated statement of income on a straight-line basis over the term of the contract.

Lessor Accounting

Classification

A lease is classified as a "finance lease" if it transfers substantially all risks and rewards related to the underlying asset. A lease is classified as "operating" if it does not transfer substantially all risks and rewards related to the underlying asset.

Measurement

The classification is done at inception and is reassessed only if a lease modification occurs. Changes in estimates (for example, of the economic life or residual value of the underlying asset) or changes in circumstances (for example, by default by the lessee) do not change a lease's classification.

Finance leases are recognized in the consolidated statement of financial position (presented as a receivable at an amount equal to the net investment in the lease).

Subleases

A sublease is a transaction where a lessee ("intermediate lessor") leases an underlying asset to a third party. The lease ("head lease") between the head lessor and lessee remains unchanged.

If a transaction fits this criteria, the sublease is classified as either a finance or operating lease based on the right-of-use asset arising from the head lease. However, if the recognition exemption is applied to the head lease, the sublease shall be classified as an operating lease.

g. Salaries and Employee Benefits

ATB provides benefits to current and past employees through a combination of defined-benefit (DB) and defined-contribution (DC) plans.

Non-management employees currently participate in the Public Service Pension Plan (PSPP) with other Alberta public-sector employees. The PSPP is a DB pension plan that provides benefits based on a member's years of service and earnings. ATB provides our management employees with a registered pension plan (the ATB Plan) with either DB or DC provisions. ATB also provides a non-registered DB supplemental retirement plan (SRP) and other post-employment benefits (OPEB) for designated management employees. Where employees have annual contributions over the allowed maximum under the *Income Tax Act,* ATB provides the employees with a notional supplemental plan in which excess amounts are allocated. This non-registered plan gives employees notional DC benefits that cannot be provided with the ATB Plan due to contribution limitations.

All expenses related to employee benefits are recorded in the consolidated statement of income as salaries and employee benefits in NIE.

The cost of the DB plan is determined using an actuarial valuation. The valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Details of the salaries and benefits of ATB's key management personnel included in Note 17 are presented in the audited Compensation Summary table of this report.

Accounting for Defined-Benefit Plans—Registered, Supplemental and Other

The PSPP and the DB portion of the ATB Plan, SRP and OPEB obligations provide employee benefits based on a member's years of service and highest average salary. The net liability recognized in other liabilities, or the net asset recognized in other assets in the consolidated statement of financial position, in respect of DB pension plans, is the present value of the DB obligation at the date of the consolidated statement of financial position, less the fair value of plan assets. When the net amount in the consolidated statement of financial position is an asset, the recognized asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, which may be nil. (See Note 18.) The DB obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the DB obligation is determined by discounting the estimated future cash outflows. Actuarial gains and losses are recognized in OCI. Past-service costs are recognized immediately in salaries and employee benefits in the consolidated statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Accounting for Defined-Contribution Plans

Contributions are expensed as they become due and recorded in salaries and employee benefits in the consolidated statement of income.

Plan Valuations, Asset Allocation and Funding

Each year on March 31, ATB measures our accrued-benefit obligations and the fair values of plan assets for accounting purposes for the PSPP, ATB Plan, SRP and OPEB obligations. ATB makes regular funding contributions to the DB plan according to the most recent valuation for funding purposes. The SRP and OPEB obligations are not pre-funded, and such benefits are paid from ATB's assets as they become due. The most recent actuarial valuation of the DB provisions of the ATB Plan was performed on December 31, 2022. The DB plan's investment policy sets targets for an acceptable range for the allocation of plan assets between equity, debt and other assets. (See Note 18.)

h. Provisions

Provisions are recognized when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate of the amount of the obligation can be made.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are:

- Possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ATB, or
- Present obligations that have arisen from past events but are not recognized because settlements will not require an outflow of economic benefits or the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognized in the financial statements but are disclosed in Note 21, unless the probability of settlement is remote.

i. Securitization

To provide ATB with additional sources of liquidity, we periodically securitize and guarantee certain securities and residential mortgage loans through the Canada Mortgage and Housing Corporation CMB program or third-party investors. Credit card and equipment financing receivables may also be secured by ATB. We also purchase credit protection against eligible credit events on certain loans through synthetic securitization. All of our securitization activities are recorded in our consolidated statement of financial position and carried at amortized cost, as the derecognition criteria are not met due to retaining substantially all risks and rewards of ownership. ATB recognizes a liability for cash proceeds received from securitization. This liability is presented under securitization liabilities in the consolidated statement of financial position.

j. Segmented Information

An area of expertise (AOE) is a distinguishable component of ATB that provides products or services and is subject to risks and returns that are different from those of other AOEs. The Strategic Leadership Team regularly reviews operating activity by AOE. All transactions between AOEs are conducted at arm's length, with intra-segment revenue and expenses being eliminated in ATB's strategic support unit. Income and expenses associated with each AOE are included in determining that AOE's performance.

k. Revenue Recognition

ATB had no material contract assets or liabilities or remaining performance obligations longer than one year as at March 31, 2025, or at March 31, 2024.

Fees and Commission Income

Wealth Management

Wealth management income includes revenue earned from trailer fees and mutual fund commissions, fund management, financial planning servicing and account servicing fees. Except for certain one-time account fees and commissions that are recognized when the services are completed, revenues are deferred and recognized over time for management and advisory services provided evenly throughout the month, assuming that a significant reversal of revenue will likely not occur.

Most commission revenue for insurance services is recognized immediately. A portion is deferred and recorded as a contract liability in other liabilities in the consolidated statement of financial position. The liability is then recognized as revenue in future years as performance obligations are fulfilled by managing policyholder relationships.

Service Charges

Service charges generate revenue from offering services to clients. Transaction-based fees are recognized when the transaction occurs or the service is completed.

Card Fees

Revenue is generated from issuing Mastercard® and Visa[4] Debit cards, from merchant credit card terminals and associated services and from interchange fees. All three types of fees are recognized when the transaction has taken place, except for certain recurring merchant fees that are recognized over time. Credit card reward program expenses are recorded as a reduction to card fee revenue, as the program is managed by a third party, with ATB acting as an agent.

Credit Fees

Fees are earned on various services related to a client's loan, letters of credit and guarantees, syndication and standby fees. When a fee is charged for a one-time service, revenue is recorded immediately. If the fee relates to an ongoing service, revenue is recorded over time. Fees associated with letters of credit and guarantees are deferred and recorded to revenue monthly over the term of the letter.

Insurance

This refers to revenue generated from insurance plans offered with loans. There are two fees: variable fees based on the plan's surplus, which are deferred and recognized over the loan, and commission earned from each successful referral, which is recognized when the transaction takes place.

Capital Markets Revenue

These fees include underwriting services, mergers and acquisitions (M&A) and Project Finance advisory services. Underwriting services are earned and recognized upon completion by an agent/underwriter distributing the securities of issuers. M&A fees are deferred and recognized over the period of the engagement as the services are provided, and the remaining fees are recognized when the transactions and services provided are completed or certain milestones have been achieved.

l. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in NIE.

ATB determines that we have acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it meets one of two criteria: (a) it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge or experience to perform that process; or (b) the process significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

When ATB acquires a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Contingent consideration, classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value, with the changes in fair value recognized in the consolidated statement of income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date, with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, ATB reassesses whether we have correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of ATB's CGUs that are expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

[4] Trademark of Visa International Service Association and used under license.

3 Summary of Accounting Policy Changes

Changes in Accounting Policies and Disclosures

Interest Rate Benchmark Reform Phase 2

The final publication of all tenors of the Canadian Dollar Offered Rate (CDOR) was made on June 28, 2024. Exposure to financial instruments referencing CDOR is no longer significant to the financial statements.

Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

In May 2023, the International Accounting Standards Board (IASB) issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*. The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements.

During the first quarter of FY2025, ATB adopted the amendments, which had no impact on our financial statements.

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. The purpose of the amendment is to clarify the classification of liabilities with covenants as current or non-current and improve the disclosures of these covenants in the notes to the financial statements.

During the first quarter of FY2025, ATB adopted the amendments, which had no impact on our financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)

In September 2022, the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*. The amendments clarify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability arising from a sale and leaseback transaction that qualifies under IFRS 15 *Revenue from Contracts with Customers*. Specifically, this prevents a seller-lessee from recognizing any gain or loss that relates to the right of use it retains over an asset.

During the first quarter of FY2025, ATB adopted the amendments, which had no impact on our financial statements.

Future Accounting Policy Changes

The following standards have been issued but are not yet effective on the date of issuance of ATB's consolidated financial statements.

Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In December 2024, the IASB issued *Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7.* The amendments explain the meaning of "contracts referencing nature-dependent electricity" and clarify the related own-use requirements in IFRS 9. Hedge accounting requirements are also amended, along with the introduction of additional disclosures for these contracts.

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and have both prospective and retrospective requirements, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

Annual Improvements to IFRS Accounting Standards—Volume 11

In July 2024, the IASB issued *Annual Improvements to IFRS Accounting Standards—Volume 11*, which contains eight minor amendments to five different standards. The amendments include clarification that a lessee recognizes the difference between the carrying amount and consideration paid in profit or loss on derecognition of a lease liability under IFRS 9 *Financial Instruments* and that a trade receivable without a significant financing component is initially measured at the amount determined by applying IFRS 15 *Revenue from Contracts with Customers.*

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and are applied prospectively, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7.* The amendments include clarification related to the classification of financial assets with environmental, social, and governance and similar features as well as derecognition for settlement of financial liabilities through electronic payment systems, introducing an accounting policy option to allow derecognition of a financial liability before it delivers cash on the settlement date if specified criteria are met. The amendments also introduce additional disclosure requirements for fair value through other comprehensive income (FVOCI) equity investments and financial instruments with contingent features.

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and are applied retrospectively with an adjustment to retained earnings, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. The new standard will replace IAS 1 *Presentation of Financial Statements* as the primary source of requirements for financial statement presentation. The new standard includes new requirements related to income statement structure and subtotals and management-defined performance measure disclosures, as well as new principles for grouping financial statement information.

ATB is currently assessing the impact of the new standard, which is effective for reporting periods beginning on or after January 1, 2027, and is applied retrospectively, with earlier application permitted. IFRS 18 will take effect on April 1, 2027—the start of ATB's FY2028.

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

In August 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*. The amendments specify when a currency is exchangeable into another currency and when it is not, how an entity determines the exchange rate to apply when a currency is not exchangeable and additional disclosures required when a currency is not exchangeable.

ATB has assessed the impact of the amendments, which are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments to IAS 21 are applied prospectively with an initial opening adjustment in retained earnings. There are no significant changes anticipated upon adopting the amendments to IAS 21 on April 1, 2025—the start of ATB's FY2026.

4 Financial Instruments

Classification and Carrying Value

The following tables summarize ATB's financial instrument classifications and provide their carrying value:

As at March 31, 2025 *($ in thousands)*	Carrying value: Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 836,331	$ 836,331
Interest-bearing deposits with financial institutions (1)	-	175,945	-	-	-	175,945
Total cash resources	-	175,945	-	-	836,331	1,012,276
Securities	448,893	73	5,423,040	107,924	-	5,979,930
Securities purchased under reverse repurchase agreements	-	-	-	-	598,307	598,307
Total securities (1)	448,893	73	5,423,040	107,924	598,307	6,578,237
Total net loans (2)	-	-	-	-	54,316,528	54,316,528
Derivative financial instruments	1,081,995	-	-	-	-	1,081,995
Other assets (1) (6)	-	-	-	-	550,556	550,556
Total other assets	1,081,995	-	-	-	550,556	1,632,551
Total financial assets	**$ 1,530,888**	**$ 176,018**	**$ 5,423,040**	**$ 107,924**	**$ 56,301,722**	**$ 63,539,592**
Financial liabilities						
Total deposits (3)	-	-	-	-	43,332,039	43,332,039
Securitization liabilities (4)	-	-	-	-	6,550,671	6,550,671
Wholesale borrowings (5)	-	-	-	-	4,607,377	4,607,377
Derivative financial instruments (1)	1,000,614	-	-	-	-	1,000,614
Securities sold under repurchase agreements (1)	-	-	-	-	959,291	959,291
Obligations related to securities sold short	179,534	-	-	-	-	179,534
Other liabilities (1) (6) (7)	44,975	-	-	-	1,645,901	1,690,876
Total other liabilities	1,225,123	-	-	-	13,763,240	14,988,363
Total financial liabilities	**$ 1,225,123**	**$ -**	**$ -**	**$ -**	**$ 57,095,279**	**$ 58,320,402**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $56,265,702.
(3) The fair value of deposits is estimated at $43,220,603.
(4) The fair value of securitization liabilities is estimated at $6,585,996.
(5) The fair value of wholesale borrowings is estimated at $4,693,842.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV. (See Note 27.)

As at March 31, 2024 ($ in thousands)	Carrying value Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 1,492,755	$ 1,492,755
Interest-bearing deposits with financial institutions (1)	-	182,371	-	-	-	182,371
Total cash resources	-	182,371	-	-	1,492,755	1,675,126
Securities	84,172	30,978	4,632,365	103,194	-	4,850,709
Securities purchased under reverse repurchase agreements	-	-	-	-	806,964	806,964
Total securities (1)	84,172	30,978	4,632,365	103,194	806,964	5,657,673
Total net loans (2)	-	-	-	-	51,266,157	51,266,157
Derivative financial instruments	928,723	-	-	-	-	928,723
Other assets (1) (6)	-	-	-	-	338,084	338,084
Total other assets	928,723	-	-	-	338,084	1,266,807
Total financial assets	**$ 1,012,895**	**$ 213,349**	**$ 4,632,365**	**$ 103,194**	**$ 53,903,960**	**$ 59,865,763**
Financial liabilities						
Total deposits (3)	-	-	-	-	40,582,817	40,582,817
Securitization liabilities (4)	-	-	-	-	6,820,589	6,820,589
Wholesale borrowings (5)	-	-	-	-	4,919,593	4,919,593
Derivative financial instruments (1)	1,070,555	-	-	-	-	1,070,555
Securities sold under repurchase agreements (1)	-	-	-	-	141,724	141,724
Other liabilities (1) (6) (7)	-	-	-	-	1,426,173	1,426,173
Total other liabilities	1,070,555	-	-	-	13,308,079	14,378,634
Total financial liabilities	**$ 1,070,555**	**$ -**	**$ -**	**$ -**	**$ 53,890,896**	**$ 54,961,451**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $51,956,855.
(3) The fair value of deposits is estimated at $39,946,090.
(4) The fair value of securitization liabilities is estimated at $6,703,858.
(5) The fair value of wholesale borrowings is estimated at $4,847,500.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV. (See Note 27.)

Fair-Value Hierarchy

Financial instruments recorded at fair value in the consolidated statement of financial position are classified using a fair-value hierarchy based on the quality and reliability of the information used to estimate the fair value. The fair-value hierarchy has the following levels:

- **Level 1:** Fair value based on quoted prices in active markets
- **Level 2:** Fair value estimated using valuation techniques with market-observable inputs other than quoted market prices
- **Level 3:** Fair value estimated using inputs not based on observable market data

The fair-value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For the years ended March 31, 2025, and March 31, 2024, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

The categories of financial instruments whose fair values are classified as Level 3 consist of investments made by ATB and our subsidiaries in a broad range of private Alberta companies and funds, as well as contingent consideration related to the acquisition of BCV. Valuation techniques are disclosed in Note 7.

The following tables present the level within the fair-value hierarchy of ATB's financial assets and liabilities measured at fair value:

As at *($ in thousands)*	Level 1	Level 2	Level 3	Total
March 31, 2025				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 175,945	$ -	$ 175,945
Securities				
Securities measured at FVTPL	350,285	-	98,681	448,966
Securities measured at FVOCI	5,423,040	-	107,924	5,530,964
Other assets				
Derivative financial instruments	-	1,081,995	-	1,081,995
Total financial assets	**$ 5,773,325**	**$ 1,257,940**	**$ 206,605**	**$ 7,237,870**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	179,534	-	-	179,534
Derivative financial instruments	-	1,000,614	-	1,000,614
Other liabilities (1)	-	-	44,975	44,975
Total financial liabilities	**$ 179,534**	**$ 1,000,614**	**$ 44,975**	**$ 1,225,123**
March 31, 2024				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 182,371	$ -	$ 182,371
Securities				
Securities measured at FVTPL	31,109	-	84,041	115,150
Securities measured at FVOCI	4,632,365	-	103,194	4,735,559
Other assets				
Derivative financial instruments	-	928,723	-	928,723
Total financial assets	**$ 4,663,474**	**$ 1,111,094**	**$ 187,235**	**$ 5,961,803**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	-	-	-	-
Derivative financial instruments	-	1,070,555	-	1,070,555
Other liabilities	-	-	-	-
Total financial liabilities	**$ -**	**$ 1,070,555**	**$ -**	**$ 1,070,555**

(1) Contingent consideration related to the acquisition of BCV. (See Note 27.)

Valuation of Level 3 Instruments

For direct investments in private companies—as there is no observable market price as at the balance sheet date—ATB estimates the fair value using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies. Specifically, the expected earnings before interest, income tax, depreciation and amortization (EBITDA). For direct investments in capital funds, the net asset value is used in estimating the fair value of ATB's interest. The fair value of the contingent consideration related to the acquisition of BCV was calculated using a Monte Carlo simulation approach under a risk-neutral framework. A Monte Carlo simulation approach using geometric Brownian motion is commonly used to model non-linear payoff structures such as the contingent payments. (See Note 27.)

The following table presents ATB's sensitivity analysis for fair-value measurements classified as Level 3, substituting one or more reasonably possible alternative assumptions for the unobservable inputs:

Product	Valuation technique	Significant unobservable inputs	March 31, 2025		March 31, 2024	
			Range of input values		Range of input values	
			Low	High	Low	High
Equity	Valuation multiple	Enterprise value/EBITDA multiple	3.9	9.8	3.1	7.2
		Enterprise value/revenue multiple	4.8	5.8	5.5	5.7
	Adjusted net asset value (1)	Net asset value (2)	n/a	n/a	n/a	n/a

(1) Adjusted net asset value is determined using reported net asset values obtained from the fund manager or general partner of the limited partnership and may be adjusted for current market levels where appropriate.
(2) ATB holds limited partnership interests in certain private capital funds. Net asset values are provided quarterly by each fund's general partner and, due to the wide range and diverse nature of the investments, no inputs are disclosed.

A 10% change to each multiple would result in a $4.8 million increase and $4.8 million decrease in fair value (March 2024: $8.7 million increase and $3.5 million decrease in fair value). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2.

The following tables present the changes in fair value of Level 3 financial instruments:

($ in thousands)	Securities designated as FVOCI	Securities classified as FVTPL
Fair value as at March 31, 2024	$ 103,194	$ 84,041
Total realized and unrealized gains (losses) included in net income	-	(3,991)
Total realized and unrealized gains (losses) included in other comprehensive income	3,059	-
Purchases and issuances	1,671	18,631
Sales and settlements	-	-
Fair value as at March 31, 2025	**$ 107,924**	**$ 98,681**
Change in unrealized gains included in income regarding financial instruments held as at March 31, 2025	$ -	$ (3,991)

Fair value as at March 31, 2023	$ 54,141	$ 82,913
Total realized and unrealized gains (losses) included in net income	-	(945)
Total realized and unrealized gains (losses) included in other comprehensive income	46,408	-
Purchases and issuances	2,645	12,266
Sales and settlements	-	(10,193)
Fair value as at March 31, 2024	**$ 103,194**	**$ 84,041**
Change in unrealized gains included in income regarding financial instruments held as at March 31, 2024	$ -	$ (4,418)

The consolidated statement of income line item for net gains on securities includes realized and unrealized fair-value movements on all financial instruments classified and designated at FVTPL and realized gains on securities measured at FVOCI.

Offsetting Financial Assets and Financial Liabilities

Financial assets or liabilities, securities purchased under reverse repurchase agreements, and derivative assets and liabilities must be offset in the consolidated statement of financial position—when and only when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis or realize the asset and settle the liability simultaneously. A legally enforceable right exists when the right is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy.

A financial asset or liability is not offset in the consolidated statement of financial position only if it is not subject to master netting arrangements (which include those by the International Swaps and Derivatives Association [ISDA]) or similar arrangements that permit offsetting outstanding transactions with the same counterparty in the event of default, insolvency or bankruptcy.

ATB receives and pledges collateral in the form of cash and marketable securities relating to our derivative assets and liabilities to manage credit risk in accordance with the terms and conditions of the ISDA credit support annex.

The following tables present information about financial assets and liabilities that are set off and not set off in the consolidated statement of financial position and are subject to a master netting agreement or similar arrangement:

				Related amounts not offset in the consolidated statement of financial position		
As at *($ in thousands)*	**Gross recognized amounts**	**Set-off amounts**	**Net amounts recognized in the consolidated statement of financial position**	**Financial instruments (1)**	**Financial collateral received/ pledged**	**Net amount**
March 31, 2025						
Financial assets						
Securities purchased under reverse repurchase agreements	$ 598,307	$ -	$ 598,307	$ -	$ -	$ 598,307
Derivative financial instruments	1,092,584	10,589	1,081,995	648,267	29,701	404,027
Amounts receivable from clients and financial institutions	1,757	-	1,757	-	-	1,757
Total financial assets	**$ 1,692,648**	**$ 10,589**	**$ 1,682,059**	**$ 648,267**	**$ 29,701**	**$ 1,004,091**
Financial liabilities						
Securities sold under repurchase agreements	$ 959,291	$ -	$ 959,291	$ -	$ -	$ 959,291
Derivative financial instruments	1,011,203	10,589	1,000,614	648,267	121,429	230,918
Amounts payable to clients and financial institutions	162	-	162	-	-	162
Total financial liabilities	**$ 1,970,656**	**$ 10,589**	**$ 1,960,067**	**$ 648,267**	**$ 121,429**	**$ 1,190,371**
March 31, 2024						
Financial assets						
Securities purchased under reverse repurchase agreements	$ 806,964	$ -	$ 806,964	$ -	$ -	$ 806,964
Derivative financial instruments	960,185	31,462	928,723	511,943	272,844	143,936
Amounts receivable from clients and financial institutions	8	-	8	-	-	8
Total financial assets	**$ 1,767,157**	**$ 31,462**	**$ 1,735,695**	**$ 511,943**	**$ 272,844**	**$ 950,908**
Financial liabilities						
Securities sold under repurchase agreements	$ 141,724	$ -	$ 141,724	$ -	$ -	$ 141,724
Derivative financial instruments	1,102,017	31,462	1,070,555	511,943	175,353	383,259
Amounts payable to clients and financial institutions	70	-	70	-	-	70
Total financial liabilities	**$ 1,243,811**	**$ 31,462**	**$ 1,212,349**	**$ 511,943**	**$ 175,353**	**$ 525,053**

(1) This is the carrying amount of financial assets and liabilities that are subject to a master netting agreement or similar arrangement but do not meet the offsetting criteria.

5 Financial Instruments—Risk Management

ATB has included in the Risk Management section of the MD&A certain disclosures required by IFRS 7 relating to credit, market, foreign exchange and liquidity risks. These risks are shaded in blue and form an integral part of the 2025 consolidated financial statements.

6 Cash Resources

Cash consists of cash on hand, bank notes and coins, non-interest-bearing deposits and cash held at the Bank of Canada through the Large Value Transfer System. Interest-bearing deposits with financial institutions have been designated at FVTPL and are recorded at fair value. Interest income on interest-bearing deposits with financial institutions is recorded on an accrual basis. Cash has been classified as financial instruments measured at amortized cost, as disclosed in Note 4.

As at March 31, 2025, the carrying value of interest-bearing deposits with financial institutions consists of $0.2 billion (2024: $0.2 billion) designated at FVTPL.

ATB has restricted cash that represents deposits held in trust, in connection with securitization activities. These deposits include cash accounts that hold principal and interest payments collected from mortgages securitized through the *National Housing Act* Mortgage-Backed Security Program. The deposits are awaiting payment to their respective investors and are held in interest reinvestment accounts, in connection with ATB's participation in the CMB program. ATB also reserves cash that is related to the securitization of equipment financing loans. As at March 31, 2025, the amount of restricted cash is $55.7 million (2024: $77.0 million).

7 Securities

The carrying value of securities by remaining term to maturity and net of valuation provisions is as follows:

As at *($ in thousands)*	Within 1 year	1 to 5 years	Over 5 years	No maturity	Total carrying value
March 31, 2025					
Securities measured at FVTPL					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ -	$ -	$ -	$ -	$ -
Trading (1)	77,080	136,594	132,537	-	346,211
Other securities (2)	3,998	3	60,263	38,491	102,755
Total securities measured at FVTPL	**$ 81,078**	**$ 136,597**	**$ 192,800**	**$ 38,491**	**$ 448,966**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 2,803,822	$ 2,619,218	$ -	$ -	$ 5,423,040
Other securities (2)	-	-	107,924	-	107,924
Total securities measured at FVOCI	**$ 2,803,822**	**$ 2,619,218**	**$ 107,924**	**$ -**	**$ 5,530,964**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	598,307	-	-	-	598,307
Total securities purchased under reverse repurchase agreements	**$ 598,307**	**$ -**	**$ -**	**$ -**	**$ 598,307**
March 31, 2024					
Securities measured at FVTPL					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 30,911	$ -	$ -	$ -	$ 30,911
Other securities (2)	112	21	54,605	29,501	84,239
Total securities measured at FVTPL	**$ 31,023**	**$ 21**	**$ 54,605**	**$ 29,501**	**$ 115,150**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 1,349,744	$ 3,166,760	$ 115,861	$ -	$ 4,632,365
Other securities (2)	-	-	103,194	-	103,194
Total securities measured at FVOCI	**$ 1,349,744**	**$ 3,166,760**	**$ 219,055**	**$ -**	**$ 4,735,559**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	806,964	-	-	-	806,964
Total securities purchased under reverse repurchase agreements	**$ 806,964**	**$ -**	**$ -**	**$ -**	**$ 806,964**

(1) Part of a securities trading platform.
(2) These securities relate to investments made by ATB and our subsidiaries in a broad range of mainly private companies and funds.

As at March 31, 2025, and at March 31, 2024, we have had no securities classified as held-to-maturity.

8 Loans

In the retail portfolio, each borrower is assessed based on its Fair Isaac Corporation (FICO) score. The following table outlines the borrower-risk-assessment level assigned to each FICO score range:

Risk assessment	FICO score range
Very low risk	800–900
Low risk	700–799
Medium risk	620–699
High risk	619 or lower

For non-retail loans, each borrower is assigned a borrower risk rating (BRR). The following table outlines the borrower-risk-assessment level assigned to each BRR range:

Risk assessment	BRR range
Very low risk	1–4
Low risk	5–7
Medium risk	8–9
High risk	10–13

Credit Quality

The following tables present the gross carrying amount of loans and the full contractual amount of undrawn loan commitments subject to the impairment requirements under IFRS 9:

As at *($ in thousands)*				**March 31 2025**				**March 31 2024**
	Performing		**Impaired**		**Performing**		**Impaired**	
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Very low risk	$ 6,182,243	$ 11,540	$ -	$ 6,193,783	$ 7,243,651	$ 100,289	$ -	$ 7,343,940
Low risk	19,665,125	565,958	-	20,231,083	17,745,074	447,654	-	18,192,728
Medium risk	2,605,901	312,937	-	2,918,838	2,442,178	203,991	-	2,646,169
High risk	4,608	383,759	-	388,367	-	328,887	-	328,887
Not rated (1)	43,375	5,124	-	48,499	32,505	5,123	-	37,628
Impaired	-	-	543,315	543,315	-	-	510,379	510,379
Total business	**28,501,252**	**1,279,318**	**543,315**	**30,323,885**	**27,463,408**	**1,085,944**	**510,379**	**29,059,731**
Very low risk	10,201,754	13,947	-	10,215,701	8,951,589	6,689	-	8,958,278
Low risk	6,651,516	35,426	-	6,686,942	6,017,445	14,431	-	6,031,876
Medium risk	2,413,239	59,547	-	2,472,786	2,265,991	40,611	-	2,306,602
High risk	515,450	127,173	-	642,623	525,446	103,669	-	629,115
Not rated (1)	6,402	152	-	6,554	5,086	-	-	5,086
Impaired	-	-	39,006	39,006	-	-	40,105	40,105
Total residential mortgages	**19,788,361**	**236,245**	**39,006**	**20,063,612**	**17,765,557**	**165,400**	**40,105**	**17,971,062**
Very low risk	1,618,285	11,664	-	1,629,949	1,698,375	7,135	-	1,705,510
Low risk	1,043,631	182,811	-	1,226,442	1,294,964	16,954	-	1,311,918
Medium risk	441,123	111,461	-	552,584	583,065	22,939	-	606,004
High risk	101,950	56,034	-	157,984	135,232	44,249	-	179,481
Not rated (1)	5,084	876	-	5,960	8,692	241	-	8,933
Impaired	-	-	36,875	36,875	-	-	31,960	31,960
Total personal	**3,210,073**	**362,846**	**36,875**	**3,609,794**	**3,720,328**	**91,518**	**31,960**	**3,843,806**
Very low risk	116,061	2,353	-	118,414	116,342	2,290	-	118,632
Low risk	313,873	19,992	-	333,865	318,135	16,564	-	334,699
Medium risk	181,423	19,110	-	200,533	187,156	19,055	-	206,211
High risk	31,538	14,080	-	45,618	28,651	11,758	-	40,409
Not rated (1)	37,918	5,998	-	43,916	46,243	6,689	-	52,932
Impaired	-	-	5,939	5,939	-	-	4,691	4,691
Total credit card	**680,813**	**61,533**	**5,939**	**748,285**	**696,527**	**56,356**	**4,691**	**757,574**
Total loans	**52,180,499**	**1,939,942**	**625,135**	**54,745,576**	**49,645,820**	**1,399,218**	**587,135**	**51,632,173**
Total allowance for loan losses	(76,502)	(101,034)	(251,512)	(429,048)	(87,446)	(89,104)	(189,466)	(366,016)
Total net loans	**$ 52,103,997**	**$ 1,838,908**	**$ 373,623**	**$ 54,316,528**	**$ 49,558,374**	**$ 1,310,114**	**$ 397,669**	**$ 51,266,157**

(1) Loans where the client account-level risk rating has not been determined have been included in the "Not rated" category.

As at *($ in thousands)*				March 31 2025				March 31 2024
	Performing		**Impaired**		**Performing**		**Impaired**	
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Very low risk	$ 5,249,703	$ 17,136	$ -	$ 5,266,839	$ 5,078,519	$ 8,295	$ -	$ 5,086,814
Low risk	1,065,542	154,859	-	1,220,401	1,206,935	11,162	-	1,218,097
Medium risk	157,180	34,303	-	191,483	191,775	3,499	-	195,274
High risk	21,895	7,966	-	29,861	20,220	3,912	-	24,132
Not rated (1)	5,070	1,174	-	6,244	12,136	79	-	12,215
Total undrawn loan commitments—retail	**6,499,390**	**215,438**	**-**	**6,714,828**	**6,509,585**	**26,947**	**-**	**6,536,532**
Total allowance for loan losses (2)	(15,895)	(4,366)	-	(20,261)	(15,064)	(2,621)	-	(17,685)
Total net undrawn—retail	**$ 6,483,495**	**$ 211,072**	**$ -**	**$ 6,694,567**	**$ 6,494,521**	**$ 24,326**	**$ -**	**$ 6,518,847**
Very low risk	$ 8,548,050	$ 43,837	$ -	$ 8,591,887	$ 6,854,423	$ 106,888	$ -	$ 6,961,311
Low risk	10,540,862	341,060	-	10,881,922	9,269,635	168,616	-	9,438,251
Medium risk	670,898	113,914	-	784,812	617,706	33,956	-	651,662
High risk	3,378	105,471	-	108,849	3,191	86,812	-	90,003
Not rated (1)	158,914	3,963	-	162,877	144,716	4,050	-	148,767
Total undrawn loan commitments—non-retail	**19,922,102**	**608,245**	**-**	**20,530,347**	**16,889,671**	**400,322**	**-**	**17,289,993**
Total allowance for loan losses (2)	(19,769)	(15,713)	-	(35,482)	(20,343)	(12,422)	-	(32,765)
Total net undrawn—non-retail	**$ 19,902,333**	**$ 592,532**	**$ -**	**$ 20,494,865**	**$ 16,869,328**	**$ 387,900**	**$ -**	**$ 17,257,228**

(1) Loans where the client account-level risk rating has not been determined have been included in the "Not rated" category.
(2) The allowance is presented under other liabilities in the consolidated statement of financial position.

The total net carrying value of the above loans includes those denominated in US dollars but translated to Canadian dollars, totalling $1.9 billion as at March 31, 2025 (2024: $1.6 billion). As at March 31, 2025, the amount of foreclosed assets held for resale is $7.5 million (2024: $7.1 million).

Loans Past Due

The following loans are past due but not impaired because they are less than 90 days past due or because it is otherwise reasonable to expect timely collection of principal and interest:

As at *($ in thousands)*	**Business**	**Residential mortgages**	**Personal**	**Credit card**	**Total**	**Percentage of total gross loans**
March 31, 2025						
Up to 1 month (1)	$ 21,052	$ 104,389	$ 13,009	$ 29,224	$ 167,674	0.3%
Over 1 month up to 2 months	98,324	98,756	43,436	9,406	249,922	0.5%
Over 2 months up to 3 months	2,456	8,422	1,990	4,490	17,358	0.0%
Over 3 months	2,503	-	1,042	5,257	8,802	0.0%
Total past due but not impaired	**$ 124,335**	**$ 211,567**	**$ 59,477**	**$ 48,377**	**$ 443,756**	**0.8%**
March 31, 2024						
Up to 1 month (1)	$ 35,476	$ 115,946	$ 18,967	$ 27,731	$ 198,120	0.4%
Over 1 month up to 2 months	106,840	83,117	47,357	8,044	245,358	0.5%
Over 2 months up to 3 months	24,572	10,070	11,485	3,805	49,932	0.1%
Over 3 months	501	1,136	930	4,743	7,310	0.0%
Total past due but not impaired	**$ 167,389**	**$ 210,269**	**$ 78,739**	**$ 44,323**	**$ 500,720**	**1.0%**

(1) Loans past due by one day do not represent the borrowers' ability to meet their payment obligations and therefore are not administratively considered past due nor disclosed.

9 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking expected credit losses (ECLs) approach, as required under IFRS 9. This process involves complex models, with inputs and assumptions requiring a high degree of judgment to assess forecasts of macroeconomic variables and significant increases in credit risk. Our estimates and assumptions consider a range of possible scenarios, including the current interest rate environment. We continue to closely monitor external conditions and their impacts on our clients. Due to the unique conditions in the current environment, uncertainty in judgments and assumptions remains elevated as at March 31, 2025.

Key Inputs and Assumptions

Measuring ECLs requires a complex calculation that involves a number of variables and assumptions. The key inputs for determining ECLs are:

- A borrower's credit quality, reflected through changes in risk ratings.
- Forward-looking macroeconomic conditions.
- Changes to the probability-weighted scenarios.
- Stage migration as a result of the inputs noted above.

Forward-Looking Information

Relevant forward-looking economic information is incorporated for each loan portfolio when measuring ECLs, based on a five-year outlook considering a combination of past, current and future economic conditions and outlooks. (See Note 2 for more on how forward-looking information is incorporated to measure ECLs.)

The following tables present the primary forward-looking economic information used to measure ECLs over the next 12 months and the remaining two-year forecast period for the three probability-weighted scenarios:

	Baseline scenario			**Optimistic scenario**			**Pessimistic scenario**		
As at	**2025**	**2026**	**2027**	**2025**	**2026**	**2027**	**2025**	**2026**	**2027**
March 31, 2025									
GDP *(%)*	1.5	1.9	2.2	5.0	3.7	2.9	(1.9)	0.6	1.9
Unemployment rate *(%)*	7.6	7.5	7.3	6.0	5.1	4.9	8.9	9.3	9.0
Housing starts	40,039	39,154	38,172	50,851	51,501	50,246	28,883	26,695	26,780
Oil prices *(WTI, USD/barrel)*	68	68	71	83	88	89	57	53	53
3m T-bill yield *(%)*	2.8	2.2	2.3	3.7	3.6	3.6	2.3	2.1	2.2

	2024	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
March 31, 2024									
GDP *(%)*	2.1	2.7	2.4	5.3	3.8	3.2	(1.6)	1.3	1.3
Unemployment rate *(%)*	6.2	5.9	5.7	4.7	4.0	3.9	7.8	7.9	7.7
Housing starts	40,423	39,533	35,139	51,680	51,116	47,246	28,476	27,271	22,287
Oil prices *(WTI, USD/barrel)*	75	73	69	93	91	86	58	55	51
3m T-bill yield *(%)*	4.5	3.5	3.3	5.6	4.4	4.1	3.5	2.6	2.4

Sensitivity of Allowance for Loan Losses

The Stage 1 and 2 allowance for loan losses is sensitive to the inputs used in the model, as described in Note 2. Changes to these inputs and assumptions would have an impact when assessing for a significant increase in credit risk and the measurement of ECL.

The following tables present a comparison between the reported allowance for loan losses for Stage 1 and 2 loans and the allowance under the baseline, optimistic and pessimistic scenarios:

	March 31, 2025				March 31, 2024			
As at ($ in thousands)	Reported under IFRS 9	Baseline scenario	Optimistic scenario	Pessimistic scenario	Reported under IFRS 9	Baseline scenario	Optimistic scenario	Pessimistic scenario
Allowance for loan losses (Stage 1 and 2)	$ 233,279	$ 212,261	$ 172,883	$ 288,893	$ 227,000	$ 217,580	$ 188,274	$ 309,651

The following tables present the estimated impact of staging on the allowance for loan losses for loans and off-balance-sheet commitments if they were fully calculated under Stage 1 compared to the actual allowance recorded:

	March 31, 2025			March 31, 2024		
As at ($ in thousands)	Stage 1 and 2 allowance under IFRS 9	Allowance—100% in Stage 1	Impact of staging	Stage 1 and 2 allowance under IFRS 9	Allowance—100% in Stage 1	Impact of staging
Loans	$ 233,279	$ 208,995	$ (24,284)	$ 227,000	$ 207,342	$ (19,658)

The following tables reconcile the opening and closing allowances for loans by each major category:

						Comprises	
For the year ended ($ in thousands)	Balance at beginning of period	Provision for (recovery of) loan losses	Net write-offs	Discounted cash flows on impaired loans and other	Balance at end of period	Loans	Other credit instruments (1)
March 31, 2025							
Business	$ 335,963	$ 77,854	$ (43,257)	$ 30,880	$ 401,440	$ 366,959	$ 34,481
Residential mortgages	9,957	1,845	(1,371)	782	11,213	9,492	1,721
Personal	40,730	22,325	(22,079)	952	41,928	30,538	11,390
Credit card	29,816	14,814	(14,459)	39	30,210	22,059	8,151
Total	**$ 416,466**	**$ 116,838**	**$ (81,166)**	**$ 32,653**	**$ 484,791**	**$ 429,048**	**$ 55,743**
March 31, 2024							
Business	$ 309,589	$ 106,543	$ (70,653)	$ (9,516)	$ 335,963	$ 304,126	$ 31,837
Residential mortgages	8,815	2,048	(1,692)	786	9,957	8,642	1,315
Personal	39,935	21,434	(21,737)	1,098	40,730	31,080	9,650
Credit card	39,657	1,447	(11,401)	113	29,816	22,168	7,648
Total	**$ 397,996**	**$ 131,472**	**$ (105,483)**	**$ (7,519)**	**$ 416,466**	**$ 366,016**	**$ 50,450**

(1) Other credit instruments, including off-balance-sheet items, are recorded to other liabilities in the consolidated statement of financial position.

The following tables reconcile the opening and closing allowances for loans, by stage, for each major category:

For the year ended ($ in thousands)	March 31, 2025 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total	March 31, 2024 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total
Allowance for loan losses—business loans								
Balance at beginning of period	$ 79,036	$ 82,741	$ 174,186	$ 335,963	$ 57,462	$ 77,943	$ 174,184	$ 309,589
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	9,312	(8,972)	(340)	-	10,204	(9,717)	(487)	-
Transfers into (out of) Stage 2 (1)	(42,357)	45,464	(3,107)	-	(7,941)	16,693	(8,752)	-
Transfers into (out of) Stage 3 (1)	(12,676)	(19,461)	32,137	-	(3,094)	(6,556)	9,650	-
New originations (2)	70,473	-	-	70,473	16,274	-	-	16,274
Repayments (3)	(17,281)	(33,949)	(1,816)	(53,046)	(8,906)	(15,878)	(3,601)	(28,385)
Remeasurements (4)	(13,772)	31,297	42,902	60,427	15,022	20,248	83,384	118,654
Total provision for (recovery of) loan losses	**(6,301)**	**14,379**	**69,776**	**77,854**	**21,559**	**4,790**	**80,194**	**106,543**
Write-offs	-	-	(46,011)	(46,011)	-	-	(71,717)	(71,717)
Recoveries	-	-	2,754	2,754	-	-	1,064	1,064
Discounted cash flows on impaired loans and other	271	136	30,473	30,880	15	8	(9,539)	(9,516)
Balance at end of period	**$ 73,006**	**$ 97,256**	**$ 231,178**	**$ 401,440**	**$ 79,036**	**$ 82,741**	**$ 174,186**	**$ 335,963**
Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 5,887	$ 2,711	$ 1,359	$ 9,957	$ 4,997	$ 2,711	$ 1,107	$ 8,815
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	2,042	(1,529)	(513)	-	2,171	(1,886)	(285)	-
Transfers into (out of) Stage 2 (1)	(372)	984	(612)	-	(299)	830	(531)	-
Transfers into (out of) Stage 3 (1)	(6)	(470)	476	-	(9)	(531)	540	-
New originations (2)	385	-	-	385	273	-	-	273
Repayments (3)	(188)	(141)	(274)	(603)	(166)	(133)	(181)	(480)
Remeasurements (4)	(869)	1,570	1,362	2,063	(1,080)	1,720	1,615	2,255
Total provision for (recovery of) loan losses	**992**	**414**	**439**	**1,845**	**890**	**-**	**1,158**	**2,048**
Write-offs	-	-	(1,535)	(1,535)	-	-	(1,775)	(1,775)
Recoveries	-	-	164	164	-	-	83	83
Discounted cash flows on impaired loans and other	-	-	782	782	-	-	786	786
Balance at end of period	**$ 6,879**	**$ 3,125**	**$ 1,209**	**$ 11,213**	**$ 5,887**	**$ 2,711**	**$ 1,359**	**$ 9,957**

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.

For the year ended ($ in thousands)	March 31, 2025 Performing Stage 1	March 31, 2025 Performing Stage 2	March 31, 2025 Impaired Stage 3	March 31, 2025 Total	March 31, 2024 Performing Stage 1	March 31, 2024 Performing Stage 2	March 31, 2024 Impaired Stage 3	March 31, 2024 Total
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 22,483	$ 7,025	$ 11,222	$ 40,730	$ 23,065	$ 7,856	$ 9,014	$ 39,935
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	15,692	(13,806)	(1,886)	-	11,208	(10,345)	(863)	-
Transfers into (out of) Stage 2 (1)	(3,113)	4,785	(1,672)	-	(1,972)	3,343	(1,371)	-
Transfers into (out of) Stage 3 (1)	(1,024)	(4,609)	5,633	-	(1,072)	(2,679)	3,751	-
New originations (2)	4,178	-	-	4,178	3,885	-	-	3,885
Repayments (3)	(1,842)	(912)	(1,034)	(3,788)	(1,463)	(929)	(798)	(3,190)
Remeasurements (4)	(18,074)	15,559	24,450	21,935	(11,168)	9,779	22,128	20,739
Total provision for (recovery of) loan losses	**(4,183)**	**1,017**	**25,491**	**22,325**	**(582)**	**(831)**	**22,847**	**21,434**
Write-offs	-	-	(22,184)	(22,184)	-	-	(21,830)	(21,830)
Recoveries	-	-	105	105	-	-	93	93
Discounted cash flows on impaired loans and other	-	-	952	952	-	-	1,098	1,098
Balance at end of period	**$ 18,300**	**$ 8,042**	**$ 15,586**	**$ 41,928**	**$ 22,483**	**$ 7,025**	**$ 11,222**	**$ 40,730**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 15,447	$ 11,670	$ 2,699	$ 29,816	$ 19,173	$ 18,215	$ 2,269	$ 39,657
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	16,794	(16,794)	-	-	25,927	(25,927)	-	-
Transfers into (out of) Stage 2 (1)	(1,833)	1,833	-	-	(2,285)	2,285	-	-
Transfers into (out of) Stage 3 (1)	(135)	(1,979)	2,114	-	(168)	(2,491)	2,659	-
New originations (2)	828	-	-	828	859	-	-	859
Repayments (3)	(435)	(4,341)	-	(4,776)	(755)	(3,714)	-	(4,469)
Remeasurements (4)	(16,708)	22,293	13,177	18,762	(27,309)	23,300	9,066	5,057
Total provision for (recovery of) loan losses	**(1,489)**	**1,012**	**15,291**	**14,814**	**(3,731)**	**(6,547)**	**11,725**	**1,447**
Write-offs	-	-	(25,280)	(25,280)	-	-	(21,791)	(21,791)
Recoveries	-	-	10,821	10,821	-	-	10,390	10,390
Discounted cash flows on impaired loans and other	23	8	8	39	5	2	106	113
Balance at end of period	**$ 13,981**	**$ 12,690**	**$ 3,539**	**$ 30,210**	**$ 15,447**	**$ 11,670**	**$ 2,699**	**$ 29,816**
Total balance as at end of period	**$ 112,166**	**$ 121,113**	**$ 251,512**	**$ 484,791**	**$ 122,853**	**$ 104,147**	**$ 189,466**	**$ 416,466**
Comprises: Loans	$ 76,502	$ 101,034	$ 251,512	$ 429,048	$ 87,446	$ 89,104	$ 189,466	$ 366,016
Comprises: Other credit instruments (5)	35,664	20,079	-	55,743	35,407	15,043	-	50,450

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.
(5) Other credit instruments, including off-balance-sheet items, are recorded to other liabilities in the consolidated statement of financial position.

10 Derivative Financial Instruments

Most of ATB's derivative contracts are over-the-counter (OTC) transactions that are privately negotiated between ATB and the counterparty to the contract. The remainder are exchange-traded contracts transacted through organized and regulated exchanges and consist primarily of futures. Fair-value changes in our corporate derivative portfolios are recorded to the relevant category in OI in the consolidated statement of income, and fair-value changes in our client derivative portfolios are recorded as part of financial markets in OI in the consolidated statement of income. ATB uses the following derivative financial instruments.

Swaps

Swaps are transactions in which two parties agree to exchange defined cash flows. ATB uses the following types of swap contracts:

- Interest rate swaps are OTC contracts in which ATB exchanges fixed- and floating-rate interest payments with a counterparty, based on an agreed notional principal amount denominated in a single currency. These are used in the corporate derivative portfolio to manage exposure to interest rate fluctuations primarily arising from the investment, loan and deposit portfolios. Interest rate swaps are also used in the client derivative portfolio to help our corporate clients manage risks associated with interest rate fluctuations.
- Cross-currency swaps are FX transactions in which ATB exchanges interest and principal payments in different currencies. These are used in both the corporate and client portfolios to manage ATB's and our corporate clients' FX risk.

Forwards and Futures

FX and commodity forwards are OTC transactions in which two parties agree to either buy or sell a specified amount of a currency or commodity at a specific price and on a predetermined future date. ATB uses FX forward contracts in both our corporate and client derivative portfolios to manage currency exposure either from our own foreign currency–denominated loans and deposits or for our clients. Commodity forward contracts are used only in the client derivative portfolio.

Futures are contractual obligations to buy or sell an interest-rate-sensitive financial instrument on a predetermined future date at a specified price. Futures contracts are transacted in standardized amounts on regulated exchanges that are subject to daily cash margining, and they are used only in the corporate derivative portfolio.

Options

An options contract is an agreement between two parties to facilitate a potential transaction involving an asset at a preset price and date. It allows the holder the right but not the obligation to buy or sell an underlying asset at a specified strike price on or before a specified date. ATB uses commodity options and FX options in our client derivative portfolios to manage clients' commodity price and currency risk exposure.

The fair value of derivative financial instruments segregated between contracts in a favourable position (in other words, having positive fair value) and contracts in an unfavourable position (in other words, having negative fair value) consists of the following:

As at March 31 ($ in thousands)	2025 Favourable position	2025 Unfavourable position	2024 Favourable position	2024 Unfavourable position
Contracts not designated for hedge accounting				
Interest rate contracts				
Swaps	$ 259,217	$ (222,909)	$ 301,505	$ (256,645)
Total interest rate contracts	**259,217**	**(222,909)**	**301,505**	**(256,645)**
Foreign-exchange contracts				
Forwards	170,531	(164,228)	66,459	(64,149)
Cross-currency swaps	51,391	(51,626)	40,170	(39,723)
Total foreign-exchange contracts	**221,922**	**(215,854)**	**106,629**	**(103,872)**
Commodity contracts				
Forwards	269,126	(251,019)	290,285	(215,347)
Total commodity contracts	**269,126**	**(251,019)**	**290,285**	**(215,347)**
Total fair value of contracts not designated for hedge accounting	**750,265**	**(689,782)**	**698,419**	**(575,864)**
Contracts designated for hedge accounting				
Interest rate contracts				
Swaps	331,730	(310,832)	230,304	(494,691)
Total interest rate contracts	**331,730**	**(310,832)**	**230,304**	**(494,691)**
Total fair value of contracts designated for hedge accounting	**331,730**	**(310,832)**	**230,304**	**(494,691)**
Total fair value	**$ 1,081,995**	**$ (1,000,614)**	**$ 928,723**	**$ (1,070,555)**
Less: impact of master netting agreements	(648,267)	648,267	(511,943)	511,943
Less: impact of financial institution counterparty collateral held/posted	(29,701)	121,429	(272,844)	175,353
Residual credit exposure on derivatives to ATB	**$ 404,027**	**$ (230,918)**	**$ 143,936**	**$ (383,259)**

Fair-Value Hedges

The following tables present the effects of fair-value hedges on the consolidated statement of financial position and the consolidated statement of income:

For the year ended ($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Carrying amounts for hedged items**	**Accumulated amount of fair-value hedge adjustments on hedged items**
March 31, 2025					
Assets					
Interest rate risk					
Financial assets at FVOCI	$ 69,552	$ (66,739)	$ 2,813	$ 3,647,312	$ 59,278
Loans	53,504	(55,361)	(1,857)	1,378,303	22,155
Total assets	**$ 123,056**	**$ (122,100)**	**$ 956**	**$ 5,025,615**	**$ 81,433**
Liabilities					
Interest rate risk					
Deposits	$ (14,566)	$ 14,966	$ 400	$ 1,387,270	$ (18,289)
Securitization liabilities at amortized cost	(120,438)	121,037	599	2,796,321	(83,695)
Total liabilities	**$ (135,004)**	**$ 136,003**	**$ 999**	**$ 4,183,591**	**$ (101,984)**
Total	**$ (11,948)**	**$ 13,903**	**$ 1,955**		
March 31, 2024					
Assets					
Interest rate risk					
Financial assets at FVOCI	$ 9,002	$ (8,070)	$ 932	$ 2,421,742	$ (10,274)
Loans	(21,384)	19,387	(1,997)	1,553,107	(31,349)
Total assets	**$ (12,382)**	**$ 11,317**	**$ (1,065)**	**$ 3,974,849**	**$ (41,623)**
Liabilities					
Interest rate risk					
Deposits	$ 763	$ (1,209)	$ (446)	$ 203,723	$ (3,723)
Securitization liabilities at amortized cost	27,126	(26,587)	539	1,989,883	36,744
Total liabilities	**$ 27,889**	**$ (27,796)**	**$ 93**	**$ 2,193,606**	**$ 33,021**
Total	**$ 15,507**	**$ (16,479)**	**$ (971)**		

Cash Flow Hedges

The following tables present the effects of cash flow hedges on the consolidated statement of income and consolidated statement of comprehensive income:

For the year ended *($ in thousands)*	Change in value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Hedge ineffectiveness gains (losses)	Hedging gains (losses) recognized in other comprehensive income	Amount reclassified from accumulated other comprehensive income (loss) to earnings	Net change in other comprehensive income (loss)
March 31, 2025						
Cash flow hedges						
Interest rate risk	$ (226,989)	$ 229,981	$ 2,992	$ 106,519	$ (112,037)	$ 218,556
Foreign exchange risk	-	-	-	417	417	-
Total cash flow hedges	**$ (226,989)**	**$ 229,981**	**$ 2,992**	**$ 106,936**	**$ (111,620)**	**$ 218,556**
March 31, 2024						
Cash flow hedges						
Interest rate risk	$ (62,404)	$ 58,937	$ (3,467)	$ (149,087)	$ (204,639)	$ 55,552
Foreign exchange risk	(7)	-	(7)	422	422	-
Total cash flow hedges	**$ (62,411)**	**$ 58,937**	**$ (3,474)**	**$ (148,665)**	**$ (204,217)**	**$ 55,552**

Reconciliation of Accumulated Other Comprehensive Income (Loss)

The following tables present the effects of cash flow hedges on the consolidated statement of comprehensive income:

For the year ended *($ in thousands)*	Accumulated other comprehensive income (loss) at beginning of year	Net changes in other comprehensive income (loss)	Accumulated other comprehensive income (loss) at end of year	Accumulated other comprehensive income (loss) on designated hedges	Accumulated comprehensive income (loss) on de-designated hedges
March 31, 2025					
Cash flow hedges					
Interest rate risk	$ (193,758)	$ 218,556	$ 24,798	$ 15,253	$ 9,545
Foreign exchange risk	-	-	-	-	-
Total cash flow hedges	**$ (193,758)**	**$ 218,556**	**$ 24,798**	**$ 15,253**	**$ 9,545**
March 31, 2024					
Cash flow hedges					
Interest rate risk	$ (249,310)	$ 55,552	$ (193,758)	$ (225,879)	$ 32,122
Foreign exchange risk	-	-	-	-	-
Total cash flow hedges	**$ (249,310)**	**$ 55,552**	**$ (193,758)**	**$ (225,879)**	**$ 32,122**

Term to Maturity

The notional amounts of derivative instruments represent the underlying principal amount, to which the specified rate or price is applied in order to calculate the amount of cash flows to be exchanged, and have varying maturity dates. Notional amounts do not represent assets or liabilities and are not recorded in the consolidated statement of financial position. The remaining contractual terms to maturity for the notional amounts of all derivative instruments are as follows:

			Residual term of contract			
As at March 31, 2025 ($ in thousands)	**Not designated for hedge accounting**	**Designated for hedge accounting**	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 24,068,144	$ 30,737,435	$ 19,073,551	$ 26,335,217	$ 9,396,811	$ 54,805,579
Total interest rate contracts	**24,068,144**	**30,737,435**	**19,073,551**	**26,335,217**	**9,396,811**	**54,805,579**
Foreign exchange contracts						
Forwards	18,370,815	-	15,308,392	3,062,423	-	18,370,815
Cross-currency swaps	3,045,981	-	1,155,437	215,783	1,674,761	3,045,981
Total foreign exchange contracts	**21,416,796**	**-**	**16,463,829**	**3,278,206**	**1,674,761**	**21,416,796**
Commodity contracts						
Forwards	6,751,450	-	4,460,875	2,269,856	20,719	6,751,450
Total commodity contracts	**6,751,450**	**-**	**4,460,875**	**2,269,856**	**20,719**	**6,751,450**
Total over-the-counter contracts	**52,236,390**	**30,737,435**	**39,998,255**	**31,883,279**	**11,092,291**	**82,973,825**
Total	**$ 52,236,390**	**$ 30,737,435**	**$ 39,998,255**	**$ 31,883,279**	**$ 11,092,291**	**$ 82,973,825**

			Residual term of contract			
As at March 31, 2024 ($ in thousands)	**Not designated for hedge accounting**	**Designated for hedge accounting**	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 14,643,275	$ 28,695,493	$ 10,894,304	$ 25,080,661	$ 7,363,803	$ 43,338,768
Total interest rate contracts	**14,643,275**	**28,695,493**	**10,894,304**	**25,080,661**	**7,363,803**	**43,338,768**
Foreign-exchange contracts						
Forwards	16,044,362	-	13,540,552	2,503,810	-	16,044,362
Cross-currency swaps	905,736	-	526,385	379,351	-	905,736
Total foreign-exchange contracts	**16,950,098**	**-**	**14,066,937**	**2,883,161**	**-**	**16,950,098**
Commodity contracts						
Forwards	7,136,375	-	5,578,515	1,536,259	21,601	7,136,375
Total commodity contracts	**7,136,375**	**-**	**5,578,515**	**1,536,259**	**21,601**	**7,136,375**
Total over-the-counter contracts	**38,729,748**	**28,695,493**	**30,539,756**	**29,500,081**	**7,385,404**	**67,425,241**
Total	**$ 38,729,748**	**$ 28,695,493**	**$ 30,539,756**	**$ 29,500,081**	**$ 7,385,404**	**$ 67,425,241**

Hedging Instruments by Remaining Term-to-Maturity

The following tables disclose the notional amount and average price of derivative instruments designated in qualifying hedge accounting relationships:

	For the year ended March 31, 2025			
($ in thousands)	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate risk				
Interest rate swaps				
Notional—pay fixed	$ 5,735,000	$ 6,811,389	$ 1,041,352	$ 13,587,741
Average fixed interest rate *(%)*	3.5	3.3	3.2	
Notional—receive fixed	$ 5,022,000	$ 10,209,694	$ 1,918,000	$ 17,149,694
Average fixed interest rate *(%)*	2.8	3.1	3.1	
Total notional—interest rate risk	**$ 10,757,000**	**$ 17,021,083**	**$ 2,959,352**	**$ 30,737,435**

	For the year ended March 31, 2024			
($ in thousands)	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate risk				
Interest rate swaps				
Notional—pay fixed	$ 3,074,233	$ 7,168,900	$ 1,192,360	$ 11,435,493
Average fixed interest rate *(%)*	4.1	3.6	3.1	
Notional—receive fixed	$ 5,470,000	$ 9,838,000	$ 1,952,000	$ 17,260,000
Average fixed interest rate *(%)*	3.9	2.8	3.2	
Total notional—interest rate risk	**$ 8,544,233**	**$ 17,006,900**	**$ 3,144,360**	**$ 28,695,493**

Derivative-Related Credit Risk

Derivative financial instruments traded in the OTC market could incur financial loss if a counterparty defaults on its contractual obligation. ATB's maximum credit risk in respect of such derivatives is the fair value of all derivatives where ATB is in a favourable position.

ATB endeavours to limit our credit risk by dealing only with counterparties assessed to be creditworthy, and we manage the credit risk for derivatives using the same credit-risk process applied to loans and other credit assets. Financial institution counterparties must have a minimum long-term public credit rating of A-low/A3/A- or better. The exposure to credit risk on derivatives is also reduced by entering into master netting agreements and collateral agreements with counterparties. To the extent that unfavourable contracts with the counterparty are not settled, they reduce ATB's net exposure in respect of favourable contracts with the same counterparty.

The current replacement cost represents the cost of replacing, at current market rates, all contracts with a positive fair value to ATB. The credit equivalent amount is the sum of the current replacement cost and the potential future exposure, which is defined in a President of Treasury Board and Minister of Finance (Minister) authorized guideline that was modelled after guidelines governing other Canadian deposit-taking institutions. The risk-weighted amount is determined by applying standard measures of counterparty credit risk to the credit equivalent amount. The derivative-related credit risks for derivative instruments are as follows:

	March 31, 2025			March 31, 2024		
As at *($ in thousands)*	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**
Contracts not designated for hedge accounting						
Interest rate contracts						
Swaps	$ 259,217	$ 334,783	$ 137,584	$ 301,505	$ 355,119	$ 79,991
Total interest rate contracts	**259,217**	**334,783**	**137,584**	**301,505**	**355,119**	**79,991**
Foreign exchange contracts						
Forwards	170,531	329,917	133,763	66,459	206,034	64,323
Cross-currency swaps	51,391	131,333	37,746	40,170	50,528	14,176
Total foreign exchange contracts	**221,922**	**461,250**	**171,509**	**106,629**	**256,562**	**78,499**
Commodity contracts						
Forwards	269,126	634,176	224,635	290,285	665,372	234,547
Total commodity contracts	**269,126**	**634,176**	**224,635**	**290,285**	**665,372**	**234,547**
Total contracts not designated for hedge accounting	**750,265**	**1,430,209**	**533,728**	**698,419**	**1,277,053**	**393,037**
Contracts designated for hedge accounting						
Interest rate contracts						
Swaps	331,730	402,428	80,485	230,304	283,884	56,777
Total interest rate contracts	**331,730**	**402,428**	**80,485**	**230,304**	**283,884**	**56,777**
Total contracts designated for hedge accounting	**331,730**	**402,428**	**80,485**	**230,304**	**283,884**	**56,777**
Total	**$ 1,081,995**	**$ 1,832,637**	**$ 614,213**	**$ 928,723**	**$ 1,560,937**	**$ 449,814**

11 Property and Equipment

For the year ended ($ in thousands)	Owned by ATB: Leasehold improvements	Owned by ATB: Computer equipment	Owned by ATB: Buildings	Owned by ATB: Furniture and fixtures and other equipment	Owned by ATB: Land	Owned by ATB: Work in progress	Right-of-use lease assets: Buildings under finance lease	Right-of-use lease assets: Equipment under finance lease	Total
March 31, 2025									
Cost									
Balance at beginning of period	$ 214,623	$ 52,750	$ 116,289	$ 76,234	$ 7,313	$ 16,602	$ 263,297	$ 8,077	$ 755,185
Additions (1)	5,371	7,168	1,102	9,021	-	28,529	12,828	-	64,019
Disposals	(5,288)	(3)	-	(1,116)	-	(21,053)	(19,545)	(8,077)	(55,082)
Balance at end of period	**$ 214,706**	**$ 59,915**	**$ 117,391**	**$ 84,139**	**$ 7,313**	**$ 24,078**	**$ 256,580**	**$ -**	**$ 764,122**
Depreciation									
Balance at beginning of period	$ 162,717	$ 46,817	$ 85,321	$ 65,957	$ -	$ -	$ 178,737	$ 7,265	$ 546,814
Depreciation	8,380	6,227	2,466	4,782	-	-	21,597	812	44,264
Disposals	(5,231)	-	-	(951)	-	-	(18,719)	(8,077)	(32,978)
Balance at end of period	**$ 165,866**	**$ 53,044**	**$ 87,787**	**$ 69,788**	**$ -**	**$ -**	**$ 181,615**	**$ -**	**$ 558,100**
Carrying amounts									
Balance at end of period	**$ 48,840**	**$ 6,871**	**$ 29,604**	**$ 14,351**	**$ 7,313**	**$ 24,078**	**$ 74,965**	**$ -**	**$ 206,022**
March 31, 2024									
Cost									
Balance at beginning of period	$ 205,195	$ 49,170	$ 115,380	$ 70,459	$ 7,328	$ 11,677	$ 257,837	$ 8,077	$ 725,123
Additions	12,295	$ 3,580	1,688	6,187	-	28,673	20,822	-	73,245
Disposals	(2,867)	-	(779)	(412)	(15)	(23,748)	(15,362)	-	(43,183)
Balance at end of period	**$ 214,623**	**$ 52,750**	**$ 116,289**	**$ 76,234**	**$ 7,313**	**$ 16,602**	**$ 263,297**	**$ 8,077**	**$ 755,185**
Depreciation									
Balance at beginning of period	$ 157,633	$ 42,333	$ 83,526	$ 62,254	$ -	$ -	$ 169,894	$ 4,017	$ 519,657
Depreciation	7,832	4,484	2,431	4,098	-	-	20,116	3,248	42,209
Disposals	(2,748)	-	(636)	(395)	-	-	(11,273)	-	(15,052)
Balance at end of period	**$ 162,717**	**$ 46,817**	**$ 85,321**	**$ 65,957**	**$ -**	**$ -**	**$ 178,737**	**$ 7,265**	**$ 546,814**
Carrying amounts									
Balance at end of period	**$ 51,906**	**$ 5,933**	**$ 30,968**	**$ 10,277**	**$ 7,313**	**$ 16,602**	**$ 84,560**	**$ 812**	**$ 208,371**

(1) Includes additions related to the acquisition of BCV. For further details, refer to Note 27.

A loss of $1.2 million (2024: $2.0 million loss) was recognized in the consolidated statement of income for the disposal and write-offs of property and equipment. Income of $2.4 million (2024: $2.7 million) was recorded in the consolidated statement of income from our sublease arrangements.

12 Software and Other Intangibles

For the year ended *($ in thousands)*	Computer software	Software under development	Other intangibles (1)	Goodwill (1)	Total
March 31, 2025					
Cost					
Balance at beginning of period	$ 807,899	$ 28,921	$ -	$ 6,845	$ 843,665
Transfers and additions	31,628	34,893	121,900	86,668	275,089
Transfers and disposals	-	(31,098)	-	-	(31,098)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 839,527**	**$ 32,716**	**$ 121,900**	**$ 93,513**	**$ 1,087,656**
Depreciation					
Balance at beginning of period	$ 669,641	$ -	$ -	$ -	$ 669,641
Depreciation	75,038	-	2,614	-	77,652
Disposals	-	-	-	-	-
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 744,679**	**$ -**	**$ 2,614**	**$ -**	**$ 747,293**
Carrying amounts					
Balance at end of period	**$ 94,848**	**$ 32,716**	**$ 119,286**	**$ 93,513**	**$ 340,363**
March 31, 2024					
Cost					
Balance at beginning of period	$ 761,129	$ 35,669	$ 282	$ 6,845	$ 803,925
Transfers and additions	52,818	45,385	-	-	98,203
Transfers and disposals	(6,048)	(52,133)	(282)	-	(58,463)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 807,899**	**$ 28,921**	**$ -**	**$ 6,845**	**$ 843,665**
Depreciation					
Balance at beginning of period	$ 587,551	$ -	$ 175	$ -	$ 587,726
Depreciation	88,106	-	12	-	88,118
Disposals	(6,016)	-	(187)	-	(6,203)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 669,641**	**$ -**	**$ -**	**$ -**	**$ 669,641**
Carrying amounts					
Balance at end of period	**$ 138,258**	**$ 28,921**	**$ -**	**$ 6,845**	**$ 174,024**

(1) On November 25, 2024, we completed the acquisition of BCV. The transfers and additions in other intangibles and goodwill pertain to the acquisition. For further details, refer to Note 27.

There were no losses recognized in NIE in the consolidated statement of income during the year for the disposal and write-offs of software and other intangibles (2024: nil).

The provisional goodwill associated with our purchase of BCV is $86.7 million. ATB performs an impairment test annually on March 31 by assessing for any indications of impairment and comparing the carrying value to the recoverable amount. As at March 31, 2025, and at March 31, 2024, there were no indicators of impairment or amounts recorded.

13 Other Assets

As at ($ in thousands)	Note	March 31 2025	March 31 2024
Prepaid expenses and other receivables		$ 416,985	$ 236,752
Accrued interest receivable		169,089	127,615
Net pension asset	18	12,416	53,766
Other		54,335	54,073
Total		**$ 652,825**	**$ 472,206**

14 Deposits

All of ATB's deposits are 100% guaranteed by the Government of Alberta.

	Payable on demand	Payable on a fixed date					Total
As at ($ in thousands)		Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	
March 31, 2025							
Transaction accounts	$ 12,938,390	$ -	$ -	$ -	$ -	$ -	$ 12,938,390
Savings accounts	11,018,911	-	-	-	-	-	11,018,911
Notice accounts	6,960,790	-	-	-	-	-	6,960,790
Non-redeemable fixed-date deposits	-	7,373,205	1,625,227	830,150	371,491	167,315	10,367,388
Redeemable fixed-date deposits	-	1,910,859	66,850	34,875	17,432	16,544	2,046,560
Total	**$ 30,918,091**	**$ 9,284,064**	**$ 1,692,077**	**$ 865,025**	**$ 388,923**	**$ 183,859**	**$ 43,332,039**
March 31, 2024							
Transaction accounts	$ 12,644,253	$ -	$ -	$ -	$ -	$ -	$ 12,644,253
Savings accounts	9,981,121	-	-	-	-	-	9,981,121
Notice accounts	6,064,005	-	-	-	-	-	6,064,005
Non-redeemable fixed-date deposits	-	7,248,898	1,331,447	309,271	481,341	322,574	9,693,531
Redeemable fixed-date deposits	-	2,078,280	62,957	12,656	22,390	23,624	2,199,907
Total	**$ 28,689,379**	**$ 9,327,178**	**$ 1,394,404**	**$ 321,927**	**$ 503,731**	**$ 346,198**	**$ 40,582,817**

The total deposits include $1.9 billion (2024: $1.0 billion) denominated in US dollars but are translated to Canadian dollars in the table above.

As at March 31, 2025, deposits by various departments and agencies of the Government of Alberta (GoA) included in the preceding table total $214.5 million (2024: $251.8 million).

The repayment of all deposits and wholesale borrowings, without limit, including accrued interest, is guaranteed by the Crown in right of Alberta in respect of which the Crown assesses an annual deposit guarantee fee payable by ATB. For the year ended March 31, 2025, the fee is $68.0 million (2024: $64.4 million), with $60.2 million (2024: $56.0 million) recorded to NIE for deposits and the remainder to NII for wholesale borrowings and securitization liabilities relating to credit cards.

15 Securitization Liabilities

Canada Mortgage Bonds Program

ATB periodically securitizes insured residential mortgage loans and certain securities by participating in the *National Housing Act* Mortgage-Backed Security (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The Canada Housing Trust (CHT) uses the proceeds of its bond issuance to finance the purchase of MBSs issued by ATB. As an issuer of the MBSs, ATB is responsible for advancing all scheduled principal and interest payments to Canada Mortgage and Housing Corporation (CMHC) whether or not the amounts have been collected on the underlying transferred mortgages. Amounts advanced but not recovered are ultimately recovered from the insurer.

The sale of mortgage pools and certain securities that comprise the MBSs does not qualify for derecognition as outlined in IFRS 9 *Financial Instruments* as ATB retains the prepayment, credit and interest rate risks, which represent substantially all the risks and rewards. Therefore, it is accounted for as a securitization liability. Also included in the securitization liabilities are deferred transaction costs and premiums and discounts, representing the difference between cash proceeds and the notional amount of the liability issued. Accrued interest on the securitization liability is based on the CMB coupon for each respective series. At the time of the CMB coupon settlement, any excess or shortfall between the CMB coupon payment and interest accumulated with swap counterparties is received or paid by ATB.

Because the mortgages are insured against default, there are no ECLs on the securitized mortgage assets. Further, the investors and CMHC have no recourse to other assets of ATB in the event of failure of debtors to pay when due.

As part of a CMB transaction, ATB must enter into a total return swap with highly rated counterparties, exchanging cash flows of the CMB for those of the MBSs transferred to CHT. Any excess or shortfall in these cash flows is absorbed by ATB. These swaps are not recognized on ATB's consolidated statement of financial position as the underlying cash flows of these derivatives are captured through the continued recognition of the mortgages, certain securities and associated CMB securitization liabilities. Accordingly, these swaps are recognized on an accrual basis and not fair-valued through ATB's consolidated statement of income. The notional amount of these swaps as at March 31, 2025, is $5.8 billion (2024: $6.7 billion).

Securitization liabilities are non-amortizing liabilities with fixed maturity dates. Principal payments collected from the mortgages underlying the MBSs sold to the CHT are transferred to the CHT monthly, where they are either reinvested in new MBSs or invested in eligible investments.

Credit Card Securitization

ATB entered into a program with another financial institution to securitize credit card receivables to obtain additional funding. This program allows ATB to borrow up to 85% of the amount of credit card receivables pledged. The secured credit card receivables remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. Should the amount securitized not adequately support the program, ATB will be responsible for funding this shortfall.

Equipment Finance Securitization

Effective December 8, 2023, ATB entered into a program with another financial institution to securitize equipment finance receivables as an additional source of funding. This program allows ATB to borrow up to 84% of the equipment finance receivables pledged. The equipment finance receivables remain on ATB's consolidated statement of financial position and have not been transferred because they do not qualify for derecognition. Should the amount securitized not adequately support the program, ATB will be responsible for funding this shortfall.

Synthetic Securitization

Effective May 8, 2024, ATB began the synthetic securitization of certain loan assets. This allows ATB to purchase credit protection against eligible credit events on these loans through the issuance of interest-bearing guarantee linked notes to third-party investors. The loans remain on ATB's consolidated statement of financial position and have not been transferred because they do not qualify for derecognition. As at March 31, 2025, ATB has issued $63.8 million in guarantee linked notes. The transaction is fully cash collateralized, as funds in the amount of the guarantee are received on issuance.

The following table presents the carrying amount of assets under securitization and the associated liability recognized in the consolidated statement of financial position:

As at *($ in thousands)*	**March 31 2025**	**March 31 2024**
Principal value of mortgages pledged as collateral	$ 6,148,215	$ 5,865,807
ATB mortgage-backed securities (MBSs) pledged as collateral through repurchase agreements	276,980	1,004,258
Externally purchased MBSs	-	32,568
Principal value of credit card receivables pledged as collateral	678,049	689,770
Principal value of equipment finance receivables pledged as collateral	20,477	26,756
Principal value of agricultural loans under synthetic securitization	750,000	-
Total	**$ 7,873,721**	**$ 7,619,159**
Associated liabilities	**$ 6,550,671**	**$ 6,820,589**

16 Other Liabilities

As at *($ in thousands)*	Note	March 31 2025	March 31 2024
Accounts payable and accrued liabilities (1) (2)		$ 844,497	$ 945,731
Accrued interest payable		290,505	300,204
Payment in lieu of tax	19	103,831	100,617
Due to clients, brokers and dealers		509,562	119,949
Achievement notes	23	60,457	56,578
Deposit guarantee fee payable		67,989	64,427
Total		**$ 1,876,841**	**$ 1,587,506**

(1) Includes lease liabilities of $116,163 (2024: $131,683). (See Note 21.)
(2) Includes contingent consideration of $44,975 (2024: nil). (See Note 27.)

17 Salaries and Benefits

ATB has included certain disclosures required in the Director Compensation section of the MD&A relating to the Board of Directors' compensation and an audited Compensation Summary section of the MD&A relating to key management personnel compensation.

18 Employee Benefits

Public Service Pension Plan

The Public Service Pension Plan (PSPP) is a multi-employer pension plan for eligible employees of the Province of Alberta, approved provincial agencies and public bodies.

The PSPP provides a pension of 1.4% for each year of pensionable service, based on average salary of the highest five consecutive years, up to the year's maximum pensionable earnings and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act*.

As a PSPP participating employer, ATB and our participating employees are responsible for making current-service contributions sufficient to provide for the accruing service of members and the amortization of any unfunded liability. The employer and employee share the required contributions 50/50 and remit contributions based on the PSPP contribution rates, which are assessed annually, and the current pensionable earnings of participating employees.

The PSPP pools all assets and liabilities of participating employers and, in order to apply defined-benefit (DB) accounting, ATB has estimated our share of the PSPP liability based on the total contributions remitted by ATB and our participating employees prorated against the total of all contributions remitted to PSPP, which is then adjusted for ATB's share of the contributions (in other words, split 50/50 between employer and employee). ATB's estimated share of the PSPP assets is prorated on the same basis, but the estimated value of the assets is limited to not exceed the liability. ATB reassesses and discloses these estimated values annually.

The PSPP Participating Employer Withdrawal Policy, released in March 2024 and analyzed during FY2025, specified that if a participating employer were to withdraw, no assets and/or liabilities would be transferred between the participating employer and the PSPP. This clarification prompted two changes in accounting methodology: (a) given that no assets or liabilities would be transferred, ATB has limited our estimated share of the assets to not exceed the value of our share of the liabilities, which eliminated the previous surplus and any potential to recognize a surplus in the future; and (b) given the confirmation that ATB would never assume the liabilities for inactive members, we have revised the assumption for our share of PSPP to consider active members only, rather than all active and inactive PSPP members, reducing ATB's estimated share of the PSPP from 3.3% to 1.2%.

Registered Pension Plan

ATB provides our management employees with a registered pension plan (the ATB Plan) with either DB or defined-contribution (DC) provisions. The DB component provides benefits based on a member's years of service and earnings. The DC component provides annual contributions based on a member's earnings.

ATB amended the ATB Plan to change the annual contributions in the DC component effective January 1, 2015, and to close the DB component to service accruals effective July 7, 2016. Current members in the DB component will continue to accrue earnings for their highest average earnings calculations and service for early retirement subsidies but, effective July 8, 2016, accrue future benefits under the DC component. Since July 8, 2016, all new entrants into the ATB Plan automatically go into the DC component.

Effective July 15, 2006, ATB finalized arrangements with the GoA to assume pension obligations relating to current ATB employees who participated in the PSPP prior to joining the ATB Plan (the PSPP take-on). The arrangements formalized ATB's commitment to providing combined pensionable service (CPS) benefits for qualifying members whose CPS benefits were affected by the withdrawal of ATB from the Management Employees Pension Plan.

Since June 27, 2014, any employee promoted to a management position has joined the plan under the DC provision. Any pension benefit earned in the PSPP is deferred at Alberta Pension Services, or, if eligible, the employee may choose to withdraw their pension benefit.

Non-Registered Plans

ATB also provides a non-registered DB supplemental retirement plan (SRP) and other post-employment benefits (OPEB) for designated management employees. The SRP and OPEB provide benefits based on a member's years of service and earnings over the Canada Revenue Agency maximum pension limits.

Notional Supplemental Plan

For any team member whose annual pension contributions exceed the allowable maximum under the *Income Tax Act*, excess amounts are allocated to the notional supplemental plan (NSP)—a non-registered plan that provides notional DC benefits that cannot be provided within the ATB Plan for earnings over the Canada Revenue Agency maximum pension limits.

Plan Risks

The DB plans expose ATB to actuarial risks such as longevity, currency, interest rate and market risks. ATB, in conjunction with the Human Resource (HR) and Retirement committees, manages risk through the plan's statement of investment policies and procedures, which:

- Establishes allowable and prohibited investment types.
- Sets diversification requirements.
- Limits portfolio mismatch risk through an asset allocation policy.
- Limits market risks associated with the underlying fund assets.

Breakdown of Defined-Benefit Obligation

The following tables present a breakdown of ATB's obligation for the ATB Plan, supplemental and other, and PSPP plan:

As at *($ in thousands)*	**Registered plan**	**Supplemental and other**	**ATB's share of PSPP**
March 31, 2025			
Active	$ 79,029	$ 401	$ 39,330
Deferred	16,686	99	11,703
Pensioners and beneficiaries	274,464	6,168	54,940
Total defined-benefit obligation	**$ 370,179**	**$ 6,668**	**$ 105,973**
March 31, 2024			
Active	$ 77,611	$ 392	$ 100,471
Deferred	17,398	334	29,897
Pensioners and beneficiaries	262,656	5,839	140,347
Total defined-benefit obligation	**$ 357,665**	**$ 6,565**	**$ 270,715**

Breakdown of ATB Plan Assets

The following table presents a breakdown of the assets held under the ATB Plan:

	2025	**2024**
As at March 31 *($ in thousands)*	**Quoted on an active market**	**Quoted on an active market**
Bonds	$ 337,334	$ 321,301
Shares	63,121	66,982
Cash and money-market securities	4,101	824
Total fair value of plan assets	**$ 404,556**	**$ 389,107**

Asset/Liability Matching Strategy

ATB's pension plan investment policy is reviewed each year. The current policy is to match those assets in respect of inactive members with a matching fixed-income portfolio. For active members who have liabilities with other variables, such as salary growth, assets are not matched, but a bond-centric portfolio is held (84% benchmark in bonds). A more in-depth asset/liability study, which involves a detailed risk assessment, is conducted every three to five years.

Cash Payments

For the year ended March 31, 2025, total cash paid or payable for employee benefits—cash contributed by ATB for the DB and DC provisions of the ATB Plan—made directly to beneficiaries for the unfunded SRP and cash contributed to the PSPP is $52.0 million (2024: $54.5 million).

Contributions during the year totalled $1.0 million (2024: $1.0 million) for the DB portion of the ATB Plan, $0.5 million (2024: $0.4 million) for the unfunded SRP and CPS and $8.9 million (2024: $8.1 million) for the PSPP.

Pension Plan Obligation Maturity Profile

For 2025, the weighted-average financial duration of the main group plans was approximately 12.2 years (2024: 12.8 years).

Net Accrued-Benefit Liability

The funded status and net accrued-pension-benefit liability for the DB provisions of the ATB Plan and the other pension obligations—which include the PSPP, SRP, obligations recognized in respect of the CPS benefit obligation to inactive plan members, OPEB and the NSP—consist of the following:

As at *($ in thousands)*	**March 31 2025**	**March 31 2024**
Registered plan		
Fair value of plan assets	$ 404,556	$ 389,107
Projected benefit obligation	(366,410)	(356,819)
Net pension-benefit asset (liability) (1)	**$ 38,146**	**$ 32,288**
Supplemental and other		
Unfunded projected benefit obligation, representing the plan funding deficit	$ (6,668)	$ (6,565)
Net pension-benefit liability (1)	**$ (6,668)**	**$ (6,565)**
ATB's share of PSPP		
Fair value of plan assets	$ 105,973	$ 315,569
Projected benefit obligation	(105,973)	(270,715)
Net pension-benefit asset (liability) (1)	**$ -**	**$ 44,854**
Notional supplemental plan liability	$ (19,062)	$ (16,811)
Total net pension-benefit asset (liability) (1) (2)	**$ 12,416**	**$ 53,766**

(1) The effect of asset limitation and International Accounting Standard minimum funding requirements is nil.
(2) There are no unrecognized actuarial gains/losses and past-service costs.

The net accrued-benefit asset or liability is included in other assets or liabilities in the consolidated statement of financial position as appropriate. (See Notes 13 and 16.)

Other Comprehensive Income

As at March 31 ($ in thousands)	Registered plan 2025	 2024	Supplemental and other 2025	 2024	ATB's share of PSPP 2025	 2024
Actuarial loss (gain) on plan assets	$ (15,721)	$ 2,122	$ -	$ -	$ 221,346	$ (20,803)
Effect of changes in financial assumptions	11,882	1,371	186	-	4,340	-
Effect of changes in demographic assumptions	(460)	-	58	-	-	-
Experience loss (gain) on plan liabilities	23	6,946	18	(125)	(178,702)	7,449
Amount recognized in other comprehensive loss (income)	**$ (4,276)**	**$ 10,439**	**$ 262**	**$ (125)**	**$ 46,984**	**$ (13,354)**
Beginning balance, accumulated other comprehensive loss (income)	54,794	44,355	3,791	3,916	(133,056)	(119,702)
Ending balance, accumulated other comprehensive loss (income)	**$ 50,518**	**$ 54,794**	**$ 4,053**	**$ 3,791**	**$ (86,072)**	**$ (133,056)**

Change in Plan Assets and Benefit Obligations

Changes in the estimated financial position of the DB provisions of the ATB Plan, the PSPP, and the SRP and OPEB obligations are as follows:

As at March 31 ($ in thousands)	Registered plan 2025	 2024	Supplemental and other 2025	 2024	ATB's share of PSPP 2025	 2024
Change in fair value of plan assets						
Fair value of plan assets at beginning of the year	$ 389,107	$ 390,508	$ -	$ -	$ 315,569	$ 284,162
Contributions from ATB	985	1,021	470	446	8,924	8,141
Interest income	18,584	18,663	-	-	15,386	13,891
Actuarial gain (loss) on plan assets	16,134	(2,065)	-	-	(221,346)	20,803
Benefits paid	(18,856)	(18,120)	(470)	(446)	(12,560)	(11,428)
Actual plan expenses	(1,398)	(900)	-	-	-	-
Fair value of plan assets at end of the year	**$ 404,556**	**$ 389,107**	**$ -**	**$ -**	**$ 105,973**	**$ 315,569**
Change in defined-benefit obligation						
Projected benefit obligation at beginning of the year	$ 356,819	$ 349,947	$ 6,565	$ 6,813	$ 270,715	$ 254,151
Effect of changes in financial assumptions	11,882	1,371	186	-	4,340	-
Effect of changes in demographic assumptions	(460)	-	58	-	-	-
Experience loss (gain) on plan liabilities	23	6,946	18	(125)	(178,702)	7,449
Current-service costs	-	-	-	-	8,775	7,960
Interest expense	17,002	16,675	311	323	13,405	12,583
Benefits paid	(18,856)	(18,120)	(470)	(446)	(12,560)	(11,428)
Less: defined-benefit obligation at end of the year	**$ 366,410**	**$ 356,819**	**$ 6,668**	**$ 6,565**	**$ 105,973**	**$ 270,715**
Net pension-benefit asset (liability)	**$ 38,146**	**$ 32,288**	**$ (6,668)**	**$ (6,565)**	**$ -**	**$ 44,854**

Defined-Benefit Pension Expense

Benefit expense for DB provisions of the ATB Plan and for PSPP, SRP and OPEB consists of the following:

As at March 31 ($ in thousands)	Registered plan		Supplemental and other		ATB's share of PSPP	
	2025	2024	2025	2024	2025	2024
Current-service costs	$ -	$ -	$ -	$ -	$ 8,775	$ 7,960
Interest expense	17,002	16,675	311	323	13,405	12,583
Interest income	(18,584)	(18,663)	-	-	(15,386)	(13,891)
Administrative expenses	985	843	-	-	-	-
Net pension-benefit (income) expense recognized	**$ (597)**	**$ (1,145)**	**$ 311**	**$ 323**	**$ 6,794**	**$ 6,652**

Key Assumptions and Sensitivities

The significant assumptions used in the actuarial determination of projected benefit obligations and the related net benefit expense are, on a weighted-average basis, as follows:

	Registered plan		Supplemental and other		ATB's share of PSPP	
	2025	2024	2025	2024	2025	2024
Accrued-benefit obligation as at March 31						
Discount rate at end of the year *(%)*	4.6	4.9	4.6	4.9	4.6	4.9
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	4.0	2.9	4.0	2.9	3.0	3.0
Defined-benefit expense for the year ended March 31						
Discount rate at beginning of the year *(%)*	4.9	4.9	4.9	4.9	4.9	4.9
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	n/a	n/a	n/a	n/a	3.0	3.0
ATB's share of PSPP contributions *(%)*	n/a	n/a	n/a	n/a	1.2	3.3

(1) This refers to the long-term weighted-average rate of compensation increase, including merit and promotion.

Mortality assumptions are significant in measuring the accrued-pension-benefit obligation. The following table outlines the assumptions used:

	2025	2024
Registered plan and supplemental and other	Canadian Pensioner Mortality (CPM) 2014 public sector mortality table with generational projection, improvement scale CPM-B, with size adjustments: 1.00 male/0.90 female	CPM 2014 public sector mortality table with generational projection, improvement scale CPM-B, no adjustment
ATB's share of PSPP	CPM 2014 private sector mortality table, improvement scale MI-2017, no adjustment	CPM 2014 private sector mortality table, improvement scale MI-2017, no adjustment

The following table outlines the possible impact of changes in certain key weighted-average economic assumptions used to measure the accrued-pension-benefit obligations as at March 31, 2025, and the related expense for the year then ended:

As at March 31, 2025 ($ in thousands)		Registered plan		Supplemental and other		ATB's share of the PSPP	
		Benefit obligation	**Benefit expense**	**Benefit obligation**	**Benefit expense**	**Benefit obligation**	**Benefit expense**
Discount rate							
Impact of:	1.0% increase	$ (39,786)	$ (2,607)	$ (600)	$ 28	$ (13,789)	$ (4,356)
	1.0% decrease	48,766	2,172	707	(36)	15,851	4,285
Inflation rate							
Impact of:	1.0% increase	30,354	1,329	2	-	7,146	1,560
	1.0% decrease	(27,220)	(1,205)	(2)	-	(6,695)	(1,460)
Rate of compensation increase							
Impact of:	0.25% increase	884	34	-	-	691	290
	0.25% decrease	(867)	(33)	-	-	(687)	(288)
Mortality							
Impact of:	10.0% increase	(7,667)	(319)	(121)	(6)	n/a (1)	n/a (1)
	10.0% decrease	8,454	349	133	6	n/a (1)	n/a (1)

(1) Mortality sensitivity information for the PSPP is not available.

This sensitivity analysis should be used with caution as it is hypothetical and the effect of changes in each significant assumption may not be linear. Also, the sensitivities in each key variable have been calculated independently of changes in other key variables, and actual experience may result in simultaneous changes to a number of key assumptions. Changes in one factor could result in changes to another that may serve to amplify or reduce certain sensitivities.

19 Payment in Lieu of Tax

Pursuant to the *ATB Act*, the GoA may assess a charge to ATB as prescribed by the *ATB Financial Regulation* (*ATB Regulation*). The *ATB Regulation* defines the charge to be an amount equal to 23% of ATB's consolidated NI as reported in our audited annual financial statements. Payment in lieu of tax (PILOT) is calculated as 23% of NI reported under IFRS.

As at March 31, 2025, ATB has accrued a total of $103.8 million (2024: $100.6 million) for PILOT.

20 Related-Party Transactions

In the ordinary course of business, ATB provides normal banking services to various departments and agencies of the GoA on terms similar to those offered to non-related parties. (See Note 14.) These services also include OTC FX forwards to manage currency exposure. (See Note 10.) The fair values of the asset and liability associated with these derivative contracts as at March 31, 2025, are nil (2024: nil) and $1.1 million (2024: $0.5 million), respectively.

During the year, ATB leased certain premises from the GoA. For the year ended March 31, 2025, the total of these payments is $0.4 million (2024: $0.3 million). ATB recognized a deposit guarantee fee payable to the Crown in right of Alberta, in return for a guarantee on all client deposits and PILOT. (See Notes 14 and 19.)

ATB entered into a wholesale borrowing agreement with the Minister on November 24, 2003 (amended November 9, 2007). The agreement was amended again in December 2015 to increase the available limit of borrowings to $7.0 billion from $5.5 billion. Effective March 31, 2020, the limit was increased by $2.0 billion to $9.0 billion. Effective January 29, 2025, the limit was increased to $11.0 billion. Under this agreement, the Minister acts as fiscal agent of ATB under the *Financial Administration Act* and is involved in raising wholesale borrowings in the marketplace. As at March 31, 2025, wholesale borrowings are $4.6 billion (2024: $4.9 billion), payable to the Minister.

ATB provides loans to key management personnel, defined as those having authority and responsibility for planning, directing and controlling the activities of ATB; their close family members and their related entities on market conditions, except for banking products and services that are subject to approved guidelines governing all employees. As at March 31, 2025, $13.2 million (2024: $25.1 million) in loans is outstanding. Key management personnel have deposits provided at standard market rates. As at March 31, 2025, $2.7 million (2024: $3.8 million) in deposits is outstanding.

No impairment losses were recorded against balances outstanding from key management personnel, and no specific allowances for impairment were recognized on balances with these personnel and their close family members. Key management personnel's compensation is disclosed in the audited Compensation Summary in the Executive Compensation Discussion and Analysis in the MD&A.

Key management personnel, excluding the President and Chief Executive Officer (CEO), may also purchase achievement notes based on their role within ATB. As at March 31, 2025, $4.6 million (2024: $4.0 million) in achievement notes is outstanding to this group.

ATB's key management personnel include our named executive officers (NEOs): the President and CEO; the Chief Financial and Strategy Officer; the Group Head, ATB Business and Wealth; the Chief Client Experience and Technology Officer and the Group Head, Everyday Financial Services. The following table presents the compensation of ATB's Board and NEOs:

For the year ended *($ in thousands)*	**March 31 2025**	**March 31 2024**
Salaries and short-term incentives (1)	$ 7,444	$ 6,500
Pension (2)	34	30
Long-term incentives (3)	3,719	3,532
All other compensation and benefits (4)	733	681
Total	**$ 11,930**	**$ 10,743**

(1) Salaries and short-term incentives (STIs) consist of all regular base pay earned by NEOs and Board of Directors' compensation and other direct cash remuneration. STI plan pay for NEOs is also included and is accrued based on goal attainment for the fiscal year but is paid after the fiscal year-end.
(2) Pension includes the annual compensatory value from the ATB Plan for NEOs, based on employer contributions.
(3) Long-term incentives include the grants awarded to NEOs for the fiscal year. Payment of the grants is deferred for up to three years and will include appreciation or depreciation based on ATB's risk-adjusted return on capital performance over the term of the grant and is contingent upon the NEO's continued employment with ATB.
(4) All other compensation may include the following for NEOs: perquisites, health-care spending account credits, executive health benefits, personal tax advice, employer contributions to an RRSP and to an unfunded supplementary pension plan operating on a defined-contribution basis (DC supplemental executive retirement plan) within the CEO Pension Plan and employer contributions to the NSP. ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act*. The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions.

21 Commitments, Guarantees and Contingent Liabilities

Credit Instruments

In the normal course of business, ATB enters into various off-balance-sheet commitments to provide clients with sources of credit. These may include letters of credit, letters of guarantee and loan guarantees and commitments to extend credit.

All these arrangements are subject to ATB's normal credit standards, and collateral may be obtained where appropriate. The contract amounts represent the maximum credit risk exposure to ATB should the contracts be fully drawn and any collateral held proves to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts do not necessarily represent future cash requirements.

Letters of Credit

Standby letters of credit represent an irrevocable obligation to make payments to a third party if the client cannot meet its financial or contractual performance obligations. In the event of a call on such commitments, ATB has recourse against the client.

Documentary and commercial letters of credit require ATB to honour drafts presented by third parties upon completion of specific activities.

Guarantees

Guarantees also represent an irrevocable obligation to make payments to a third party in certain situations. Guarantees include contracts or indemnities that contingently require ATB to make payments (either as some asset or service) to another party based on changes in an asset, liability or equity the other party holds and when a third party either fails to perform under an obligating agreement or to pay its indebtedness when due. The term of these guarantees varies according to the contracts and normally does not exceed one year. In the event of a call on such commitments, ATB has recourse against the client.

Commitments to Extend Credit

Commitments to extend credit represent undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis.

The amounts presented in the current and comparative years for commitments to extend credit include demand facilities of $15.7 billion (2024: $13.8 billion). For demand facilities, ATB considers the undrawn portion to represent a commitment to the client. However, the terms of the commitment allow ATB to adjust the credit exposure if circumstances warrant doing so. Accordingly, these demand facilities are considered to represent a lesser exposure than facilities with extended commitment terms. Credit facilities are contracted for a limited period of usually less than one year and may expire or terminate without being drawn upon. The contractual amounts of all such credit instruments are outlined in the following table:

As at *($ in thousands)*	**March 31** **2025**	**March 31** **2024**
Loan guarantees and standby letters of credit	$ 1,406,496	$ 1,170,543
Commitments to extend credit	27,706,151	23,233,301
Total	**$ 29,112,647**	**$ 24,403,844**

Pledged Assets

In the ordinary course of business, ATB grants a security interest in certain collateral (including securities, interest-bearing deposits with financial institutions and loans and accounts) to the Bank of Canada in order to participate in clearing and payment systems and to have access to its facilities. ATB also pledges securities to Clearing and Depository Services Inc. in order to participate in a settlement-agent credit ring, which is outlined in the following table:

As at *($ in thousands)*	**March 31** **2025**	**March 31** **2024**
Assets pledged to:		
Bank of Canada	$ 225,013	$ 237,794
Clearing and Depository Services Inc.	24,000	24,000
Merrill Lynch	-	4,000
Total	**$ 249,013**	**$ 265,794**

In addition to the amounts above, ATB has pledged assets relating to certain derivative contracts and securitization liabilities. (See Notes 10 and 15.)

Indemnification Agreements

In the normal course of operations, ATB enters into various agreements that provide general indemnification to the other party. Examples include service agreements, leasing agreements, clearing arrangements and service contracts. These indemnifications may require ATB, in certain circumstances, to compensate the other party for costs incurred as a result of various contingencies.

ATB also indemnifies directors and officers, to the extent permitted by law, against certain claims that may be made against them as a result of their services to the company. The terms of these indemnifications vary based on the contract, the nature of which prevents ATB from making a reasonable estimate of the maximum potential amount we could be required to pay to other parties. Historically, any such amounts have not been significant. No amount has been accrued in the consolidated statement of financial position in respect of such indemnifications.

Contingent Liabilities

Various actions and legal proceedings arising from the normal course of business are pending against ATB. Management does not consider the aggregate liability of these actions and proceedings to be material.

Refer to Note 27 for information on contingent liabilities related to the acquisition of BCV.

Contractual Obligations

ATB has various obligations under long-term non-cancellable contracts, which include service contracts and finance leases for buildings and equipment. The expected payments for such obligations for FY2025 and each of the next five fiscal years and thereafter are outlined in the following table:

As at *($ in thousands)*	**March 31 2025**	**March 31 2024**
2025	$ -	$ 238,144
2026	194,649	115,345
2027	88,167	44,877
2028	52,741	23,809
2029	37,626	18,226
2030	17,637	14,092
Thereafter	9,558	11,169
Total	**$ 400,378**	**$ 465,662**

Lease Commitments

The lease payments required under ATB's leases are as follows:

As at *($ in thousands)*	**March 31 2025**	**March 31 2024**
Lease payments		
Not later than 1 year	$ 30,919	$ 32,549
Later than 1 year but not later than 5 years	79,864	87,570
Later than 5 years	27,003	36,199
Total lease payments	**$ 137,786**	**$ 156,318**
Less: charges not yet due	21,623	24,635
Total lease commitments	**$ 116,163**	**$ 131,683**

In FY2025, $6.6 million (2024: $8.0 million) was recorded for interest expense to equipment, including depreciation, in the consolidated statement of income for our lease liabilities. The total cash outflow for leases this year is $32.5 million (2024: $33.8 million).

22 Interest Rate Risk

Interest Rate Gap Analysis

Gap analysis involves the allocation of interest-rate-sensitive assets and interest-rate-sensitive liabilities into categories according to their maturity or repricing date. Gaps can change significantly within a short period of time. The impact of changes in interest rates on NII will depend on the size and rate of change in interest rates, the size and maturity of the total gap position and the management of these positions over time. ATB actively manages our interest rate gap position to protect NII while minimizing risk. The following table shows ATB's interest rate gap position:

	Term to maturity/repricing							
As at ($ in thousands)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-interest rate sensitive	Total
March 31, 2025								
Assets								
Cash resources and securities	$ 5,232,497	$ 275,000	$ 550,000	$ 525,000	$ 300,000	$ -	$ 708,016	$ 7,590,513
Loans	38,148,866	7,257,845	3,805,576	2,517,532	1,750,073	865,734	(29,098)	54,316,528
Other assets	-	-	-	-	-	-	2,281,205	2,281,205
Derivative financial instruments (1)	23,933,740	2,426,610	3,472,085	2,478,000	1,958,000	1,918,000	n/a	36,186,435
Total	**$ 67,315,103**	**$ 9,959,455**	**$ 7,827,661**	**$ 5,520,532**	**$ 4,008,073**	**$ 2,783,734**	**$ 2,960,123**	**$ 100,374,681**
Liabilities and equity								
Deposits	$ 30,657,142	$ 1,637,674	$ 1,269,013	$ 271,117	$ 162,949	$ 199,786	$ 9,134,358	$ 43,332,039
Securities sold under repurchase agreements (1)	959,291	-	-	-	-	-	-	959,291
Wholesale borrowings	2,289,588	700,000	600,000	-	300,000	700,000	17,789	4,607,377
Securitization liabilities	1,927,424	1,230,041	1,202,208	769,941	551,581	838,551	30,925	6,550,671
Other liabilities	163,809	-	-	-	-	-	2,893,180	3,056,989
Equity	-	-	-	-	-	-	5,681,879	5,681,879
Derivative financial instruments (1)	28,208,694	3,002,700	1,205,000	1,586,689	1,142,000	1,041,352	n/a	36,186,435
Total	**$ 64,205,948**	**$ 6,570,415**	**$ 4,276,221**	**$ 2,627,747**	**$ 2,156,530**	**$ 2,779,689**	**$ 17,758,131**	**$ 100,374,681**
Interest-rate-sensitive gap	$ 3,109,155	$ 3,389,040	$ 3,551,440	$ 2,892,785	$ 1,851,543	$ 4,045	$ (14,798,008)	
as percentage of assets	3.1%	3.4%	3.5%	2.9%	1.8%	0.0%	(14.7%)	
March 31, 2024								
Assets								
Cash resources and securities	$ 6,272,365	$ 200,000	$ 100,000	$ 300,000	$ 100,000	$ -	$ 360,434	$ 7,332,799
Loans	33,819,382	7,265,541	5,594,147	2,310,806	1,449,952	854,008	(27,679)	51,266,157
Other assets	-	-	-	-	-	-	1,783,324	1,783,324
Derivative financial instruments (1)	17,920,493	2,777,000	1,977,400	2,885,600	2,498,000	2,002,000	n/a	30,060,493
Total	**$ 58,012,240**	**$ 10,242,541**	**$ 7,671,547**	**$ 5,496,406**	**$ 4,047,952**	**$ 2,856,008**	**$ 2,116,079**	**$ 90,442,773**
Liabilities and equity								
Deposits	$ 29,243,238	$ 1,387,835	$ 326,561	$ 379,894	$ 213,637	$ 199,841	$ 8,831,811	$ 40,582,817
Securities sold under repurchase agreements (1)	141,654	-	-	-	-	-	70	141,724
Wholesale borrowings	2,698,500	350,000	700,000	600,000	-	600,000	(28,907)	4,919,593
Securitization liabilities	2,507,544	795,280	1,090,176	1,103,023	645,217	721,032	(41,683)	6,820,589
Other liabilities	342,754	-	-	-	-	-	2,315,307	2,658,061
Equity	-	-	-	-	-	-	5,259,496	5,259,496
Derivative financial instruments (1)	21,374,233	3,785,000	1,802,700	645,000	1,211,200	1,242,360	n/a	30,060,493
Total	**$ 56,307,923**	**$ 6,318,115**	**$ 3,919,437**	**$ 2,727,917**	**$ 2,070,054**	**$ 2,763,233**	**$ 16,336,094**	**$ 90,442,773**
Interest-rate-sensitive gap	$ 1,704,317	$ 3,924,426	$ 3,752,110	$ 2,768,489	$ 1,977,898	$ 92,775	$ (14,220,015)	
as percentage of assets	1.9%	4.3%	4.1%	3.1%	2.2%	0.1%	(15.7%)	

(1) Derivative financial instruments and repurchase agreements are included in this table at the notional amount.

The effective yield represents the weighted-average effective yield based on the earlier of contractual repricing or maturity dates. The weighted-average effective yield for each class of financial asset and liability is shown below:

As at	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
March 31, 2025							
Total assets *(%)*	4.3	3.5	4.0	4.1	3.8	3.4	4.2
Total liabilities and equity *(%)*	2.4	2.5	2.6	2.2	2.4	2.7	2.4
Interest-rate-sensitive gap *(%)*	**1.9**	**1.0**	**1.4**	**1.9**	**1.4**	**0.7**	**1.8**
March 31, 2024							
Total assets *(%)*	6.2	2.9	3.0	3.7	4.1	3.4	5.2
Total liabilities and equity *(%)*	3.6	2.8	2.2	2.2	2.6	3.0	3.3
Interest-rate-sensitive gap *(%)*	**2.6**	**0.1**	**0.8**	**1.5**	**1.5**	**0.4**	**1.9**

Interest Rate Sensitivity

The following table provides the potential impact of an immediate and sustained 100- and 200-basis-point increase and decrease, respectively, in interest rates on ATB's NI:

As at *($ in thousands)*	March 31 2025	March 31 2024
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 58,547	$ 54,015
200 basis points	109,421	108,251
Decrease in interest rates of:		
100 basis points (1)	(69,893)	(59,022)
200 basis points (1)	(153,462)	(128,985)

(1) Certain aspects of the decrease in interest rate scenarios are constrained by interest rate floors when appropriate.

The potential impact of a 100- and 200-basis-point increase is well within our interest-rate-risk-management policy.

23 Achievement Notes

As an incentive for promoting the growth of ATB subsidiaries, ATB sells principal-at-risk achievement notes to certain eligible team members. Under this plan, eligible team members could purchase a 25-year note with a value linked to the fair market value of certain ATB subsidiaries—namely ATB Investment Management Inc., ATB Securities Inc. and ATB Insurance Advisors Inc. Holders of these notes do not have an ownership interest in ATB or our subsidiaries, nor do they have the rights of a direct holder of an interest in ATB or our subsidiaries.

Each noteholder is entitled to:

- Receive a cash payment at maturity representing the then-current value of the note.
- Submit a request to sell notes during the annual transaction window (subject to a three-year vesting period with additional restrictions on ATB Wealth executives).
- Receive cash distributions, if any, based on the formula set out in the note.

Upon an employee's termination, a designated affiliate of ATB has the right, but not the obligation, to acquire notes from the employee at the price applicable at the termination date.

The notes are not guaranteed under the deposit guarantee provided by the Crown in right of Alberta, and there is a risk—if the fair market value of the ATB subsidiaries specified above decreases—that the noteholder will lose some or all of the original investment. There is no public market for these notes, and the valuation of the ATB subsidiaries specified above is based on a model prepared by an external consultant.

During the year, ATB issued $2.2 million (2024: $2.8 million) of these notes, which are recorded in other liabilities in the consolidated statement of financial position, and $5.5 million (2024: $4.0 million) of the notes were redeemed. As at March 31, 2025, the liability for these notes is $60.5 million (2024: $56.6 million). An expense of $11.2 million (2024: $1.5 million) was recorded to the consolidated statement of income.

24 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the year ended March 31, 2025, ATB declared and paid dividends of $100.0 million (2024: nil).

Subsequent to March 31, 2025, ATB's Board of Directors declared a $25.0 million dividend payable to the GoA.

25 Capital Management

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, the Alberta Superintendent of Financial Institutions, while supporting the continued growth of our business.

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act* and associated regulations and guidelines. The capital adequacy requirements for ATB are defined in a guideline authorized by the Minister, which was modelled after guidelines governing other Canadian deposit-taking institutions. ATB's minimum Tier 1 capital requirement is 7%. The total capital requirement is the greater of 10% of risk-weighted assets or 5% of total assets. Risk weights are established for various on- and off-balance-sheet assets according to the degree of credit risk.

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. As a result of an amendment to the capital requirements guideline, wholesale borrowings became eligible as Tier 2 capital as of December 2015. Effective January 29, 2025, the limit was increased by $2.0 billion to $11.0 billion. Effective April 1, 2017, software and other intangibles were deducted from total capital.

As at March 31, 2025, and at March 31, 2024, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	**March 31** **2025**	**March 31** **2024**
Tier 1 capital		
Retained earnings	$ 5,561,077	$ 5,313,468
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,346,735	1,304,469
Collective allowance for loan losses	233,279	227,000
Total Tier 2 capital	**$ 1,580,014**	**$ 1,531,469**
Deductions from capital		
Software and other intangibles	340,363	174,024
Total capital	**$ 6,800,728**	**$ 6,670,913**
Total risk-weighted assets	$ 45,492,743	$ 40,769,954
Risk-weighted capital ratios		
Tier 1 capital ratio	12.2%	13.0%
Total capital ratio	14.9%	16.3%

26 Segmented Information

ATB has organized our operations and activities around the following three areas of expertise (AOEs), which differ in products and services offered:

- **Everyday Financial Services** provides financial services to individuals, entrepreneurs and small businesses through our online banking platforms (ATB Personal and ATB Business Banking), voice banking, automated banking machine network and physical distribution network, powered by the ATB team members in branches, agencies and ATB Client Care.
- **ATB Business** provides financial advisory services to medium and large businesses, corporations and agricultural clients.
- **ATB Wealth** provides investment advisory services, investment management, insurance solutions, private banking and institutional portfolio management solutions.

ATB's strategic support units (SSUs) provide company-wide expertise and support to our AOEs in being client-obsessed and providing and delivering the best experience, products and services to our clients. The SSUs comprise business units of a corporate nature, including finance, risk management, technology, treasury operations, HR, internal assurance and other functions.

Basis of Presentation

Results presented in the following table are based on ATB's internal financial reporting systems. The accounting policies used in preparing the tables are consistent with those followed in preparing the consolidated financial statements, as we disclose in the notes to the statements. Since these AOEs align with ATB's internal management structure, they may not be directly comparable to those of other financial institutions.

NII is attributed to each AOE according to ATB's internal funds transfer pricing (FTP) system: assets earn NII to the extent that external revenues exceed internal FTP expense, and liabilities earn NII to the extent that internal FTP revenues exceed external interest expenses. Provision for loan losses is allocated based on the loans the AOE has issued and is determined based on the methodology outlined in Notes 2 and 9.

Direct expenses are attributed across AOEs as incurred. Certain indirect expenses are allocated to ATB Wealth on the basis of service-level agreements. Other indirect costs are allocated between the reporting segments using indirect allocation methods that incorporate financial and activity-based cost drivers. Indirect expenses that are not allocated and direct expenses of a corporate or support nature are reported under SSUs.

For the year ended ($ in thousands)	Everyday Financial Services	ATB Business	ATB Wealth (1)	Strategic support units	Total
March 31, 2025					
Net interest income (loss)	$ 580,022	$ 774,454	$ 41,635	$ 21,794	$ 1,417,905
Other income (loss)	172,125	290,582	319,966	(14,032)	768,641
Total revenue (loss)	752,147	1,065,036	361,601	7,762	2,186,546
Provision for (recovery of) loan losses	39,301	74,127	(216)	3,626	116,838
Non-interest expense (2)	579,181	583,765	358,826	96,496	1,618,268
Income (loss) before payment in lieu of tax	133,665	407,144	2,991	(92,360)	451,440
Payment in lieu of (recovery of) tax	30,743	93,643	927	(21,482)	103,831
Net income (loss)	**$ 102,922**	**$ 313,501**	**$ 2,064**	**$ (70,878)**	**$ 347,609**
Total assets	$ 32,829,951	$ 30,053,819	$ 1,264,011	$ 40,465	$ 64,188,246
Total liabilities	21,024,430	23,062,231	1,357,704	13,062,002	58,506,367
March 31, 2024					
Net interest income (loss)	$ 575,597	$ 809,114	$ 43,716	$ (57,815)	$ 1,370,612
Other income (loss)	152,862	263,263	270,058	(32,079)	654,104
Total revenue (loss)	728,459	1,072,377	313,774	(89,894)	2,024,716
Provision for (recovery of) loan losses	30,023	100,331	381	737	131,472
Non-interest expense (2)	568,413	532,212	296,655	58,501	1,455,781
Income (loss) before payment in lieu of tax	130,023	439,834	16,738	(149,132)	437,463
Payment in lieu of (recovery of) tax	29,905	101,162	2,947	(33,397)	100,617
Net income (loss)	**$ 100,118**	**$ 338,672**	**$ 13,791**	**$ (115,735)**	**$ 336,846**
Total assets	$ 31,703,318	$ 25,970,322	$ 1,714,136	$ 994,504	$ 60,382,280
Total liabilities	19,272,793	18,287,055	1,800,673	15,762,263	55,122,784

(1) On November 25, 2024, we completed the acquisition of BCV. The results of BCV's operations have been consolidated from the closing date and are included in ATB Wealth. For further details refer to Note 27.
(2) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

27 Business Combination

On November 25, 2024, ATB acquired 100% of the issued and outstanding shares in the capital of BCV Asset Management Inc. (BCV), an unlisted Manitoba-based portfolio management firm offering customized investment solutions through separately managed accounts. ATB has acquired BCV as an opportunity to leverage the collective experience and expertise for the benefit of our clients. BCV's customized approach to portfolio management complements ATB's vision for growth and delivering personalized financial solutions to clients across Canada.

The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of BCV for the period from the acquisition date to March 31, 2025. The valuation of all assets acquired, liabilities assumed and purchase consideration transferred is provisional and may need to be subsequently adjusted pending completion of the working capital adjustment calculations and formal agreement with the seller, with corresponding adjustments to goodwill prior to November 25, 2025 (one year after the transaction).

The provisional fair values of the identifiable assets and liabilities of BCV as at the date of acquisition are presented in the following table:

As at *($ in thousands)*	**November 25, 2024**
Assets	
Cash	$ 15,936
Current assets	11,980
Property and equipment	1,700
Right-of-use assets	2,407
Intangible assets	121,900
Total assets	**$ 153,923**
Liabilities	
Current liabilities (excluding current portion of long-term debt)	$ 16,296
Assumed liabilities	25,387
Lease liabilities	3,269
Total liabilities	**$ 44,952**
Total identifiable net assets at fair value (provisional)	**$ 108,971**
Goodwill arising on acquisition (provisional)	**$ 86,667**
Purchase consideration transferred (provisional)	**$ 195,638**

The following table reconciles the purchase consideration to enterprise value:

As at *($ in thousands)*	**November 25, 2024**
Purchase consideration (provisional):	
Cash consideration	$ 160,000
Closing working capital adjustment	114
Closing cash adjustment	15,936
Closing indebtedness	(25,387)
Contingent consideration liability	44,975
Total consideration (provisional)	**$ 195,638**
Closing indebtedness	25,387
Closing cash	(15,936)
Enterprise value	**$ 205,089**

The following table summarizes the net cash flow on acquisition:

As at *($ in thousands)*	**November 25, 2024**
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition, net of reimbursed amounts paid on behalf of BCV (included in cash flows from operating activities)	$ (3,310)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	15,936
Cash paid (included in cash flows from investing activities)	(153,736)
Net cash flow on acquisition	**$ (141,110)**

The acquisition date provisional fair value of trade receivables, included within other assets, amounts to $11.8 million.

ATB measured the acquired lease liabilities, included in other liabilities, using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets, included in property and equipment, were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The provisional intangible assets of $121.9 million include brand and customer and referral relationships. The provisional goodwill of $86.7 million comprises the value of expected synergies arising from the acquisition and workforce, which is not separately recognized. Intangibles and goodwill are allocated entirely to the SSU segment.

From the date of acquisition, BCV contributed $26.0 million of revenue and $7.3 million to profit from continuing operations of ATB. If the business combination had taken place at the beginning of the fiscal year, we estimate that the contribution to revenue from continuing operations would have been $74.3 million with a profit of $20.9 million.

Included in closing indebtedness was $20.9 million for immediately settling BCV's income tax liabilities, such that the tax liabilities would be extinguished. This amount was recognized separately by ATB from the acquisition of assets and assumption of current liabilities in the business combination. Therefore, in determining the provisional purchase consideration, $20.9 million was excluded and treated as an immediate post-acquisition settlement of the income tax liability.

Transaction costs of $3.3 million were expensed and are included in other non-interest expenses.

Contingent Consideration

As part of the purchase agreement with the previous owners of BCV, ATB has agreed to pay cash payments to the previous owners, determined in tranches, up to a possible total of $70.0 million based on the future value of assets under administration (AUA).

At the acquisition date, the provisional fair value of the contingent consideration was estimated to be $45.0 million. The contingent consideration is classified as other liabilities.

As at March 31, 2025, ATB's current forecasts for the AUA of BCV indicate that certain targets will be achieved and future cash payments will be made to the previous owners due to the synergies realized. The fair value of the contingent consideration as at March 31, 2025, reflects this development, among other factors. The fair value is determined using a discounted cash flow model.

A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

($ in thousands)	**Contingent consideration**
Fair value as at April 1, 2024	$ -
Liability arising on business combination (provisional)	44,975
Unrealized fair value changes recognized in profit or loss	-
Fair value as at March 31, 2025	**$ 44,975**

28 Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current period's presentation.

GLOSSARY

(unaudited)

Achievement note	A long-term investment note whose return is directly tied to the increasing or decreasing value of ATB Wealth.
Allowance for loan losses	A total allowance that represents management's best estimate of expected losses for both performing and impaired loans that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month and lifetime horizon or on the discounted contractual cash shortfall expected over the remaining lifetime.
Assets-to-capital multiple	Total assets divided by total capital.
Assets under administration	Assets that are beneficially owned by clients for which ATB provides management and custodial services. These assets are not reported on ATB's consolidated statement of financial position.
ATB funds penetration	Market value of investments in Compass and Pools Mutual funds as a percentage of total market value of all client investment (in other words, assets under administration).
Average assets	The average of the daily total asset balances during the year.
Average interest-earning assets	The daily average for the year of cash held in the Bank of Canada's large-value transfer system, deposits with financial institutions, securities and net loans.
Average risk-weighted assets	The monthly average value of assets calculated by applying a prescribed risk-weighted factor to on- and off-balance-sheet asset exposures.
Basis point	One one-hundredth of one percent (0.01%).
Carrying value	The net value of an asset or liability as reported within the consolidated financial statements.
Collateral	Assets pledged as security for a loan or other obligation.
Credit risk	The risk of financial loss resulting from failure of a debtor, for whatever reason, to fully honour its financial or contractual obligations to ATB.
Derivative or derivative contract	A contract whose value changes by reference to a specified underlying variable, such as interest rates, foreign exchange rates or equity or commodity prices. Use of derivatives allows for the mitigation of current or expected risks relating to these variables. Derivatives typically require little or no initial net investment and are settled at a future date. The most common types of derivatives ATB uses include interest rate swaps, foreign exchange and commodity forwards, and futures contracts.
Effective interest rate (EIR)	A rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset or liability.
Efficiency ratio	Non-interest expense for the year divided by total revenue for the year. May be referred to as the "productivity ratio" by other financial institutions.
Embedded derivative	A component of a financial instrument or other contract with features similar to a derivative.
Fair value	The amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
Financial instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset/liability is the right to receive/deliver cash or another financial asset or the right to exchange financial instruments with another party under favourable or unfavourable conditions. An equity instrument is a contract that represents a residual interest in another entity's assets.
Foreign exchange forward contract	A commitment to buy or sell a fixed amount of foreign currency on a future specified date at a set rate of exchange.
Foreign exchange risk	The potential risk of loss resulting from fluctuations in foreign exchange rates. It arises from the existence of a net asset or liability position denominated in foreign currencies and/or a difference in maturity profiles for purchases and sales of a given currency.
Forwards and futures	Commitments to buy or sell designated amounts of commodities or currencies on a specified date at a predetermined price. Forwards are customized contracts transacted in the over-the-counter market. Futures are traded on recognized exchanges.
Fund management fees	Fees earned from funds or investors for providing or arranging for investment decisions, management of funds and distribution and sales of fund units. The amount earned is linked to portfolio value and is received monthly.
Funds transfer pricing (FTP)	An internal allocation process used to calculate the profitability of the areas of expertise and isolate them from interest rate risk.
Growth in assets under administration	The current year's assets under administration less the previous year's assets under administration, divided by the previous year's assets under administration.
Guarantee linked note	A financial instrument used to transfer credit risk from the issuer (in other words, the protection buyer) to an investor (in other words, the protection seller). It is backed by a single asset, a basket of assets or a whole

	loan portfolio originated by the issuer. The investor purchases the guarantee linked note at (typically) par value and in return receives periodic coupon payments (typically floating, but could be fixed) and the face value of the asset at maturity, minus losses (or write-downs) incurred from the underlying portfolio.
Hedging	A risk management technique used to reduce uncertainty associated with current or anticipated exposure to future movements in interest rates, foreign exchange rates and equity or commodity prices.
High-quality liquid assets	Instruments that are free of any restrictions on liquidating, selling or transferring. They are eligible for large-value transfer system collateral at the Bank of Canada and are low risk, so they can easily be converted into cash at little or no loss in value.
Impaired loan	A loan for which there is no longer reasonable assurance of the timely collection of principal or interest.
Income before provisions	All ATB revenue (operating revenue) minus non-interest expense (operating expenses). Does not include payment in lieu of tax or loan loss provision expenses.
Interest rate floor	A contract whereby the buyer pays the seller a premium in exchange for the payment of any difference below a set strike interest rate and the prevailing market interest rate on predetermined dates.
Interest rate gap	A measure of net assets or liabilities by future repricing date.
Interest rate risk	The potential for financial loss arising from changes in interest rates in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.
Letter of credit	ATB's guarantee of payment to an interested third party in the event the client defaults on an agreement.
Letter of guarantee	A contract issued by ATB for a client to purchase goods from a supplier, even if the client defaults.
Liquid securities	Securities, including short-term investments, that can be quickly converted into cash while maintaining their market value.
Liquidity coverage ratio (LCR)	High-quality liquid assets divided by total net cash outflows over the next 30 calendar days. LCR is designed to ensure sufficient liquid assets are on hand to endure a short-term liquidity stress scenario over 30 calendar days. Under normal conditions, the LCR should be no lower than 100%.
Liquidity risk	The risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or force the sale of assets. As with other similar financial institutions, ATB's risk arises from fluctuations in cash flows from lending, deposit-taking, investing and other activities. These commitments are generally met through cash flows supplemented by investment assets readily convertible to cash or through our capacity to borrow.
Loan loss provision (LLP)	An expense representing management's best estimate of expected losses for both performing and impaired loans as well as related off-balance-sheet loan commitments that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month or lifetime horizon or based on the discounted contractual cash shortfall expected over the remaining lifetime.
Loan losses to average loans	The provision for loan losses divided by average net loans.
Loss given default (LGD)	The loss incurred when a borrower defaults on a loan. This is typically a percentage of the exposure at risk that is not expected to be recovered in the event of default.
Market risk	The risk that a loss may be incurred as a result of adverse changes in interest rates, foreign exchange rates and equity or commodity market prices.
Mortgage-backed security (MBS)	A security established through the securitization of residential mortgage loans.
Net assets gathered	Net of assets inflows and outflows at year-end.
Net income (NI)	Income after the removal of expenses, provision for loan losses and payment in lieu of tax.
Net income before provisions (NIBP) for short-term incentive plan (STIP)	Measures enterprise net income before payment in lieu of tax, provision for loan losses, short-term incentives and exceptional expenses and/or revenue.
Net interest income (NII)	The difference between interest earned on assets, such as cash, securities and loans, and interest paid on liabilities, such as deposits, wholesale borrowings and securitization liabilities.
Net interest margin (NIM)	The ratio of net interest income for the year to the value of average interest-earning assets for the year.
Net loan change	Net loans outstanding at year-end less net loans outstanding at the previous year-end, divided by net loans outstanding at the previous year-end.
Net loans	Gross loans less the allowance for loan losses.
Notional amount	The principal value used to calculate interest and other payments under derivative contracts. The amounts are termed "notional" because they are not usually exchanged, except in the case of cross-currency swaps. They serve only as the basis for calculating amounts that do change hands.

Off-balance-sheet instruments	Assets or liabilities that are not recorded on the balance sheet but have the potential to produce future positive or negative cash flows. Various products offered to clients can be classified as off-balance sheet, and they fall into two general categories: credit-related arrangements, such as letters of credit and letters of guarantee, and the notional amount of derivatives.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but not strategic or reputational.
Option	A contract between two parties whereby the buyer of the option has the right but no obligation to buy (call) or sell (put) a specified financial instrument or currency at a set price or rate on or before a specified future date or on a series of specified future dates.
Other income to total revenue	Other income for the year divided by total revenue for the year.
Performing loan change	Performing loans outstanding at year-end less performing loans outstanding at the previous year-end, divided by performing loans outstanding at the previous year-end.
Performing loans	Net loans, excluding impaired loans.
Probability of default (PD)	The likelihood that a borrower will not be able to make scheduled payments.
Project Finance advisory fees	Fees generated by the Project Finance team on advisory projects for external third-party ATB clients looking to structure a deal/bid for a project.
Provision for loan losses (LLP)	See "loan loss provision."
Regulatory risk	The risk of non-compliance with applicable regulatory requirements: (a) the *ATB Act* and *ATB Regulation* and guidelines, and (b) other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which we operate.
Reputational risk	The potential that negative stakeholder impressions, whether true or not, regarding ATB's business practices, actions or inaction will or may cause deterioration in ATB's value, brand, liquidity, client base or relationship with our Shareholder.
Return on average assets	Net income for the year divided by average total assets for the year.
Return on average risk-weighted assets	Net income for the year divided by average risk-weighted assets for the year.
Risk-adjusted return on capital (RAROC)	A relative performance measure that provides a standardized comparison across different investments and areas of expertise. It compares the net income, adjusted for risk, to the estimated unexpected loss that could be incurred over a predetermined desired horizon (one year) at a predetermined desired level of confidence (99.97%).
Securities purchased under reverse repurchase agreements	The purchase of securities for cash and the concurrent sale of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securities sold under repurchase agreements	The cash sale of securities and the concurrent repurchase of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securitization	The process by which a pool of financial assets, mainly loans, are converted into asset-backed securities and transferred to a trust that normally issues a series of asset-backed securities to investors to fund the purchase of loans.
Standby fees	Fees charged monthly, quarterly or annually to a client based on the average unused portion of its loan commitment. Standby fees can arise on any loan, including syndicated loans.
Swaps	A contractual agreement between two parties to exchange a series of cash flows. For interest rate swaps, counterparties generally exchange fixed- and floating-rate interest payments based on a notional amount in a single currency. For cross-currency swaps, counterparties generally exchange one currency for another at a set date.
Syndication fees	Fees associated with syndicated loans where ATB participates with other financial institutions to fund a loan to a client.
Tier 1 capital	A measure of retained earnings used to determine regulatory ratios set out by our regulator, the Alberta Superintendent of Financial Institutions.
Tier 1 capital ratio	Tier 1 capital divided by risk-weighted assets.
Total asset change	Total assets outstanding at year-end less total assets outstanding at the previous year-end, divided by total assets outstanding at the previous year-end. For year-to-date change, it is the change in net assets recorded during the year.
Total capital	An assessed regulatory measure of Tier 1 capital; Tier 2 capital consisting of eligible portions of subordinated debentures, wholesale borrowings and the collective allowance for loan losses; and the deduction of software and other intangibles.
Total capital ratio	Total capital divided by risk-weighted assets.

Total deposit change	Total deposits outstanding at year-end less total deposits outstanding at the previous year-end, divided by total deposits outstanding at the previous year-end.
Total expense change	The current year's non-interest expense less the previous year's non-interest expense, divided by the previous year's non-interest expense.
Total revenue	The sum of net interest income and other income.
Total revenue change	The current year's total revenue less the previous year's total revenue, divided by the previous year's total revenue.
Total risk-weighted assets	The total value of assets calculated by applying a prescribed risk-weighted factor to on- and off-balance-sheet asset exposures.
Trailer fees	Fees earned from asset management companies for providing advice to clients who hold investments in the mutual funds. The amount earned is linked to portfolio value and received quarterly.
Underwriting fees	Fees earned when ATB is agent/underwriter in distributing the securities of issuers.
Yield curve	A graph curve showing the return of a fixed-interest security against the term to maturity.

ACRONYMS

(unaudited)

AI	Artificial intelligence
ALCO	Asset/Liability Committee
AML	Anti-money laundering
AOE	Area of expertise
APAGA	*Alberta Public Agencies Governance Act*
ASFI	Alberta Superintendent of Financial Institutions
ATF	Anti-terrorist financing
AUA	Assets under administration
BRR	Borrower risk rating
CAMLO	Chief Anti-Money Laundering Officer
CAR Guideline	*Capital Adequacy Requirements Guideline*
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
CHT	Canada Housing Trust
CMB	Canada Mortgage Bonds
CMHC	Canada Mortgage and Housing Corporation
COI	Client Obsession Index
CPA	Chartered Professional Accountant
CPS	Combined pensionable service
CRO	Chief Risk Officer
DB	Defined-benefit (plan)
DC	Defined-contribution (plan)
EAD	Exposure at default
ECL	Expected credit loss
EFS	Everyday Financial Services
EIR	Effective interest rate
ESG	Environmental, social and governance
FICO	Fair Isaac Corporation
FTP	Funds transfer pricing
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign exchange
FY	Fiscal year (e.g., FY2025)
GDP	Gross domestic product
GoA	Government of Alberta
HCSA	Health-care spending account
HELOC	Home equity line of credit
HR	Human Resources
HTC	Hold to collect
HTC&S	Hold to collect and sell
IAS	International Accounting Standard
IASB	International Accounting Standards Board

ICD	Institute of Corporate Directors
IFRS	International Financial Reporting Standards
LCR	Liquidity coverage ratio
LGD	Loss given default
LGIC	Lieutenant Governor in Council
LLP	Loan loss provision (also “provision for loan losses”)
LTI	Long-term incentive
MBS	Mortgage-backed security
MD&A	Management’s Discussion and Analysis
MRM	Model Risk Management
NEO	Named executive officer
NI	Net income
NIBP	Net income before provision for loan losses
NIE	Non-interest expense
NII	Net interest income
NSP	Notional supplemental plan
OCI	Other comprehensive income
OI	Other income
OPEB	Other post-employment benefits
OSFI	Office of the Superintendent of Financial Institutions
OTC	Over the counter
PD	Probability of default
PIDA	*Public Interest Disclosure (Whistleblower Protection) Act*
PILOT	Payment in lieu of tax
PSPP	Public Service Pension Plan
RAROC	Risk-adjusted return on capital
RML	Residential mortgage loan
RRSP	Registered retirement savings plan
SERP	Supplemental executive retirement plan
SPPI	Solely payments of principal and interest
SRP	Supplemental retirement plan
SSU	Strategic support unit
STI	Short-term incentive
WTI	West Texas Intermediate

ATB