MANAGEMENT'S DISCUSSION AND ANALYSIS

FY2023 Q3 Financial Highlights

	For the three months ended			For the nine months ended	
	December 31 2022	**September 30 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021**
Operating results *($ in thousands)*					
Net interest income	$ 331,210	$ 330,414	$ 318,041	$ 985,657	$ 933,681
Other income	152,470	153,386	156,150	457,940	466,914
Total revenue	483,680	483,800	474,191	1,443,597	1,400,595
Provision for (recovery of) loan losses	(19,510)	27,284	(74,393)	8,541	(162,094)
Non-interest expenses	340,325	326,538	355,198	993,422	978,956
Income before payment in lieu of tax	162,865	129,978	193,386	441,634	583,733
Payment in lieu of tax	37,459	29,895	44,479	101,576	134,260
Net income	**$ 125,406**	**$ 100,083**	**$ 148,907**	**$ 340,058**	**$ 449,473**
Adjusted net income (1)	$ 125,406	$ 100,083	$ 177,522	$ 340,058	$ 478,088
Income before provisions (2)					
Total revenue	$ 483,680	$ 483,800	$ 474,191	$ 1,443,597	$ 1,400,595
Less: non-interest expenses	340,325	326,538	355,198	993,422	978,956
Income before provisions	**$ 143,355**	**$ 157,262**	**$ 118,993**	**$ 450,175**	**$ 421,639**
Financial position *($ in thousands)*					
Net loans	$ 47,292,047	$ 46,905,949	$ 46,061,091	$ 47,292,047	$ 46,061,091
Total assets	58,488,419	59,116,359	56,562,510	58,488,419	56,562,510
Total risk-weighted assets (2)	38,612,222	38,752,304	37,174,460	38,612,222	37,174,460
Total deposits	39,035,305	38,154,738	37,642,265	39,035,305	37,642,265
Equity	4,669,018	4,500,839	4,439,750	4,669,018	4,439,750
Key performance measures (%) (2)					
Return on average assets	0.8	0.7	1.0	0.8	1.1
Return on average risk-weighted assets	1.3	1.0	1.6	1.2	1.6
Total revenue change	2.0	3.7	2.6	3.1	6.5
Other income to total revenue	31.5	31.7	32.9	31.7	33.3
Total expense change	(4.2)	4.4	19.6	1.5	11.7
Adjusted total expense change (1)	7.0	4.4	7.0	5.5	7.5
Efficiency ratio	70.4	67.5	74.9	68.8	69.9
Adjusted efficiency ratio (1)	70.4	67.5	67.1	68.8	67.2
Net interest margin	2.33	2.36	2.35	2.35	2.32
Provision for (recovery of) loan losses to average loans	(0.2)	0.2	(0.7)	0.0	(0.5)
Net loan change	0.8	1.2	2.0	3.1	3.3
Total asset change	(1.1)	0.2	1.7	6.9	1.5
Total deposit change	2.3	(1.0)	(0.7)	6.2	(0.3)
Change in assets under administration	4.2	(0.9)	3.5	(5.4)	9.8
Tier 1 capital ratio	12.7	12.3	11.9	12.7	11.9
Total capital ratio	16.4	16.2	16.4	16.4	16.4
Other information					
ATB Wealth's assets under administration *($ in thousands)*	$ 24,782,338	$ 23,779,246	$ 27,327,967	$ 24,497,793	$ 27,327,967
Total clients	797,305	794,450	799,215	797,305	799,215
Team members (3)	5,164	5,138	5,028	5,164	5,028

(1) Refer to the non-GAAP measures for more information.
(2) Refer to the glossary for a definition of our key performance measures.
(3) Reported as full-time equivalents.

Non-GAAP Measures

We use certain financial metrics based on non-GAAP measures to assess ATB's performance. These measures do not have standardized meanings under Generally Accepted Accounting Principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions.

The following table provides a reconciliation of our non-GAAP financial measures to our reported financial results.

	For the three months ended		
($ in thousands)	**December 31 2022**	**September 30 2022**	**December 31 2021**
Non-interest expenses	$ 340,325	$ 326,538	$ 355,198
Adjustments before payment in lieu of taxes			
Writeoff of a non-strategic technology asset	-	-	37,162
Adjusted non-interest expenses	**$ 340,325**	**$ 326,538**	**$ 318,036**
Reported net income	$ 125,406	$ 100,083	$ 148,907
Adjustments after payment in lieu of taxes			
Writeoff of a non-strategic technology asset	-	-	28,615
Adjusted net income	**$ 125,406**	**$ 100,083**	**$ 177,522**

	For the nine months ended	
($ in thousands)	**December 31 2022**	**December 31 2021**
Non-interest expenses	$ 993,422	$ 978,956
Adjustments before payment in lieu of taxes		
Writeoff of a non-strategic technology asset	-	37,162
Adjusted non-interest expenses	**$ 993,422**	**$ 941,794**
Reported net income	$ 340,058	$ 449,473
Adjustments after payment in lieu of taxes		
Writeoff of a non-strategic technology asset	-	28,615
Adjusted net income	**$ 340,058**	**$ 478,088**

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 three and nine months ended December 31, 2022, and is dated February 15, 2023. The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes for the period ended December 31, 2022, as well as the audited consolidated financial statements and MD&A for the year ended March 31, 2022.

Caution Regarding Forward-Looking Statements

This 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 inflation levels, interest rates, commodity prices, currency value, and liquidity conditions; the ongoing impacts on the global economy due to the COVID-19 pandemic and the current geo-political uncertainty caused by the war in Ukraine; 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.

Economic Outlook

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

As an Alberta-based financial institution, ATB regularly monitors the provincial, national and global economies and examines their impact on our clients and operations.

And now we wait: Interest rates will weigh on Alberta's economy in 2023

The highest inflation in decades has led the Bank of Canada to raise its trendsetting policy interest rate from 0.25% to 4.5% in less than a year. The inflation rate has come down from the peak reached in June 2022, but—assuming higher interest rates work and geopolitical events do not cause new price spikes—it will likely take awhile before inflation is under control.

Notwithstanding the initial drag felt last year, the negative consequences of higher borrowing costs will not be fully felt in the housing sector and across the economy until deeper into 2023. The Alberta economy is better equipped than most other parts of the country to push through these headwinds, but it cannot avoid them. As a result, despite significant economic momentum, Alberta's real GDP growth is forecast to fall from 5.0% last year to 2.8% in 2023 and 2.2% in 2024. Downside risks include the war in Ukraine, volatility in energy markets, new supply chain disruptions, the ongoing pandemic, geopolitical conflicts, and continued financial market turbulence.

Strong performance in the provincial oil and gas sector is a key reason why Alberta is likely to lead the country in economic growth and avoid the recessions or near recessions facing other jurisdictions in 2023. Crude oil production in the province reached an all-time high in November and should continue to increase as more transportation capacity comes online and demand in the United States increases. Oil and gas prices are expected to remain volatile this year but are expected to be above the five-year averages set before the pandemic began and high enough to sustain robust (albeit far from record-breaking) capital spending in the sector. Another oil and gas price spike may occur due to geopolitical factors and the large gap that continues to persist between global investment in new oil and gas supply and rising demand. While the planned completion of the Trans Mountain Expansion Project later in the year will add much-needed egress capacity for Alberta crude, barriers to future pipeline construction and climate change policy will likely limit future production growth.

Population growth is another reason for Alberta's relatively strong economic forecast with gains from interprovincial and international are the highest they have been in decades. Population growth is also supported by Alberta's somewhat younger population and, in turn, higher rate of natural increase (births less deaths). The population boost will support activity across a range of sectors, including housing and retail, while also helping to ease (though not eliminate) labour shortages and offset the negative effects of higher interest rates and slower global growth.

Monthly housing starts in Alberta spiked to a seven-year high in October 2022 and came in at 36,544 units for the full year. This was 14.4% above 2021 and stands in stark contrast to the 3.4% drop at the national level. Although higher interest rates are expected to slow housing starts in 2023, the forecast is still 12.0% higher than the five-year average set prior to the pandemic. Benchmark house prices have started to come down in Alberta but they are expected to be less dramatic than Toronto and Vancouver, two markets that experienced rapid price escalation in recent years.

Ongoing labour shortages and overall economic growth will keep the provincial unemployment rate average around 5.8% in 2023 even as higher interest rates and recessions or near recessions elsewhere curb hiring demand. Employment in Alberta will likely increase, but at a more modest rate than it did in 2022.

Although offset to some degree by higher operating costs, Alberta's agriculture sector benefited from better growing conditions and record-setting prices last year and should continue to be a solid contributor to the province's economic performance in 2023. Other sectors that are poised for growth include petrochemicals, transportation and logistics (especially aviation), alternative energy, carbon capture and storage, tourism (which is still recovering from the pandemic) and creative industries.

Implications for our clients

The economic challenges faced by our personal and business clients will impact their banking needs. Examples of economic trends in 2023 that have the potential to affect our business decisions and practices include:

- Inflation and higher debt-servicing costs.
- Business disruptions due to labour shortages, supply chain issues, and higher input costs.
- Cash flow uncertainty.
- Increased staffing costs/demand for higher wages.
- Financial market performance.
- Heightened financial anxiety.
- Weaker than normal business confidence.
- The need to adjust to climate change policies.
- Changing international trade practices.

As Albertans deal with the implications of geopolitical events, stubbornly high inflation and elevated interest rates, ATB is here to help them navigate the tricky waters ahead.

Review of Consolidated Operating Results

Net Income

For the quarter ended December 31, 2022, net income (NI) has increased from last quarter but decreased from the same time last year. The quarterly increase is driven by the release of our allowance for loan losses, slightly offset by higher non-interest expense (NIE). The year-over-year decrease is due to a smaller release of our allowance for loan losses. In addition, total revenue has increased and NIE decreased year-over-year. On a year-to-date basis, NI is lower than last year, mainly driven by changes in our allowance for loan losses.

ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the Government of Alberta (GoA) was $178.7 million this quarter, an increase from last quarter ($145.4 million), but a decrease from the same time last year ($207.5 million). ATB's year-to-date net contribution is $488.2 million, a decrease from last year ($627.0 million). The changes in our contribution are directly tied to the changes in our NI.

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). This quarter's total revenue is $483.7 million, comprising $331.2 million in NII, and $152.5 million in OI. Total revenue is consistent with the previous quarter, but is higher than this time last year due to a higher NII.

On a year-to-date basis, total revenue is $1.4 billion and has increased from this time last year. The main driver is NII.

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 or collateralized borrowings). This quarter's NII is consistent with last quarter. Our quarterly and year-to-date NII has increased compared to this time last year. The improvement is due to the benefit of Bank of Canada prime rate increases on loans and securities along with growth in our business loans portfolio. These increases were offset by higher deposit and funding costs. Our clients are also holding more assets in higher-costing fixed-date deposits.

Table 1: Changes in Net Interest Income

For the three months ended ($ in thousands)	December 31 2022 vs. September 30 2022			December 31 2022 vs. December 31 2021		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
	Volume	Rate	Net change	Volume	Rate	Net change
Assets						
Interest-bearing deposits with financial institutions and securities	$ 124	$ 29,768	$ 29,892	$ 815	$ 78,424	$ 79,239
Loans	10,144	31,258	41,402	16,195	97,824	114,019
Change in interest income	**10,268**	**61,026**	**71,294**	**17,010**	**176,248**	**193,258**
Liabilities						
Deposits	5,420	51,006	56,426	6,646	124,993	131,639
Wholesale borrowings	(2,939)	5,418	2,479	2,485	17,663	20,148
Collateralized borrowings	1,231	11,446	12,677	(887)	25,661	24,774
Securities sold under repurchase agreements	(902)	(182)	(1,084)	(3)	3,531	3,528
Change in interest expense	**2,810**	**67,688**	**70,498**	**8,241**	**171,848**	**180,089**
Change in net interest income	**$ 7,458**	**$ (6,662)**	**$ 796**	**$ 8,769**	**$ 4,400**	**$ 13,169**

For the nine months ended ($ in thousands)	December 31 2022 vs. December 31 2021		
	Increase (decrease) due to changes in		
	Volume	Rate	Net change
Assets			
Interest-bearing deposits with financial institutions and securities	$ 1,930	$ 143,660	$ 145,590
Loans	41,472	159,220	200,692
Change in interest income	**43,402**	**302,880**	**346,282**
Liabilities			
Deposits	7,547	194,326	201,873
Wholesale borrowings	15,467	27,942	43,409
Collateralized borrowings	(200)	41,052	40,852
Securities sold under repurchase agreements	40	8,132	8,172
Change in interest expense	**22,854**	**271,452**	**294,306**
Change in net interest income	**$ 20,548**	**$ 31,428**	**$ 51,976**

Net Interest Margin

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 as it demonstrates how profitable our banking business is. This quarter's ratio was 2.33%, lower than the 2.36% achieved last quarter and the 2.35% achieved during the same quarter last year. The decline in NIM is due to higher funding costs as deposits reprice to reflect the higher interest rate environment and clients are holding more assets in higher–cost fixed-date deposits.

Year-to-date NIM was 2.35%, higher than the 2.32% achieved for the same period last year. The year-to-date improvements is due to the same factors that drove our year-to-date NII increases previously noted.

Other Income

OI consists of all revenue not classified as NII. OI's $152.3 million remained consistent with last quarter.

Our quarterly and fiscal year results have decreased when compared to last year. The decrease is driven by market uncertainty negatively impacting wealth management revenue, as we had lower average assets under administration (AUA) balances, combined with losses from balance sheet management activities. Higher core service revenue, particularly credit card fees, along with higher financial market revenue earned from supporting our clients risk management needs helped soften the noted decreases.

Provision for Loan Losses

ATB's provision for loan losses (LLP) comprises net writeoffs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans. This quarter ATB released $19.5 million from its loan loss allowance, with all Stages contributing. The release, a contrast to the provision recorded last quarter, was partially due to previously impaired business clients returning to performing and new impairments remaining low. The credit quality of our performing non-retail portfolio has also improved, lowering our loss expectations and releasing some of our Stage 1 and 2 allowance.

The quarterly and year-to-date results compared to last year highlight the impact of a softening of the economic outlook. This year has also seen fewer impaired business loans returning to performing or being paid down. We remain committed to providing our clients with access to sound advice and a range of products and services in support of growth for Alberta's economy, while taking appropriate measures to maintain acceptable levels of loan losses. As at December 31, 2022, gross impaired loans of $0.5 billion comprised 1.1% (March 31, 2022: 1.4%, December 31, 2021: 1.3%) of the total loan portfolio.

Non-Interest Expense

NIE consists of all expenses incurred by ATB except for interest expenses and the provision for loan losses. This quarter's NIE increased from last quarter due to marketing costs as we launched our new brand promise. In addition, we saw an increase in variable costs associated with revenue and higher technology costs. The increases were offset by lower people-related costs. NIE decreased from this time last year due to the writeoff of a non-strategic technology asset last year partially offset by operational costs increasing as COVID-19 restrictions were eased. Year-to-date NIE is up due to the post pandemic increase in expenses and higher people-related costs as we continue to invest in our team members and look to attract talent in a competitive market. As with quarter over quarter, brand initiatives as well as higher technology costs also contributed to the year-to-date increase.

Efficiency Ratio

The efficiency ratio, measured as total NIE divided by total revenue, measures how much it costs ATB to generate revenue. A lower ratio indicates higher efficiency at generating income. Our efficiency ratio of 70.4% this quarter is higher than last quarter's 67.5% but is lower than the 74.9% achieved in the same period last year. The change from last quarter is primarily due to expenses growing while our total revenue was flat. The improvement from the same time last year is mainly due to the writeoff of a non-strategic technology asset last year offset slightly by total revenue increasing. For the nine months ended December 31, 2022, ATB recorded an efficiency ratio of 68.8% compared to 69.9% for the same period last year due to the writeoff previously noted.

The adjusted efficiency ratio is NIE for the period divided by total revenue after adjusting for non-GAAP transactions. For this quarter and last quarter, there were no such transactions that required NIE or total revenue to be adjusted. At this time last year our NIE was adjusted for the write-off of a non-strategic technology asset ($37.2 million). This quarter's adjusted efficiency ratio was higher than the same time last year (70.4% vs 67.1%) due to expense growth outpacing the growth in revenue as we invested in our brand, technology and team members. The same factors drove the year-to-date increase in our adjusted efficiency ratio (68.8% vs 67.2%).

Review of Operating Results by Area of Expertise

Results presented in the following schedule are based on ATB's organizational structure and internal financial reporting systems and may not be directly comparable to those of other financial institutions. The accounting policies used in preparing the schedules are consistent with those followed in preparing the interim financial statements, as disclosed in the notes to the financial statements. (See Note 12.)

The manner in which ATB determines the revenues, expenses and LLP attributable to the various areas of expertise (AOEs) is outlined below.

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 (FTP) that impact an AOE's loan and deposit spread, and allocation charges, if any, are offset by amounts reported for strategic support units (SSUs).

Everyday Financial Services

Table 2: EFS Financial Performance

For the three months ended *($ in thousands)*	December 31 2022	September 30 2022	December 31 2021
Net interest income	$ 139,269	$ 133,204	$ 119,193
Other income	36,694	31,655	31,556
Total revenue	175,963	164,859	150,749
Provision for loan losses	7,113	2,700	7,072
Non-interest expenses (1)	136,377	125,057	129,628
Income before payment in lieu of tax	32,473	37,102	14,049
Payment in lieu of tax	7,469	8,534	3,248
Net income	**$ 25,004**	**$ 28,568**	**$ 10,801**
Net loans	$ 20,142,341	$ 20,102,898	$ 20,175,226
Total deposits	18,109,107	17,920,179	17,304,063

For the nine months ended *($ in thousands)*	December 31 2022	December 31 2021
Net interest income	$ 401,414	$ 360,609
Other income	99,379	89,394
Total revenue	500,793	450,003
Provision for loan losses	20,461	10,939
Non-interest expenses (1)	394,612	388,407
Income before payment in lieu of tax	85,720	50,657
Payment in lieu of tax	19,716	11,650
Net income	**$ 66,004**	**$ 39,007**

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

EFS's NI decreased from last quarter mainly due to higher NIE and LLP partially offset by higher total revenue. NI increased year-over-year, driven by higher total revenue slightly offset by higher NIE. These same factors drove the year-to-date NI increase, but was slightly offset by higher LLP.

NII increased from last quarter and the same time last year. The Bank of Canada prime rate increases have been the primary driver as the attractive rates offered by EFS on their deposits have grown balances and contributed to a higher deposit spread. This strategy has also contributed to EFS's year-to-date NII increasing from this time last year.

OI increased from last quarter and the same time last year due to higher third-party insurance revenue received on loans and small business service charges, respectively. Card revenue, driven by seasonality as well as clients spending more, also contributed to both increases. EFS's year-to-date OI has improved, driven mainly by the three factors previously noted.

EFS's LLP has increased from last quarter but is consistent with the same time last year. The quarter-over-quarter increase is due to the loss expectation for EFS's performing portfolio growing as a result of delinquency rates increasing (although not to pre-pandemic levels). The year-to-date LLP has increased and reflects the economic outlook softening.

NIE has increased compared to last quarter due to a combination of higher corporate support costs and seasonal credit card costs. Expenses have also increased from the same time last year, mainly driven by higher variable costs related to EFS's credit card revenue. On a year-to-date basis, NIE has increased largely driven by higher team member and agency costs.

Loans have remained consistent with last quarter and this time last year. Deposits increased from last quarter and this time last year as clients have taken advantage of the higher interest rates being offered and are holding more fixed-date deposits.

ATB Business

Table 3: ATB Business Financial Performance

For the three months ended *($ in thousands)*	December 31 2022	September 30 2022	December 31 2021
Net interest income	$ 197,993	$ 195,330	$ 181,657
Other income	70,857	53,787	63,429
Total revenue	268,850	249,117	245,086
Provision for (recovery of) loan losses	(28,196)	26,067	(77,238)
Non-interest expenses (1)	124,721	120,703	107,830
Income before payment in lieu of tax	172,325	102,347	214,494
Payment in lieu of tax	39,635	23,540	49,290
Net income	**$ 132,690**	**$ 78,807**	**$ 165,204**
Net loans	$ 25,115,755	$ 24,701,635	$ 23,544,457
Total deposits	17,935,209	17,482,379	18,090,948

For the nine months ended *($ in thousands)*	December 31 2022	December 31 2021
Net interest income	$ 576,282	$ 523,694
Other income	175,175	176,499
Total revenue	751,457	700,193
Provision for (recovery of) loan losses	(6,186)	(159,917)
Non-interest expenses (1)	363,569	315,992
Income before payment in lieu of tax	394,074	544,118
Payment in lieu of tax	90,637	125,148
Net income	**$ 303,437**	**$ 418,970**

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

ATB Business's NI increased from last quarter, driven by a release of the allowance for loan losses and higher total revenue. NI decreased year-over-year despite higher total revenue as the release of the allowance for loan losses was lower and NIE was higher. Year-to-date NI is lower than last year, with the same year-over-year factors the main reason.

NII has improved from last quarter and this time last year, driven not only by loans and deposits growing, but higher deposit spread as a result of the Bank of Canada prime rate changes. The year-to-date improvement was driven by loan growth, focused primarily in ATB Business' energy, agriculture, and real estate sectors.

OI improved from last quarter and this time last year supported by the derivatives ATB Business provided to corporate clients to allow them to manage their exposure during market uncertainty. Year-to-date OI is consistent with last year.

ATB Business released a portion of their loan loss allowance this quarter, driven by a combination of impaired clients returning to performing, new impairments remaining low, and a lower loss expectation on the performing loan portfolio. The result differs from last quarter, which was impacted by a few newly impaired high dollar clients, as well as a larger release this time last year. The year-to-date release is significantly smaller than last year, driven by a softer economic outlook and fewer impaired clients returning to performing.

NIE increased from last quarter and this time last year due to a combination of revenue-related performance-based compensation and corporate support costs. Team member costs, along with business development costs, also drove the year-over-year increase. The year-to-date increase is driven by these same year-over-year factors.

Loans have steadily increased from last quarter and last year, driven by commercial loans. Deposits have increased from last quarter, driven by fixed-date deposits. Compared to this time last year, deposits have decreased with clients withdrawing funds to support their operations.

ATB Wealth

Table 4: ATB Wealth Financial Performance

For the three months ended *($ in thousands)*	December 31 2022	September 30 2022	December 31 2021
Net interest income	$ 11,471	$ 10,150	$ 8,049
Other income	64,713	65,401	72,826
Total revenue	76,184	75,551	80,875
Provision for (recovery of) loan losses	(44)	(1,258)	671
Non-interest expenses (1)	69,938	67,162	69,316
Income before payment in lieu of tax	6,290	9,647	10,888
Payment in lieu of tax	1,447	2,219	2,504
Net income	**$ 4,843**	**$ 7,428**	**$ 8,384**
Net loans	$ 1,268,266	$ 1,280,280	$ 1,280,891
Total deposits	2,785,394	2,676,338	2,116,092
Total assets under administration	24,782,338	23,779,246	27,327,967

For the nine months ended *($ in thousands)*	December 31 2022	December 31 2021
Net interest income	$ 30,935	$ 22,471
Other income	196,708	213,257
Total revenue	227,643	235,728
Provision for (recovery of) loan losses	(638)	(1,260)
Non-interest expenses (1)	200,552	207,192
Income before payment in lieu of tax	27,729	29,796
Payment in lieu of tax	6,378	6,853
Net income	**$ 21,351**	**$ 22,943**

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

ATB Wealth's NI decreased from last quarter. Higher NIE, combined with a lower release of the allowance for loan losses are the main drivers. NI decreased from this time last year, driven mainly by lower total revenue. Total revenue also drove the year-to-date decrease, but was mostly offset by lower NIE.

NII increased from last quarter and this time last year, mainly driven by ATB Wealth's deposit spread and interest earned from interest-bearing deposits both benefiting from the Bank of Canada prime rate increases. Deposit growth also contributed to the year-over-year NII improvement. On a year-to-date basis, NII increased, driven by the same year-over-year factors.

OI remained steady with last quarter, but decreased from last year and on a year-to-date basis. The decrease is driven by the impact market uncertainty has had on ATB Wealth's AUA balance.

NIE increased from last quarter but is consistent with this time last year. On a year-to-date basis, NIE decreased. The quarter-over-quarter and year-to-date changes are driven by the variable costs associated with AUA.

Loans are relatively consistent with last quarter and this time last year. Deposits have increased for these same comparisons, as ATB Wealth clients continue to move assets to high-interest fixed-date deposits to take advantage of higher interest rates.

ATB Wealth's AUA increased from last quarter, driven by a slight market recovery. Compared to this time last year, AUA decreased due to the continued uncertainty in the global markets.

Strategic Support Units

Table 5: SSUs Financial Performance

For the three months ended *($ in thousands)*	December 31 2022	September 30 2022	December 31 2021
Net interest income (loss)	$ (17,523)	$ (8,270)	$ 9,142
Other income (loss)	(19,794)	2,543	(11,661)
Total losses	(37,317)	(5,727)	(2,519)
Provision for (recovery of) loan losses	1,617	(225)	(4,898)
Non-interest expenses (1)	9,289	13,616	48,424
Losses before payment in lieu of tax	(48,223)	(19,118)	(46,045)
Recovery of taxes	(11,092)	(4,398)	(10,563)
Net loss	**$ (37,131)**	**$ (14,720)**	**$ (35,482)**
Net loans	$ 710,692	$ 770,439	$ 1,060,510
Total deposits	205,594	85,942	130,201

For the nine months ended *($ in thousands)*	December 31 2022	December 31 2021
Net interest income (loss)	$ (22,974)	$ 26,907
Other income (loss)	(13,322)	(12,236)
Total revenue (losses)	(36,296)	14,671
Provision for (recovery of) loan losses	(5,096)	(11,856)
Non-interest expenses (1)	34,689	67,365
Losses before payment in lieu of tax	(65,889)	(40,838)
Recovery of taxes	(15,155)	(9,391)
Net loss	**$ (50,734)**	**$ (31,447)**

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

NII decreased compared to all prior periods due to balance sheet management activity.

OI decreased compared to all prior periods due to our interest-rate risk management portfolios and the related changes in interest rates over the period.

The SSU's recorded a provision for loan losses this quarter compared to a release of the allowance in the prior quarter and the same time last year. The quarter-over-quarter change is due to higher loss expectations for the SSU's performing loans. The year-over-year and year-to-date changes are driven by a softening economic outlook.

NIE has decreased compared to the prior quarter due to lower people related costs. The year-over-year and year-to-date decrease is due to the write-off of a non-strategic technology asset.

Consolidated Financial Position

Total Assets

Our total assets as at December 31, 2022, were $58.5 billion, lower than last quarter driven by securities held for liquidity-risk-management purposes. This is slightly offset by net loan growth. Compared to last year, total assets increased due to net loan growth and a change in our investment allocation to securities held for liquidity-risk-management purposes and less cash deposited with the Bank of Canada.

Loans

Net loans were $47.3 billion and continue to trend higher when compared to last quarter and year, but are tempered by persistent inflation and rising interest rates. The main drivers for both increases are business and residential mortgage loans, slightly offset by a reduction in home equity line of credits (HELOC) and other personal loans.

The allowance for loan losses has decreased quarter-over-quarter and year-over-year due to credit quality improving for our business portfolio. Although our retail portfolio has seen an increase for both periods as a result of persistent inflation and higher interest rates. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in Notes 7 and 8 to the financial statements.

Other Assets

ATB's other assets are composed primarily of derivative financial instruments. Derivative assets decreased from last quarter mainly as a result of market conditions and the impact on the fair value of our commodity deals and FX contracts. The overall change in derivative assets is correlated with the change in derivative liabilities as we enter into offsetting derivative contracts to offset our exposure. (Refer to the derivatives section of the 2022 annual consolidated financial statements for more on how we use derivatives to manage risk)

Total Liabilities

Total liabilities ended the quarter at $53.8 billion, which is lower than last quarter due to less reliance on our wholesale borrowings. There was also a decrease in derivative liabilities, consistent with the decrease in derivative assets. These are slightly offset by an increase in deposits. The increase compared to this time last year is due to deposits, collateralized borrowings, and derivative liabilities, slightly offset by a decrease in wholesale borrowings.

Deposits

ATB's principal sources of funding are client deposits, which consist of transaction, savings, notice and fixed-date deposits accounts. Deposits have increased compared to last quarter and the same time last year. With rising interest rates and market uncertainty, our deposit mix has changed as clients have moved funds from liquid deposits to fixed-date deposits.

Other Liabilities

ATB's other liabilities are composed primarily of collateralized and wholesale borrowings, and derivative financial instruments. Collateralized and wholesale borrowings are used as a funding source to supplement client deposits.

Collateralized borrowings represent ATB's participation in the Canada Mortgage Bonds (CMB) program, securitization of credit card receivables and other mortgage loan securitization. Our borrowings were consistent with last quarter but increased from this time last year to support lending activities.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA (refer to Note 20 of the 2022 annual consolidated financial statements for more on the wholesale borrowing agreement with the GoA). The decrease from last quarter and this time last year is due to issuing less bearer-deposit notes as we become less reliant on our alternative funding sources due to deposit growth.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are only recorded on the interim condensed consolidated statement of income when realized. AOCI increased from last quarter due to financial market activity, resulting in unrealized gains on our net pension plan assets, and interest rate swaps designated for hedge accounting. Compared to the same time last year, AOCI decreased due to unrealized losses in our hedge-accounted swap portfolio which was negatively impacted by swap rates increasing. This was slightly offset by a net pension asset balance which has continued to increase due to market volatility.

Regulatory Capital

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, Alberta Superintendent of Financial Institutions (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 *Capital Adequacy Requirements Guideline* (*CAR Guideline*). (Refer to Note 24 of the 2022 annual consolidated financial statements for more on how ATB's capital adequacy requirements are defined). As at December 31, 2022, ATB had a Tier 1 capital ratio of 12.7% and a total capital ratio of 16.4%, both exceeding our regulatory requirements.

ATB has also established and maintains an Internal Capital Adequacy Assessment Process (ICAAP) Framework that complies with the Office of the Superintendent of Financial Institutions' (OSFI) guideline on ICAAP for deposit-taking institutions. This helps ensure that ATB has adequate capital to meet its strategic and business objectives.

Credit Risk

Credit risk is the risk of financial loss resulting from 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.

Key measures as at December 31, 2022, are outlined below.

Table 6: Credit Risk Exposure

The amounts shown in the table below best represent ATB's exposure to credit risk, mainly comprised of loans. (See Note 4.)

As at *($ in thousands)*	**December 31** **2022**	**March 31** **2022**
Financial assets (1)	$ 56,856,955	$ 55,474,217
Other commitments and off-balance-sheet items (2)	21,891,692	20,639,189
Total credit risk	**$ 78,748,647**	**$ 76,113,406**

(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 7: Industry Concentration

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

	December 31 **2022**		**March 31** **2022**	
As at *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 6,799,269	14.3%	$ 6,412,423	13.8%
Agriculture, forestry, fishing and hunting	4,728,646	9.9%	4,413,326	9.5%
Mining and oil-and-gas extraction	4,525,691	9.5%	3,808,056	8.2%
Largest borrower	$ 250,000	0.5%	$ 123,662	0.3%

Table 8: Real-Estate Secured Lending (Insured and Uninsured)

Residential mortgages and HELOCs are secured by residential properties. The following table breaks down the amounts and percentages of insured and uninsured residential mortgages and HELOCs:

As at			December 31		March 31
($ in thousands)			2022		2022
Residential mortgages	Insured (1)	$ 9,988,557	59.4%	$ 10,052,413	60.6%
	Uninsured	6,819,860	40.6%	6,544,313	39.4%
Total residential mortgages		**$ 16,808,417**	**100.0%**	**$ 16,596,726**	**100.0%**
Home equity lines of credit	Uninsured	$ 2,267,592	100.0%	$ 2,485,554	100.0%
Total home equity lines of credit		**$ 2,267,592**	**100.0%**	**$ 2,485,554**	**100.0%**
	Insured	**$ 9,988,557**	**52.4%**	**$ 10,052,413**	**52.7%**
Total	**Uninsured**	**9,087,452**	**47.6%**	**9,029,867**	**47.3%**

(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 Canadian Mortgage Housing Corporation (CMHC), Sagen and Canada Guaranty Mortgage Insurance.

Table 9: Real Estate Secured Lending (Amortization Period)

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

As at	December 31 2022	March 31 2022
Less than 25 years	95.8%	94.4%
25 years and above	4.2%	5.6%
Total	**100.0%**	**100.0%**

Table 10: 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	December 31 2022	March 31 2022
Residential mortgages	0.7	0.7
Home equity lines of credit	0.6	0.6

ATB performs stress testing on its RML portfolio as part of its 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 its RML portfolio under such scenarios to be manageable, given the portfolio's high proportion of insured and low loan-to-value ratio mortgages.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk of a negative impact on ATB's financial position due to changes in market interest rates. It occurs when there is a mismatch in the repricing characteristics of interest-rate-sensitive assets (e.g., loans and investments) and interest-rate-sensitive liabilities (e.g., deposits).

Table 11: 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)*	December 31 2022	March 31 2022
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 55,942	$ 35,921
200 basis points	110,179	69,591
Decrease in interest rates of:		
100 basis points (1)	(55,345)	(40,293)
200 basis points (1)	(113,545)	(78,018)

(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.

Foreign Exchange Risk

FX risk is the risk of loss resulting from fluctuations in FX 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 an FX risk management policy, which establishes approved limits to our trading and non-trading FX portfolios and defines the roles and responsibilities across the three lines of defence for the ongoing identification, measurement, monitoring and management of FX risk.

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

ATB is within its Board-approved minimum limit as at December 31, 2022 and March 31, 2022.

Liquidity Risk

Liquidity risk is the risk that ATB may not meet all of its 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.

ATB determines and manages its liquidity needs using a wide range of financial products and borrowing programs to ensure stable and well-diversified sources of funding.

On December 31, 2022, the liquidity coverage ratio (LCR) was 137.6% (March 31, 2022: 129.0%), well above Board-approved minimum limits.

Table 12: Long-Term Funding Sources

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

		December 31 2022		March 31 2022
As at *($ in thousands)*	Long-term funding	Percentage of total	Long-term funding	Percentage of total
Wholesale borrowings	$ 3,823,203	32.3%	$ 4,449,880	36.9%
Collateralized borrowings	8,007,384	67.7%	7,611,233	63.1%
Total long-term funding	**$ 11,830,587**	**100.0%**	**$ 12,061,113**	**100.0%**

CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Financial Position

(Unaudited)

As at *($ in thousands)*	Note	December 31 2022	September 30 2022	March 31 2022	December 31 2021
Cash		$ 2,477,685	$ 2,519,866	$ 2,606,379	$ 4,589,714
Interest-bearing deposits with financial institutions		524,811	665,025	1,210,901	483,654
Total cash resources		**3,002,496**	**3,184,891**	**3,817,280**	**5,073,368**
Securities measured at fair value through profit or loss		114,600	114,327	129,553	112,408
Securities measured at fair value through other comprehensive income		5,739,017	6,325,760	4,406,033	3,145,491
Total securities	6	**5,853,617**	**6,440,087**	**4,535,586**	**3,257,899**
Business		25,593,683	25,177,104	24,092,016	24,043,259
Residential mortgages		16,808,417	16,719,007	16,596,726	16,660,705
Personal		4,499,227	4,660,107	4,971,346	5,124,881
Credit card		746,001	743,036	686,871	709,675
Total gross loans		**47,647,328**	**47,299,254**	**46,346,959**	**46,538,520**
Allowance for loan losses	8	(355,281)	(393,305)	(418,255)	(477,429)
Total net loans	7	**47,292,047**	**46,905,949**	**45,928,704**	**46,061,091**
Derivative financial instruments		1,305,549	1,580,710	1,779,577	1,130,251
Property and equipment		208,491	217,358	222,984	224,624
Software and other intangibles	13	219,325	224,750	227,575	224,541
Other assets		606,894	562,614	540,329	590,736
Total other assets		**2,340,259**	**2,585,432**	**2,770,465**	**2,170,152**
Total assets		**$ 58,488,419**	**$ 59,116,359**	**$ 57,052,035**	**$ 56,562,510**
Transaction accounts		13,333,805	$ 13,602,576	$ 13,386,975	$ 13,269,771
Saving accounts		10,456,025	11,168,755	12,060,980	12,409,241
Notice accounts		5,620,976	5,638,216	6,095,213	6,333,359
Non-redeemable fixed-date deposits		8,456,480	6,498,410	4,687,929	4,884,137
Redeemable fixed-date deposits		1,168,019	1,246,781	1,088,385	745,757
Total deposits		**39,035,305**	**38,154,738**	**37,319,482**	**37,642,265**
Collateralized borrowings	9	7,978,929	8,051,566	7,614,949	7,684,961
Wholesale borrowings		3,806,568	5,024,576	4,442,967	4,528,980
Derivative financial instruments		1,546,896	1,836,000	1,882,405	1,026,046
Securities sold under repurchase agreements		86,631	296,594	-	-
Other liabilities		1,365,072	1,252,046	1,340,038	1,240,508
Total other liabilities		**14,784,096**	**16,460,782**	**15,280,359**	**14,480,495**
Total liabilities		**53,819,401**	**54,615,520**	**52,599,841**	**52,122,760**
Retained earnings		4,888,248	4,762,842	4,548,190	4,411,105
Accumulated other comprehensive income (loss)		(219,230)	(262,003)	(95,996)	28,645
Total equity		**4,669,018**	**4,500,839**	**4,452,194**	**4,439,750**
Total liabilities and equity		**$ 58,488,419**	**$ 59,116,359**	**$ 57,052,035**	**$ 56,562,510**

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

Curtis Stange
President and Chief Executive Officer

Dan Hugo
Chief Financial Officer

Interim Condensed Consolidated Statement of Income

(Unaudited)

		For the three months ended			For the nine months ended	
($ in thousands)	Note	**December 31 2022**	**September 30 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021**
Loans		$ 536,261	$ 494,859	$ 422,242	$ 1,468,432	$ 1,267,740
Securities		60,418	36,162	3,059	110,562	9,265
Interest-bearing deposits with financial institutions		24,652	19,016	2,772	52,826	8,533
Interest income		**621,331**	**550,037**	**428,073**	**1,631,820**	**1,285,538**
Deposits		194,979	139,637	59,812	409,385	199,340
Wholesale borrowings		35,415	32,936	15,267	90,100	46,691
Collateralized borrowings		59,727	47,050	34,953	146,678	105,826
Interest expense		**290,121**	**219,623**	**110,032**	**646,163**	**351,857**
Net interest income		**331,210**	**330,414**	**318,041**	**985,657**	**933,681**
Wealth management		63,834	64,482	71,835	193,935	210,369
Service charges		22,874	22,466	21,631	67,700	61,352
Card fees		22,841	21,094	19,367	64,928	55,066
Credit fees		13,818	14,166	12,931	37,337	38,653
Financial markets		22,711	11,799	14,201	47,600	38,007
Capital markets		14,246	8,582	10,487	32,589	40,844
Foreign exchange		3,023	610	5,725	8,494	8,140
Insurance		5,743	3,689	6,493	12,809	18,436
Net gains (losses) on derivative financial instruments		(6,489)	10,221	(11,441)	13,590	(11,182)
Net gains (losses) on securities		(5,810)	2,943	6,276	(1,607)	8,282
Sundry		(4,321)	(6,666)	(1,355)	(19,435)	(1,053)
Other income		**152,470**	**153,386**	**156,150**	**457,940**	**466,914**
Total revenue		**483,680**	**483,800**	**474,191**	**1,443,597**	**1,400,595**
Provision for (recovery of) loan losses	8	**(19,510)**	**27,284**	**(74,393)**	**8,541**	**(162,094)**
Salaries and employee benefits		180,249	185,335	175,306	549,392	520,787
Data processing		43,817	41,817	37,503	127,242	108,434
Premises and occupancy, including depreciation		18,519	17,711	18,307	54,076	49,986
Professional and consulting costs		20,132	18,128	21,608	55,025	55,150
Deposit guarantee fee		13,617	13,511	13,169	40,353	38,915
Equipment, including depreciation		2,952	2,954	3,608	8,945	10,605
Software and other intangibles amortization		20,258	18,731	18,760	56,590	61,071
General and administrative		24,805	17,520	17,195	63,576	47,036
ATB agencies		4,084	4,082	3,776	12,281	11,261
Other		11,892	6,749	8,804	25,942	38,549
Writeoff of a non-strategic technology asset	13	-	-	37,162	-	37,162
Non-interest expense		**340,325**	**326,538**	**355,198**	**993,422**	**978,956**
Income before payment in lieu of tax		**162,865**	**129,978**	**193,386**	**441,634**	**583,733**
Payment in lieu of tax	10	37,459	29,895	44,479	101,576	134,260
Net income		**$ 125,406**	**$ 100,083**	**$ 148,907**	**$ 340,058**	**$ 449,473**

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

Interim Condensed Consolidated Statement of Comprehensive Income

(Unaudited)

	For the three months ended			For the nine months ended	
($ in thousands)	**December 31 2022**	**September 30 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021**
Net income	$ 125,406	$ 100,083	$ 148,907	$ 340,058	$ 449,473
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	5,681	(4,129)	(13,352)	(17,764)	(3,273)
Net losses (gains) reclassified to net income	12,408	(2,911)	2,882	25,486	2,869
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges					
Unrealized net gains (losses) arising during the period	(34,780)	(44,196)	(63,061)	(171,315)	(51,413)
Net losses (gains) reclassified to net income	44,839	(3,485)	(13,255)	18,188	(66,988)
Items that will not be reclassified to profit or loss					
Remeasurement of defined-benefit plan liabilities	14,625	20,356	5,502	22,171	33,936
Other comprehensive income (loss)	**42,773**	**(34,365)**	**(81,283)**	**(123,234)**	**(84,869)**
Comprehensive income (loss)	**$ 168,179**	**$ 65,718**	**$ 67,624**	**$ 216,824**	**$ 364,604**

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

Interim Condensed Consolidated Statement of Changes in Equity

(Unaudited)

	For the three months ended			For the nine months ended	
($ in thousands)	**December 31 2022**	**September 30 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021**
Retained earnings					
Balance at beginning of the period	$ 4,762,842	$ 4,662,788	$ 4,259,441	$ 4,548,190	$ 3,961,408
Net income	125,406	100,083	148,907	340,058	449,473
Other	-	(29)	2,757	-	224
Balance at end of the period	**4,888,248**	**4,762,842**	**4,411,105**	**4,888,248**	**4,411,105**
Accumulated other comprehensive income (loss)					
Securities measured at fair value through other comprehensive income					
Balance at beginning of the year	(6,852)	188	8,130	3,515	(1,937)
Other comprehensive income (loss)	18,089	(7,040)	(10,470)	7,722	(403)
Balance at end of the period	**11,237**	**(6,852)**	**(2,340)**	**11,237**	**(2,340)**
Derivative financial instruments designated as cash flow hedges					
Balance at beginning of the period	(339,432)	(291,751)	89,658	(176,246)	131,745
Other comprehensive income (loss)	10,059	(47,681)	(76,316)	(153,127)	(118,403)
Balance at end of the period	**(329,373)**	**(339,432)**	**13,342**	**(329,373)**	**13,342**
Defined-benefit-plan liabilities					
Balance at beginning of the year	84,281	63,925	12,141	76,735	(16,293)
Other comprehensive income (loss)	14,625	20,356	5,502	22,171	33,936
Balance at end of the period	**98,906**	**84,281**	**17,643**	**98,906**	**17,643**
Accumulated other comprehensive income (loss)	**(219,230)**	**(262,003)**	**28,645**	**(219,230)**	**28,645**
Equity	**$ 4,669,018**	**$ 4,500,839**	**$ 4,439,750**	**$ 4,669,018**	**$ 4,439,750**

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

Interim Condensed Consolidated Statement of Cash Flows

(Unaudited)

	For the three months ended			For the nine months ended	
($ in thousands)	**December 31 2022**	**September 30 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021**
Cash flows from operating activities					
Net income	$ 125,406	100,083	148,907	$ 340,058	449,473
Adjustments for non-cash items and other items					
Provision for (recovery of) loan losses	(19,510)	27,284	(74,393)	8,541	(162,094)
Depreciation and amortization	28,592	30,014	30,617	87,587	96,613
Net (gains) on securities	5,810	(2,943)	(6,276)	1,607	(8,282)
Losses on foreign-denominated wholesale borrowings	(3,317)	16,628	(2,375)	20,989	1,523
Write-off of a non-strategic technology asset	-	-	37,162	-	37,162
Adjustments for net changes in operating assets and liabilities					
Loans	(366,588)	(589,602)	(828,510)	(1,371,884)	(1,301,775)
Deposits	880,569	(399,440)	(255,022)	1,715,828	(116,052)
Derivative financial instruments	(3,885)	(5,944)	42,550	(14,609)	26,878
Prepayments and other receivables	8,964	76,928	40,652	57,426	13,384
Accounts receivable – financial market products	4,539	219,234	(81,126)	2,303	(150,617)
Due to clients, brokers and dealers	(3,051)	28,136	(13,893)	17,934	22,598
Deposit guarantee fee payable	15,855	15,472	14,076	(12,518)	(15,189)
Accounts payable and accrued liabilities	44,245	(31,217)	(4,935)	161,663	(30,292)
Accounts payable – financial market products	1	(6,407)	201,305	(102,160)	132,248
Liability for payment in lieu of tax	37,459	29,895	44,479	(73,576)	68,860
Net interest receivable and payable	19,936	28,314	(8,207)	18,603	(72,605)
Change in accrued-pension-benefit liability	(29)	995	1,102	(763)	3,356
Other	(14,353)	(13,095)	7,116	(27,661)	(3,292)
Net cash provided by (used in) operating activities	**760,643**	**(475,665)**	**(706,771)**	**829,368**	**(1,008,103)**
Cash flows from investing activities					
Purchase of securities	(1,720,588)	(2,027,665)	(405,512)	(7,194,366)	(670,793)
Proceeds from sales and maturities of securities	2,309,572	1,422,729	507,246	5,857,890	1,043,736
Change in interest-bearing deposits with financial institutions	140,214	651,408	218,806	686,090	(94,183)
Purchases and disposals of property and equipment, software and other intangibles	(14,300)	(19,202)	(24,949)	(64,844)	(61,963)
Net cash provided by (used in) investing activities	**714,898**	**27,270**	**295,591**	**(715,230)**	**216,797**
Cash flows from financing activities					
Issuance of wholesale borrowings	1,143,335	2,905,803	3,474,835	7,510,867	7,799,091
Repayment of wholesale borrowings	(2,375,000)	(2,655,906)	(1,980,000)	(8,205,906)	(6,780,000)
Issuance of collateralized borrowings	344,792	329,790	209,986	1,348,152	659,622
Repayment of collateralized borrowings	(412,663)	(61,693)	(350,000)	(957,917)	(899,546)
Change in securities sold under repurchase agreements	(209,963)	52,526	(56,027)	86,631	(14,730)
Repayment of lease liabilities	(8,223)	(8,214)	(8,973)	(24,659)	(27,020)
Net cash provided by (used in) financing activities	**(1,517,722)**	**562,306**	**1,289,821**	**(242,832)**	**737,417**
Net increase (decrease) in cash	(42,181)	113,911	878,641	(128,694)	(53,889)
Cash at beginning of the period	2,519,866	2,405,955	3,711,073	2,606,379	4,643,603
Cash at end of the period	**$ 2,477,685**	**$ 2,519,866**	**$ 4,589,714**	**$ 2,477,685**	**$ 4,589,714**
Net cash provided by (used in) operating activities includes:					
Interest paid	$ (207,158)	$ (172,158)	$ (142,762)	$ (534,289)	$ (425,105)
Interest received	585,651	525,413	451,025	1,556,335	1,314,354

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

Notes to the Interim Condensed Consolidated Financial Statements

December 31, 2022 (Unaudited)

1 Nature of Operations

ATB is an Alberta-based financial services provider engaged in retail and commercial banking, credit cards, digital banking 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 its Board of Directors appointed by the Lieutenant-Governor in Council (LGIC). Under *Alberta Public Agencies Governance Act (*APAGA), 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 GoA designed to be in lieu of such charges. (See Note 10.)

2 Significant Accounting Policies

a. General Information

Basis of Preparation

These interim condensed consolidated financial statements ("interim statements") have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) and the accounting requirements of ASFI. The interim statements do not include all information required for complete annual consolidated financial statements and should be read in conjunction with ATB's 2022 annual consolidated financial statements. The accounting policies, methods of computation, and presentation of these interim statements are consistent with the most recent annual consolidated financial statements. These interim statements were approved by the Audit Committee on February 15, 2023.

These interim statements are presented in Canadian dollars, and all values are rounded to the nearest thousand dollars, unless otherwise indicated. They include the assets, liabilities, and results of operations and cash flows of ATB and its subsidiaries. All intercompany transactions and balances have been eliminated from the consolidated results.

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 and the assumptions underlying the accounting for employee benefit obligations. Actual results could differ significantly from these estimates, and the impact of any such differences will be recorded in future periods.

COVID-19

Although the market volatility associated with COVID-19 has decreased, there are still lingering impacts of the pandemic and risks of further waves, which may impact our financial results. The most significant impact would be estimates relating to the allowance for loan losses. (See Note 8.)

Russia's Invasion of Ukraine

The invasion of Ukraine by Russia has brought about global disruptions and uncertainty in markets and in the economy as a whole. This has led to various sanctions and controls imposed on Russia by Canada and other countries. Although ATB's exposure to Ukraine and Russia is limited, the impact of these measures and potential counter-responses by Russia is uncertain. Adverse changes, including those related to interest rates, credit spreads, market volatility and foreign exchange rates could affect ATB's earnings.

3 Summary of Accounting Policy Changes

Change in Accounting Policies and Disclosures

Interest Rate Benchmark Reform (IBOR) Phase 2

In August 2020, the IASB finalized amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts*, and IFRS 16 *Leases*. The amendments provide guidance to address instances, for issues that may affect financial reporting, where an existing interest rate benchmark is replaced with an alternative interest rate that modifies financial assets and financial liabilities, including lease liabilities, hedge accounting requirements and IBOR-reform-related disclosures. In October 2020, the Accounting Standards Board (AcSB) approved the amendments.

The amendment provides relief when a financial instrument moves to an alternative interest rate that is economically equivalent to IBOR:

- For modifications of financial instruments carried at amortized cost, benchmark interest rate changes are reflected prospectively by updating the effective interest rate with no immediate gain or loss recognized.
- Existing hedging relationships are allowed to continue upon moving to an alternative rate under certain qualifying criteria. If an alternative interest rate is not specifically identified at the date it is designated for hedge accounting, it will be deemed to meet the requirements if the rate can be identified within a 24-month period. If this criteria cannot be met, then hedge accounting will be discontinued prospectively.

ATB continues to make progress on its plan for the United States Dollar (USD) London Interbank Offered Rate (LIBOR) to ensure an orderly transition and to manage the impact through appropriate mitigating actions. We are following the recommended target date for cessation of LIBOR-based products, which is June 30, 2023.

In December 2021, the Canadian Alternative Reference Rate working group (CARR) recommended that the Canadian Dollar Offered Rate (CDOR) should cease being calculated and published after June 28, 2024 with the Canadian Overnight Repo Rate Average (CORRA) suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Term CORRA is expected to be launched by Q2 of FY2024 and we are following the recommended target dates for cessation of CDOR-based products. For CDOR-based derivatives and securities, this would be June 28, 2023, and for CDOR-based loans, June 28, 2024.

Hedging Relationships Impacted by the Interest Rate Benchmark Reform

The following table presents the notional amount of our hedging instruments as at April 1, 2022, which reference CDOR that will expire after June 28, 2024, and represents our opening balances for the annual period ending on March 31, 2023. The notional amounts of our hedging instruments also approximate the extent of the risk exposure we manage through hedging relationships. Changes in our exposures during the period did not result in significant changes to the risks arising from transition since April 1, 2022. In the normal course of business, our derivative notional amounts may fluctuate with no significant impact to our CDOR transition plans.

As at April 1, 2022 *($ in thousands)*	**Notional amount**
Interest rate swaps	
Canadian Dollar Offered Rate (CDOR)	$ 15,002,035

Non-derivative Financial Assets and Undrawn Commitments

The following table reflects ATB's exposure to non-derivative financial assets, non-derivative financial liabilities and undrawn commitments maturing after June 28, 2024 as at April 1, 2022, which represent our opening balances for the annual period ending on March 31, 2023. These are subject to reform that have yet to transition to alternative benchmark rates. These exposures will remain outstanding until CDOR ceases, which is expected to be June 28, 2024. Changes in our exposures during the period did not result in significant changes to the risks arising from transition since April 1, 2022.

As at April 1, 2022 *($ in thousands)*	**Amount**
Non-derivative financial assets (1)	$ 783,804
Non-derivative financial liabilities (2)	1,808,557
Authorized and committed undrawn commitments	13

(1) Non-derivative financial assets include carrying amounts of loans.
(2) Non-derivative financial liabilities include carrying amounts of deposits

Annual Improvements to IFRS Standards 2018-2020

In May 2020, the IASB issued *Annual Improvements to IFRS Standards 2018-2020*, amending a number of standards as part of its annual improvements. IFRS 9 *Financial Instruments* clarifies which fees are included when applying the "10% test" to assess whether a financial liability is derecognized. Under IFRS 16 *Leases*, an example for reimbursements made by the lessor for leasehold improvements has been removed. In September 2020, the AcSB endorsed the IASB's annual improvements.

During the first quarter of FY2023, ATB adopted the annual improvement, which had no impact on our financial statements.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)

In May 2020, the IASB issued *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*, which clarifies that the cost of fulfilling a contract is included in determining whether a contract is onerous or not. The cost includes incremental and allocated costs that relate directly to fulfilling the contract.

During the first quarter of FY2023, ATB adopted the amendment, which had no impact on our financial statements.

Proceeds Before Intended Use (Amendments to IAS 16 *Property, Plant and Equipment*)

In May 2020, the IASB issued *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*. The change prohibits deducting from the cost of property, plant and equipment any proceeds from selling items produced while readying the assets for use. Instead, the cost of producing those items and the proceeds from selling them must be recognized immediately in profit or loss.

During the first quarter of FY2023, ATB adopted the amendment, 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.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1 *Presentation of Financial Statements*)

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*, which amends the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, nor the information that entities disclose about those items.

ATB has assessed the impact of the new definition, which is effective for annual reporting periods beginning on or after January 1, 2023, and determined that there is no impact on our financial statements. Earlier application is permitted. We will adopt the amendments to IAS 1 on April 1, 2023, the start of ATB's FY2024.

Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements*)

In February 2021, the IASB issued *Disclosure of Accounting Policies (Amendments to IAS 1)*, which is intended to disclose material accounting policies instead of significant accounting policies. The amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance on how to apply a four-step materiality process to accounting policy disclosures.

ATB has assessed the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023, and is applied prospectively, with earlier application permitted. There are no significant changes to be anticipated upon adopting the amendments to IAS 1 on April 1, 2023, the start of ATB's FY2024.

Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)

In February 2021, the IASB issued *Definition of Accounting Estimates (Amendments to IAS 8)* which updates the definition of accounting estimates and provides guidance to help entities distinguish changes in accounting estimates from changes in accounting policies.

ATB has assessed the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023. There are no significant changes to be anticipated when adopting the updated definition of accounting estimates on April 1, 2023, the start of ATB's FY2024.

IFRS 17 *Insurance Contracts*

In May 2017, the IASB published a new standard, IFRS 17 *Insurance Contracts*, establishing the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

ATB assessed the impact of the new standard and determined there is no impact on our financial statements. IFRS 17 will replace IFRS 4 *Insurance Contracts*, effective for annual reporting periods beginning on or after January 1, 2023, and, for ATB, effective starting April 1, 2023, the start of ATB's FY2024. Earlier application is permitted if IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have also been applied. ATB has chosen to not adopt the standard early.

Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction (Amendments to IAS 12 *Income Taxes*)

In May 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*, which clarifies that the initial recognition exemption permitted in IAS 12 does not apply to transactions (such as leases and decommissioning obligations) where an asset and liability is recorded that result in equal and offsetting temporary tax differences.

ATB has assessed the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023, and is applied retrospectively. The amendments to IAS 12 take effect April 1, 2023, the start of ATB's FY2024. Instead of income tax, ATB pays an amount equal to 23% of consolidated net income as reported in its audited annual financial statements. (See Note 10.) Therefore, there is no impact to our financial statements.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17 *Insurance Contracts*)

In December 2021, the IASB issued *Initial Application of IFRS 17 and IFRS 9 (Amendments to IFRS 17)*. The amendment applies to entities that apply IFRS 17 and 9 at the same time. The option allows, on an instrument-by-instrument basis, an entity to present comparative information under IFRS 9 for financial assets that would not have been restated for IFRS 9. The relief helps entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities and improves the usefulness of comparative information.

ATB has assessed the impact of the amendment and determined there is no impact on our financial statements. The amendment is effective from April 1, 2023, the start of ATB's FY2024.

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 amendment clarifies 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.

ATB is currently assessing the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2024, and is applied retrospectively, with earlier application permitted. The amendments to IFRS 16 take effect April 1, 2024, the start of ATB's FY2025.

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.

ATB is currently assessing the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2024, and is applied retrospectively, with earlier application permitted. The amendments to IAS 1 take effect April 1, 2024, the start of ATB's FY2025.

4 Financial Instruments

Classification and Carrying Value

The following tables summarize ATB's financial instrument classifications and provide their carrying value:

As at December 31, 2022 ($ 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)	$ -	$ -	$ -	$ -	$ 2,477,685	$ 2,477,685
Interest-bearing deposits with financial institutions (1)	-	524,811	-	-	-	524,811
Total cash resources	-	524,811	-	-	2,477,685	3,002,496
Total securities (1)	85,599	29,001	5,685,132	53,885	-	5,853,617
Total net loans (2)	-	-	-	-	47,292,047	47,292,047
Derivative financial instruments	1,305,549	-	-	-	-	1,305,549
Other assets (1) (6)	-	-	-	-	430,703	430,703
Total other assets	1,305,549	-	-	-	430,703	1,736,252
Total financial assets	**$ 1,391,148**	**$ 553,812**	**$ 5,685,132**	**$ 53,885**	**$ 50,200,435**	**$ 57,884,412**
Financial liabilities						
Total deposits (3)	-	-	-	-	39,035,305	39,035,305
Collateralized borrowings (5)	-	-	-	-	7,978,929	7,978,929
Wholesale borrowings (4)	-	267,180	-	-	3,539,388	3,806,568
Derivative financial instruments (1)	1,546,896	-	-	-	-	1,546,896
Securities sold under repurchase agreements (1)	-	-	-	-	86,631	86,631
Other liabilities (1) (6)	-	-	-	-	1,189,136	1,189,136
Total other liabilities	1,546,896	267,180	-	-	12,794,084	14,608,160
Total financial liabilities	**$ 1,546,896**	**$ 267,180**	**$ -**	**$ -**	**$ 51,829,389**	**$ 53,643,465**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $47,613,997.
(3) The fair value of deposits is estimated at $38,278,184.
(4) The fair value of wholesale borrowings is estimated at $3,717,631.
(5) The fair value of collateralized borrowings is estimated at $7,767,669.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

As at March 31, 2022 ($ 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)	$ -	$ -	$ -	$ -	$ 2,606,379	$ 2,606,379
Interest-bearing deposits with financial institutions (1)	-	1,210,901	-	-	-	1,210,901
Total cash resources	-	1,210,901	-	-	2,606,379	3,817,280
Total securities (1)	83,185	46,368	4,358,351	47,682	-	4,535,586
Total loans (2)	-	-	-	-	45,928,704	45,928,704
Derivative financial instruments	1,779,577	-	-	-	-	1,779,577
Other assets (1) (6)	-	-	-	-	402,579	402,579
Total other assets	1,779,577	-	-	-	402,579	2,182,156
Total financial assets	**$ 1,862,762**	**$ 1,257,269**	**$ 4,358,351**	**$ 47,682**	**$ 48,937,662**	**$ 56,463,726**
Financial liabilities						
Total deposits (3)	-	-	-	-	37,319,482	37,319,482
Collateralized borrowings (5)	-	-	-	-	7,614,949	7,614,949
Wholesale borrowings (4)	-	253,998	-	-	4,188,969	4,442,967
Derivative financial instruments (1)	1,882,405	-	-	-	-	1,882,405
Securities sold under repurchase agreements (1)	-	-	-	-	-	-
Other liabilities (1) (6)	-	-	-	-	1,106,257	1,106,257
Total other liabilities	1,882,405	253,998	-	-	12,910,175	15,046,578
Total financial liabilities	**$ 1,882,405**	**$ 253,998**	**$ -**	**$ -**	**$ 50,229,657**	**$ 52,366,060**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $46,277,309.
(3) The fair value of deposits is estimated at $36,283,156.
(4) The fair value of wholesale borrowings is estimated at $4,403,013.
(5) The fair value of collateralized borrowings is estimated at $7,530,073.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

Fair-Value Hierarchy

The following tables present the level within the fair-value hierarchy as described in Note 4 to the 2022 annual consolidated financial statements, of ATB's financial assets and liabilities measured at fair value. Transfers between fair-value levels can result from additional, revised, or new information about the availability of quoted market prices or observable market inputs. For the nine months ended December 31, 2022, and the year ended March 31, 2022, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

As at *($ in thousands)*	Level 1	Level 2	Level 3	Total
December 31, 2022				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 524,811	$ -	$ 524,811
Securities				-
Securities measured at FVTPL	29,220	-	85,380	114,600
Securities measured at FVOCI	5,685,132	-	53,885	5,739,017
Other assets				-
Derivative financial instruments	-	1,305,549	-	1,305,549
Total financial assets	**$ 5,714,352**	**$ 1,830,360**	**$ 139,265**	**$ 7,683,977**
Financial liabilities				
Wholesale borrowings	$ 267,180	$ -	$ -	$ 267,180
Other liabilities				
Derivative financial instruments	-	1,546,896	-	1,546,896
Total financial liabilities	**$ 267,180**	**$ 1,546,896**	**$ -**	**$ 1,814,076**

	Level 1	Level 2	Level 3	Total
March 31, 2022				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 1,210,901	$ -	$ 1,210,901
Securities				
Securities measured at FVTPL	45,132	-	84,421	129,553
Securities measured at FVOCI	4,358,351	-	47,682	4,406,033
Other assets				
Derivative financial instruments	-	1,779,577	-	1,779,577
Total financial assets	**$ 4,403,483**	**$ 2,990,478**	**$ 132,103**	**$ 7,526,064**
Financial liabilities				
Wholesale borrowings	$ 253,998		$ -	$ 253,998
Other liabilities				
Derivative financial instruments	-	1,882,405	-	1,882,405
Total financial liabilities	**$ 253,998**	**$ 1,882,405**	**$ -**	**$ 2,136,403**

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 (NAV) is used in estimating the fair value of ATB's interest.

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:

			December 31 2022		March 31 2022	
			Range of input values		Range of input values	
Product	Valuation technique	Significant unobservable inputs	Low	High	Low	High
Equity	Valuation multiple	Enterprise value/EBITDA multiple	4.5	7.7	3.9	11.6
		Enterprise value/revenue multiple	6.0	6.0	6.2	6.2
	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 $6.4 million increase and $5.8 million decrease in fair value (March 2022: $7.1 million increase and $5.8 million decrease in fair value). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2 of the 2022 annual consolidated financial statements.

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, 2022	$ 47,682	$ 84,421
Total realized and unrealized gains included in net income	-	5,139
Total realized and unrealized losses included in other comprehensive income	(119)	-
Purchases and issuances	6,322	1,646
Sales and settlements	-	(5,826)
Fair value as at December 31, 2022	**$ 53,885**	**$ 85,380**
Change in unrealized gain included in income regarding financial instruments held as at December 31, 2022	$ -	$ 5,139

Fair value as at March 31, 2021	$ 14,922	$ 54,166
Total realized and unrealized gains included in net income	-	23,581
Total realized and unrealized gains included in other comprehensive income	20,256	-
Purchases and issuances	12,504	13,131
Sales and settlements	-	(6,457)
Fair value as at March 31, 2022	**$ 47,682**	**$ 84,421**
Change in unrealized gain included in income regarding financial instruments held as at March 31, 2022	$ -	$ 19,863

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.

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 an integral part of the 2022 annual consolidated financial statements.

6 Securities

The carrying value of securities by remaining term to maturity is as follows:

As at *($ in thousands)*	Within 1 year	1 to 5 years	Over 5 years	No Maturity	Total carrying value
December 31, 2022					
Securities measured at FVTPL					
Issued or guaranteed by the federal or provincial government	$ 28,944	$ -	$ -	$ -	$ 28,944
Other securities (1)	182	38	45,780	39,656	85,656
Total securities measured at FVTPL	**$ 29,126**	**$ 38**	**$ 45,780**	**$ 39,656**	**$ 114,600**
Securities measured at FVOCI					
Issued or guaranteed by the federal or provincial government	$ 4,098,284	$ 1,586,848	$ -	$ -	$ 5,685,132
Other securities (1)	-	-	53,885	-	53,885
Total securities measured at FVOCI	**$ 4,098,284**	**$ 1,586,848**	**$ 53,885**	**$ -**	**$ 5,739,017**
March 31, 2022					
Securities measured at FVTPL					
Issued or guaranteed by the federal or provincial government	$ 44,976	$ -	$ -	$ -	$ 44,976
Other securities (1)	119	9	40,278	44,171	84,576
Total securities measured at FVTPL	**$ 45,095**	**$ 9**	**$ 40,278**	**$ 44,171**	**$ 129,552**
Securities measured at FVOCI					
Issued or guaranteed by the federal or provincial government	$ 2,645,734	$ 1,712,617	$ -	$ -	$ 4,358,351
Other securities (1)	-	-	47,682	-	47,682
Total securities measured at FVOCI	**$ 2,645,734**	**$ 1,712,617**	**$ 47,682**	**$ -**	**$ 4,406,033**

(1) These securities relate to investments made by ATB and its subsidiaries in a broad range of mainly private Alberta companies and funds.

7 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 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 table presents 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)*				December 31 2022				March 31 2022
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 5,407,076	$ 269,178	$ -	$ 5,676,254	$ 4,396,886	$ 133,175	$ -	$ 4,530,061
Low risk	15,283,582	478,911	-	15,762,493	13,896,167	480,903	-	14,377,070
Medium risk	2,910,795	208,902	-	3,119,697	3,732,998	235,997	-	3,968,995
High risk	-	540,142	-	540,142	-	615,848	-	615,848
Not rated (1)	36,578	5,496	-	42,074	56,462	5,375	-	61,837
Impaired	-	-	453,023	453,023	-	-	538,205	538,205
Total business	**23,638,031**	**1,502,629**	**453,023**	**25,593,683**	**22,082,513**	**1,471,298**	**538,205**	**24,092,016**
Very low risk	7,984,293	5,149	-	7,989,442	7,855,319	6,476	-	7,861,795
Low risk	5,821,541	19,315	-	5,840,856	5,723,778	20,086	-	5,743,864
Medium risk	2,295,137	42,915	-	2,338,052	2,286,246	50,388	-	2,336,634
High risk	471,077	107,072	-	578,149	466,168	115,819	-	581,987
Not rated (1)	12,159	133	-	12,292	13,983	230	-	14,213
Impaired	-	-	49,626	49,626		-	58,233	58,233
Total residential mortgages	**16,584,207**	**174,584**	**49,626**	**16,808,417**	**16,345,494**	**192,999**	**58,233**	**16,596,726**
Very low risk	1,980,898	7,402	-	1,988,300	2,240,715	18,002	-	2,258,717
Low risk	1,559,151	16,830	-	1,575,981	1,681,869	35,001	-	1,716,870
Medium risk	667,917	30,626	-	698,543	686,908	63,512	-	750,420
High risk	150,771	39,396	-	190,167	115,326	84,100	-	199,426
Not rated (1)	14,551	418	-	14,969	14,739	367	-	15,106
Impaired	-	-	31,267	31,267	-	-	30,807	30,807
Total personal	**4,373,288**	**94,672**	**31,267**	**4,499,227**	**4,739,557**	**200,982**	**30,807**	**4,971,346**
Very low risk	116,959	2,654	-	119,613	101,778	2,918	-	104,696
Low risk	301,790	24,169	-	325,959	284,351	18,532	-	302,883
Medium risk	120,328	85,081	-	205,409	172,505	16,942	-	189,447
High risk	7,288	30,021	-	37,309	25,118	10,209	-	35,327
Not rated (1)	47,535	6,116	-	53,651	43,213	6,155	-	49,368
Impaired	-	-	4,060	4,060	-	-	5,150	5,150
Total credit card	**593,900**	**148,041**	**4,060**	**746,001**	**626,965**	**54,756**	**5,150**	**686,871**
Total loans	**45,189,426**	**1,919,926**	**537,976**	**47,647,328**	**43,794,529**	**1,920,035**	**632,395**	**46,346,959**
Total allowance for loan losses	(70,733)	(102,051)	(182,497)	(355,281)	(91,872)	(111,150)	(215,233)	(418,255)
Total net loans	**$ 45,118,693**	**$ 1,817,875**	**$ 355,479**	**$ 47,292,047**	**$ 43,702,657**	**$ 1,808,885**	**$ 417,162**	**$ 45,928,704**

(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)				December 31 2022				March 31 2022
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 4,810,361	$ 8,444	$ -	$ 4,818,805	$ 4,656,276	$ 5,990	$ -	$ 4,662,266
Low risk	1,237,586	23,527	-	1,261,113	1,147,588	5,282	-	1,152,870
Medium risk	164,929	29,902	-	194,831	170,724	2,101	-	172,825
High risk	14,537	8,650	-	23,187	14,181	6,311	-	20,492
Not rated (1)	13,322	627	-	13,949	14,344	56	-	14,400
Total undrawn loan commitments – retail	**6,240,735**	**71,150**	**-**	**6,311,885**	**6,003,113**	**19,740**	**-**	**6,022,853**
Total allowance for loan losses (2)	(14,828)	(7,247)	-	(22,075)	(17,169)	(2,547)	-	(19,716)
Total net undrawn	**$ 6,225,907**	**$ 63,903**	**$ -**	**$ 6,289,810**	**$ 5,985,944**	**$ 17,193**	**$ -**	**$ 6,003,137**
Very low risk	$ 5,508,204	$ 249,606	$ -	$ 5,757,810	$ 5,513,705	$ 78,750	$ -	$ 5,592,455
Low risk	8,202,112	261,189	-	8,463,301	7,746,963	149,686	-	7,896,649
Medium risk	631,599	44,994	-	676,593	801,340	30,947	-	832,287
High risk	3,289	151,614	-	154,903	1,923	76,881	-	78,804
Not rated (1)	204,338	4,248	-	208,586	158,743	7,455	-	166,198
Total undrawn loan commitments – non-retail	**14,549,542**	**711,651**	**-**	**15,261,193**	**14,222,674**	**343,719**	**-**	**14,566,393**
Total allowance for loan losses (2)	(12,049)	(20,868)	-	(32,917)	(10,953)	(4,332)	-	(15,285)
Total net undrawn	**$ 14,537,493**	**$ 690,783**	**$ -**	**$ 15,228,276**	**$ 14,211,721**	**$ 339,387**	**$ -**	**$ 14,551,108**

(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.

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
December 31, 2022						
Up to 1 month (1)	$ 21,636	$ 111,422	$ 20,238	$ 28,972	$ 182,268	0.4%
Over 1 month up to 2 months	116,639	78,388	54,138	7,187	256,352	0.5%
Over 2 months up to 3 months	109,321	16,421	8,122	3,689	137,553	0.3%
Over 3 months	395	846	95	4,081	5,417	0.0%
Total past due but not impaired	**$ 247,991**	**$ 207,077**	**$ 82,593**	**$ 43,929**	**$ 581,590**	**1.2%**
March 31, 2022						
Up to 1 month (1)	$ 11,602	$ 104,823	$ 18,512	$ 27,173	$ 162,110	0.4%
Over 1 month up to 2 months	88,030	81,153	18,324	6,508	194,015	0.4%
Over 2 months up to 3 months	11,542	13,259	5,279	3,405	33,485	0.1%
Over 3 months	1,720	-	170	5,026	6,916	0.0%
Total past due but not impaired	**$ 112,894**	**$ 199,235**	**$ 42,285**	**$ 42,112**	**$ 396,526**	**0.9%**

(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.

8 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking Expected Credit Losses (ECL) 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 economic impact of the COVID-19 pandemic, the Russia-Ukraine conflict and rising inflation. We continue to closely monitor external conditions and their impacts on our clients.

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 about Alberta 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. (Refer to Note 9 of the 2022 annual consolidated financial statements for more on how forward-looking information is incorporated to measure ECLs.)

The following table presents 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	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
December 31, 2022									
GDP *(%)*	5.0	2.8	2.2	6.3	4.9	3.1	4.1	0.6	1.2
Unemployment rate *(%)*	5.8	5.9	5.8	5.2	4.4	4.2	6.3	7.5	7.5
Housing starts	36,545	32,436	30,598	38,039	37,495	37,189	35,447	27,650	24,379
Oil prices *(WTI, US$/bbl)*	96	85	81	100	106	101	92	63	60
3m T-bill yield *(%)*	1.9	4.0	3.0	2.3	5.0	3.8	1.4	3.0	2.3
March 31, 2022									
GDP *(%)*	4.7	3.2	2.7	7.0	4.3	3.6	2.0	1.9	1.5
Unemployment rate *(%)*	7.0	6.3	5.9	5.9	5.0	4.5	8.4	8.1	7.9
Housing starts	31,777	31,026	29,631	35,825	37,245	37,690	28,322	25,875	22,817
Oil prices *(WTI, US$/bbl)*	92	76	73	115	95	91	69	57	55
3m T-bill yield *(%)*	1.2	2.1	2.2	1.5	2.6	2.7	0.9	1.5	1.6

The following tables reconcile the opening and closing allowances for loans, by each major category:

For the three months ended ($ in thousands)	Balance at beginning of period	Provision for (recovery of) loan losses	Net writeoffs	Discounted cash flows on impaired loans and other	Balance at end of period	Comprises	
						Loans	Other credit instruments (1)
December 31, 2022							
Business	$ 344,160	$ (24,971)	$ (2,417)	$ (2,959)	$ 313,813	$ 281,592	$ 32,221
Residential mortgages	8,408	3,090	(2,900)	158	8,756	7,540	1,216
Personal	48,039	1,774	(4,407)	183	45,589	37,023	8,566
Credit card	43,396	597	(1,846)	(32)	42,115	29,126	12,989
Total	**$444,003**	**$ (19,510)**	**$ (11,570)**	**$ (2,650)**	**$ 410,273**	**$ 355,281**	**$ 54,992**
December 31, 2021							
Business	$ 510,137	$ (75,036)	$ (30,331)	$ 6,484	$ 411,254	$ 388,291	$ 22,963
Residential mortgages	13,716	(2,247)	(898)	91	10,662	9,834	828
Personal	69,494	(6,518)	(5,405)	57	57,628	48,732	8,896
Credit card	31,235	9,408	(647)	(52)	39,944	30,572	9,372
Total	**$624,582**	**$ (74,393)**	**$ (37,281)**	**$6,580**	**$519,488**	**$ 477,429**	**$ 42,059**

For the nine months ended ($ in thousands)	Balance at beginning of period	Provision for (recovery of) loan losses	Net writeoffs	Discounted cash flows on impaired loans and other	Balance at end of period	Comprises	
						Loans	Other credit instruments (1)
December 31, 2022							
Business	$ 347,800	$ (6,344)	$ (31,830)	$ 4,187	$ 313,813	$ 281,592	$ 32,221
Residential mortgages	9,197	4,387	(4,858)	30	8,756	7,540	1,216
Personal	57,202	3,330	(15,401)	458	45,589	37,023	8,566
Credit card	39,057	7,168	(4,195)	85	42,115	29,126	12,989
Total	**$453,256**	**$ 8,541**	**$ (56,284)**	**$ 4,760**	**$ 410,273**	**$ 355,281**	**$ 54,992**
December 31, 2021							
Business	$ 633,122	$ (158,357)	$ (71,541)	$ 8,030	$ 411,254	$ 388,291	$ 22,963
Residential mortgages	16,042	(3,216)	(2,408)	244	10,662	9,834	828
Personal	88,921	(11,247)	(20,191)	145	57,628	48,732	8,896
Credit card	32,672	10,726	(3,350)	(104)	39,944	30,572	9,372
Total	**$770,757**	**$ (162,094)**	**$ (97,490)**	**$ 8,315**	**$ 519,488**	**$ 477,429**	**$ 42,059**

(1) Other credit instruments, including off-balance sheet items, are recorded to other liabilities on the consolidated statement of financial position.

The following tables reconcile the opening and closing allowances for loans, by stage, for each major category:

	December 31, 2022				December 31, 2021			
	Performing		Impaired		Performing		Impaired	
For the three months ended ($ in thousands)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Allowance for loan losses – business loans								
Balance at beginning of period	$ 63,271	$ 90,285	$ 190,604	$ 344,160	$ 77,854	$ 172,945	$ 259,338	$ 510,137
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	5,384	(2,372)	(3,012)	-	8,078	(7,605)	(473)	-
Transfers into (out of) Stage 2 (1)	(4,015)	4,118	(103)	-	(2,714)	4,164	(1,450)	-
Transfers into (out of) Stage 3 (1)	(691)	(488)	1,179	-	(29)	(988)	1,017	-
New originations (2)	4,330	-	-	4,330	11,835	49,512	4,277	65,624
Repayments (3)	(2,274)	(5,580)	(3,809)	(11,663)	(6,046)	(42,820)	(10,685)	(59,551)
Remeasurements (4)	(13,873)	5,912	(9,677)	(17,638)	(20,741)	(24,003)	(36,365)	(81,109)
Total provision for (recovery of) loan losses	**(11,139)**	**1,590**	**(15,422)**	**(24,971)**	**(9,617)**	**(21,740)**	**(43,679)**	**(75,036)**
Writeoffs	-	-	(7,457)	(7,457)	-	-	(30,810)	(30,810)
Recoveries	-	-	5,040	5,040	-	-	479	479
Discounted cash flows on impaired loans and other	(18)	3	(2,944)	(2,959)	(10)	21	6,473	6,484
Balance at end of period	**$ 52,114**	**$ 91,878**	**$ 169,821**	**$ 313,813**	**$ 68,227**	**$ 151,226**	**$ 191,801**	**$ 411,254**

Allowance for loan losses – residential mortgages								
Balance at beginning of period	$ 4,597	$ 1,982	$ 1,829	$ 8,408	$ 6,951	$ 4,352	$ 2,413	$ 13,716
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	230	(163)	(67)	-	801	(722)	(79)	-
Transfers into (out of) Stage 2 (1)	(75)	208	(133)	-	(59)	224	(165)	-
Transfers into (out of) Stage 3 (1)	(3)	(92)	95	-	(2)	(133)	135	-
New originations (2)	49	-	-	49	151	26	-	177
Repayments (3)	(17)	(23)	(49)	(89)	(51)	(53)	(25)	(129)
Remeasurements (4)	209	798	2,123	3,130	(2,219)	(997)	921	(2,295)
Total provision for (recovery of) loan losses	**393**	**728**	**1,969**	**3,090**	**(1,379)**	**(1,655)**	**787**	**(2,247)**
Writeoffs	-	-	(2,928)	(2,928)	-	-	(939)	(939)
Recoveries	-	-	28	28	-	-	41	41
Discounted cash flows on impaired loans and other	-	-	158	158	-	-	91	91
Balance at end of period	**$ 4,990**	**$ 2,710**	**$ 1,056**	**$ 8,756**	**$ 5,572**	**$ 2,697**	**$ 2,393**	**$ 10,662**

For the three months ended ($ in thousands)	December 31, 2022 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total	December 31, 2021 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total
Allowance for loan losses – personal loans								
Balance at beginning of period	$ 30,330	$ 9,346	$ 8,363	$ 48,039	$ 38,580	$ 21,390	$ 9,524	$ 69,494
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	1,838	(1,475)	(363)	-	6,977	(6,864)	(113)	-
Transfers into (out of) Stage 2 (1)	(481)	595	(114)	-	(849)	1,196	(347)	-
Transfers into (out of) Stage 3 (1)	(173)	(654)	827	-	(33)	(875)	908	-
New originations (2)	506	-	-	506	751	226	141	1,118
Repayments (3)	(202)	(115)	(177)	(494)	(676)	(417)	(116)	(1,209)
Remeasurements (4)	(5,552)	2,251	5,063	1,762	(12,925)	1,344	5,154	(6,427)
Total provision for (recovery of) loan losses	**(4,064)**	**602**	**5,236**	**1,774**	**(6,755)**	**(5,390)**	**5,627**	**(6,518)**
Writeoffs	-	-	(4,419)	(4,419)	-	-	(5,414)	(5,414)
Recoveries	-	-	12	12	-	-	9	9
Discounted cash flows on impaired loans and other	-	-	183	183	-	-	57	57
Balance at end of period	**$ 26,266**	**$ 9,948**	**$ 9,375**	**$ 45,589**	**$ 31,825**	**$ 16,000**	**$ 9,803**	**$ 57,628**
Allowance for loan losses – credit card								
Balance at beginning of period	$ 8,370	$ 32,264	$ 2,762	$ 43,396	$ 18,651	$ 10,216	$ 2,368	$ 31,235
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	21,020	(21,020)	-	-	3,542	(3,542)	-	-
Transfers into (out of) Stage 2 (1)	(341)	341	-	-	(486)	486	-	-
Transfers into (out of) Stage 3 (1)	(3)	(661)	664	-	(29)	(530)	559	-
New originations (2)	267	-	-	267	129	28	-	157
Repayments (3)	115	1,755	-	1,870	164	502	10	676
Remeasurements (4)	(15,182)	12,975	667	(1,540)	837	7,186	552	8,575
Total provision for (recovery of) loan losses	**5,876**	**(6,610)**	**1,331**	**597**	**4,157**	**4,130**	**1,121**	**9,408**
Writeoffs	-	-	(3,616)	(3,616)	-	-	(3,652)	(3,652)
Recoveries	-	-	1,770	1,770	-	-	3,005	3,005
Discounted cash flows on impaired loans and other	(6)	(24)	(2)	(32)	(4)	(3)	(45)	(52)
Balance at end of period	**$ 14,240**	**$ 25,630**	**$ 2,245**	**$ 42,115**	**$ 22,804**	**$ 14,343**	**$ 2,797**	**$ 39,944**
Total balance as at end of period	**$ 97,610**	**$ 130,166**	**$ 182,497**	**$ 410,273**	**$ 128,428**	**$ 184,266**	**$ 206,794**	**$ 519,488**
Comprises: Loans	$ 70,733	$ 102,051	$ 182,497	$ 355,281	$ 98,868	$ 171,767	$ 206,794	$ 477,429
Comprises: Other credit instruments (5)	26,877	28,115	-	54,992	29,560	12,499	-	42,059

For the nine months ended ($ in thousands)	December 31, 2022 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total	December 31, 2021 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total
Allowance for loan losses – business loans								
Balance at beginning of period	$ 61,708	$ 85,846	$ 200,246	$ 347,800	$ 92,490	$ 210,688	$ 329,944	$ 633,122
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	11,916	(8,217)	(3,699)	-	24,971	(23,483)	(1,488)	-
Transfers into (out of) Stage 2 (1)	(10,066)	11,606	(1,540)	-	(6,275)	14,301	(8,026)	-
Transfers into (out of) Stage 3 (1)	(2,711)	(10,127)	12,838	-	(106)	(8,068)	8,174	-
New originations (2)	12,022	-	-	12,022	29,582	131,613	33,910	195,105
Repayments (3)	(5,244)	(14,897)	(11,659)	(31,800)	(25,141)	(158,898)	(22,064)	(206,103)
Remeasurements (4)	(15,761)	27,260	1,935	13,434	(47,287)	(15,192)	(84,880)	(147,359)
Total provision for (recovery of) loan losses	**(9,844)**	**5,625**	**(2,125)**	**(6,344)**	**(24,256)**	**(59,727)**	**(74,374)**	**(158,357)**
Writeoffs	-	-	(39,904)	(39,904)	-	-	(77,570)	(77,570)
Recoveries	-	-	8,074	8,074	-	-	6,029	6,029
Discounted cash flows on impaired loans and other	250	407	3,530	4,187	(7)	265	7,772	8,030
Balance at end of period	**$ 52,114**	**$ 91,878**	**$ 169,821**	**$ 313,813**	**$ 68,227**	**$ 151,226**	**$ 191,801**	**$ 411,254**
Allowance for loan losses – residential mortgages								
Balance at beginning of period	$ 4,269	$ 2,146	$ 2,782	$ 9,197	$ 4,571	$ 8,056	$ 3,415	$ 16,042
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	951	(729)	(222)	-	3,436	(3,025)	(411)	-
Transfers into (out of) Stage 2 (1)	(142)	333	(191)	-	(159)	406	(247)	-
Transfers into (out of) Stage 3 (1)	(5)	(286)	291	-	(3)	(333)	336	-
New originations (2)	107	-	-	107	377	(629)	170	(82)
Repayments (3)	(99)	(98)	62	(135)	(164)	(222)	(79)	(465)
Remeasurements (4)	(91)	1,344	3,162	4,415	(2,486)	(1,556)	1,373	(2,669)
Total provision for (recovery of) loan losses	**721**	**564**	**3,102**	**4,387**	**1,001**	**(5,359)**	**1,142**	**(3,216)**
Writeoffs	-	-	(4,926)	(4,926)	-	-	(2,881)	(2,881)
Recoveries	-	-	68	68	-	-	473	473
Discounted cash flows on impaired loans and other	-	-	30	30	-	-	244	244
Balance at end of period	**$ 4,990**	**$ 2,710**	**$ 1,056**	**$ 8,756**	**$ 5,572**	**$ 2,697**	**$ 2,393**	**$ 10,662**

For the nine months ended ($ in thousands)	December 31, 2022 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total	December 31, 2021 Performing Stage 1	Performing Stage 2	Impaired Stage 3	Total
Allowance for loan losses – personal loans								
Balance at beginning of period	$ 32,048	$ 16,157	$ 8,997	$ 57,202	$ 36,095	$ 41,290	$ 11,536	$ 88,921
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	13,636	(12,833)	(803)	-	24,116	(23,865)	(251)	-
Transfers into (out of) Stage 2 (1)	(1,837)	2,516	(680)	(1)	(1,845)	3,014	(1,169)	-
Transfers into (out of) Stage 3 (1)	(580)	(1,948)	2,528	-	(99)	(2,815)	2,914	-
New originations (2)	2,766	-	-	2,766	3,520	314	357	4,191
Repayments (3)	(1,554)	(863)	(477)	(2,894)	(2,602)	(2,759)	(361)	(5,722)
Remeasurements (4)	(18,213)	6,919	14,753	3,459	(27,360)	821	16,823	(9,716)
Total provision for (recovery of) loan losses	**(5,782)**	**(6,209)**	**15,321**	**3,330**	**(4,270)**	**(25,290)**	**18,313**	**(11,247)**
Writeoffs	-	-	(15,462)	(15,462)	-	-	(20,815)	(20,815)
Recoveries	-	-	61	61	-	-	624	624
Discounted cash flows on impaired loans and other	-	-	458	458	-	-	145	145
Balance at end of period	**$ 26,266**	**$ 9,948**	**$ 9,375**	**$ 45,589**	**$ 31,825**	**$ 16,000**	**$ 9,803**	**$ 57,628**
Allowance for loan losses – credit card								
Balance at beginning of period	$ 21,969	$ 13,880	$ 3,208	$ 39,057	$ 19,920	$ 10,002	$ 2,750	$ 32,672
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	25,652	(25,652)	-	-	11,101	(11,101)	-	-
Transfers into (out of) Stage 2 (1)	(5,528)	5,528	-	-	(1,393)	1,393	-	-
Transfers into (out of) Stage 3 (1)	(61)	(1,561)	1,622	-	(84)	(1,433)	1,517	-
New originations (2)	1,034	-	-	1,034	444	95	-	539
Repayments (3)	355	2,893	23	3,271	159	235	38	432
Remeasurements (4)	(29,222)	30,500	1,585	2,863	(7,347)	15,153	1,949	9,755
Total provision for (recovery of) loan losses	**(7,770)**	**11,708**	**3,230**	**7,168**	**2,880**	**4,342**	**3,504**	**10,726**
Writeoffs	-	-	(10,538)	(10,538)	-	-	(14,608)	(14,608)
Recoveries	-	-	6,343	6,343	-	-	11,258	11,258
Discounted cash flows on impaired loans and other	41	42	2	85	4	(1)	(107)	(104)
Balance at end of period	**$ 14,240**	**$ 25,630**	**$ 2,245**	**$ 42,115**	**$ 22,804**	**$ 14,343**	**$ 2,797**	**$ 39,944**
Total balance as at end of period	**$ 97,610**	**$ 130,166**	**$ 182,497**	**$ 410,273**	**$ 128,428**	**$ 184,266**	**$ 206,794**	**$ 519,488**
Comprises: Loans	$ 70,733	$ 102,051	$ 182,497	$ 355,281	$ 98,868	$ 171,767	$ 206,794	$ 477,429
Comprises: Other credit instruments (5)	26,877	28,115	-	54,992	29,560	12,499	-	42,059

(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 on the consolidated statement of financial position.

9 Collateralized Borrowings

Canada Mortgage Bonds Program

ATB periodically securitizes insured RMLs and certain securities by participating in the *National Housing Act* Mortgage Backed Securities (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. 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 of the risks and rewards. Therefore, it is accounted for as a collateralized borrowing. (Refer to Note 15 of the 2022 annual consolidated financial statements, for more on the program.)

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.

The following table presents the carrying amount of ATB's RMLs, credit card receivables and assets pledged as collateral for the associated liability recognized in the consolidated statement of financial position:

As at *($ in thousands)*	**December 31 2022**	**March 31 2022**
Principal value of mortgages pledged as collateral	$ 5,940,464	$ 5,763,282
ATB mortgage-backed securities (MBS) pledged as collateral through repurchase agreements	1,747,810	1,772,250
Externally purchased MBSs	103,687	145,010
Principal value of credit card receivables pledged as collateral	688,209	635,048
Total	**$ 8,480,170**	**$ 8,315,590**
Associated liabilities	$ 7,978,929	$ 7,614,949

10 Payment in Lieu of Tax

Pursuant to the *ATB Act*, the GoA may assess a charge to ATB as prescribed by the *Alberta Treasury Branches Regulation* (*ATB Regulation*). The *ATB Regulation* defines the charge to be an amount equal to 23% of ATB's consolidated NI as reported in its interim condensed consolidated statements of income under IFRS.

For the three and nine months ended December 31, 2022, ATB has accrued a total of $37.5 million and $101.6 million respectively (December 31, 2021: $44.5 and $134.3 million, respectively) for PILOT.

11 Capital Management

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.

As a Crown corporation, ATB and its 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%, and 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, and Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. (Refer to Note 24 of the 2022 annual consolidated financial statements for more details).

As at December 31, 2022, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	December 31 2022	March 31 2022
Tier 1 capital		
Retained earnings	$ 4,888,248	$ 4,548,190
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,433,132	1,611,662
Collective allowance for loan losses	227,776	238,023
Total Tier 2 capital	$ 1,660,908	$ 1,849,685
Deductions from capital		
Software and other intangibles	219,325	227,575
Total capital	**$ 6,329,831**	**$ 6,170,300**
Total risk-weighted assets	$ 38,612,222	$ 37,462,503
Risk-weighted capital ratios		
Tier 1 capital ratio	12.7%	12.1%
Total capital ratio	16.4%	16.5%

12 Segmented Information

ATB has organized its operations and activities around the following three 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 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 schedule are based on ATB's organizational structure and internal financial reporting systems and may not be directly comparable to those of other financial institutions. The accounting policies used in preparing the schedules are consistent with those followed in preparing the consolidated financial statements. (Refer to Note 26 of the 2022 annual consolidated financial statements).

NII is attributed to each AOE according to ATB's internal 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. LLP is allocated based on the loans the AOE has issued and is determined based on the methodology outlined in Notes 2 and 9 of 2022 annual consolidated financial statements.

Direct expenses are attributed across AOEs as incurred. Certain indirect expenses are allocated to ATB Wealth and ATB Capital Markets Inc. 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 three months ended ($ in thousands)	**Everyday Financial Services**	**ATB Business**	**ATB Wealth**	**Strategic support units**	**Total**
December 31, 2022					
Net interest income (loss)	$ 139,269	$ 197,993	$ 11,471	$ (17,523)	$ 331,210
Other income (loss)	36,694	70,857	64,713	(19,794)	152,470
Total revenue (loss)	175,963	268,850	76,184	(37,317)	483,680
Provision for (recovery of) loan losses	7,113	(28,196)	(44)	1,617	(19,510)
Non-interest expenses (1)	136,377	124,721	69,938	9,289	340,325
Income (loss) before payment in lieu of tax	32,473	172,325	6,290	(48,223)	162,865
Payment in lieu of (recovery of) tax	7,469	39,635	1,447	(11,092)	37,459
Net income (loss)	**$ 25,004**	**$ 132,690**	**$ 4,843**	**$ (37,131)**	**$ 125,406**
Total assets	$ 29,198,090	$ 24,956,038	$ 1,460,661	$ 2,873,630	$ 58,488,419
Total liabilities	17,515,930	18,732,642	1,472,675	16,098,154	53,819,401
September 30, 2022					
Net interest income (loss)	$ 133,204	$ 195,330	$ 10,150	$ (8,270)	$ 330,414
Other income	31,655	53,787	65,401	2,543	153,386
Total revenue (loss)	164,859	249,117	75,551	(5,727)	483,800
Provision for (recovery of) loan losses	2,700	26,067	(1,258)	(225)	27,284
Non-interest expenses (1)	125,057	120,703	67,162	13,616	326,538
Income (loss) before payment in lieu of tax	37,102	102,347	9,647	(19,118)	129,978
Payment in lieu of (recovery of) tax	8,534	23,540	2,219	(4,398)	29,895
Net income (loss)	**$ 28,568**	**$ 78,807**	**$ 7,428**	**$ (14,720)**	**$ 100,083**
Total assets	$ 28,787,501	$ 24,392,187	$ 1,349,303	$ 4,587,368	$ 59,116,359
Total liabilities	17,265,216	18,614,575	1,362,451	17,373,278	54,615,520
December 31, 2021					
Net interest income	$ 119,193	$ 181,657	$ 8,049	$ 9,142	$ 318,041
Other income (loss)	31,556	63,429	72,826	(11,661)	156,150
Total revenue (loss)	150,749	245,086	80,875	(2,519)	474,191
Provision for (recovery of) loan losses	7,072	(77,238)	671	(4,898)	(74,393)
Non-interest expenses (1)	129,628	107,830	69,316	48,424	355,198
Income (loss) before payment in lieu of tax	14,049	214,494	10,888	(46,045)	193,386
Payment in lieu of (recovery of) tax	3,248	49,290	2,504	(10,563)	44,479
Net income (loss)	**$ 10,801**	**$ 165,204**	**$ 8,384**	**$ (35,482)**	**$ 148,907**
Total assets	$ 27,747,583	$ 23,906,310	$ 791,176	$ 4,117,441	$ 56,562,510
Total liabilities	16,658,241	18,862,735	805,857	15,795,927	52,122,760

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

For the nine months ended *($ in thousands)*	Everyday Financial Services	ATB Business	ATB Wealth	Strategic support units	Total
December 31, 2022					
Net interest income (loss)	$ 401,414	$ 576,282	$ 30,935	$ (22,974)	$ 985,657
Other income (loss)	99,379	175,175	196,708	(13,322)	457,940
Total revenue (loss)	500,793	751,457	227,643	(36,296)	1,443,597
Provision for (recovery of) loan losses	20,461	(6,186)	(638)	(5,096)	8,541
Non-interest expenses (1)	394,612	363,569	200,552	34,689	993,422
Income (loss) before payment in lieu of tax	85,720	394,074	27,729	(65,889)	441,634
Payment in lieu of (recovery of) tax	19,716	90,637	6,378	(15,155)	101,576
Net income (loss)	**$ 66,004**	**$ 303,437**	**$ 21,351**	**$ (50,734)**	**$ 340,058**
December 31, 2021					
Net interest income	$ 360,609	$ 523,694	$ 22,471	$ 26,907	$ 933,681
Other income (loss)	89,394	176,499	213,257	(12,236)	466,914
Total revenue	450,003	700,193	235,728	14,671	1,400,595
Provision for (recovery of) loan losses	10,939	(159,917)	(1,260)	(11,856)	(162,094)
Non-interest expenses (1)	388,407	315,992	207,192	67,365	978,956
Income (loss) before payment in lieu of tax	50,657	544,118	29,796	(40,838)	583,733
Payment in lieu of (recovery of) tax	11,650	125,148	6,853	(9,391)	134,260
Net income (loss)	**$ 39,007**	**$ 418,970**	**$ 22,943**	**$ (31,447)**	**$ 449,473**

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

13 Impairment

For the three months ended December 31, 2022, there were no impairments recorded. During the three months ended December 31, 2021, ATB determined that a non-strategic technology asset would no longer be maintained. As a result of this decision, a $37.2 million write-off was recognized in the quarter.

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 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.
Average assets	The average of the daily total asset balances during the period.
Average interest-earning assets	The daily average for the period 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.
CET1 Capital ratio	CET1 Capital ratio is a regulatory measure that assesses the adequacy of a bank's available common equity relative to the riskiness of its assets. It measures a bank's ability to absorb unexpected losses. CET1 capital is the highest quality capital a bank holds. For ATB, this mainly consists of retained

	earnings. ATB voluntarily follows the capital adequacy requirements established by the Office of the Superintendent of Financial Institutions (OSFI) and does not disclose externally.
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.
Efficiency ratio	Non-interest expense for the period divided by total revenue for the period. 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 one 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.
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.
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.
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 (total revenue) minus non-interest expense (total 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 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.
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.
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 securities (MBS)	Securities established through the securitization of residential mortgage loans.

Net assets gathered	Related to assets under administration, the result is calculated as the net of assets inflows and outflows during a period.
Net income (NI)	Income after the removal of expenses, provision for loan losses and payment in lieu of tax.
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 and wholesale and collateralized borrowings.
Net interest margin (NIM)	The ratio of NII for the period to the value of average interest-earning assets for the period.
Net loan change	Net loans outstanding at period end less net loans outstanding at the previous period end, divided by net loans outstanding at the previous period end. For year-to-date change, it is the net loan change recorded during the year, 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 period divided by total revenue for the period.
Performing loans	Net loans, excluding impaired loans.
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 it operates.
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 its Shareholder.
Return on average assets	Net income for the period divided by average total assets for the period.
Return on average risk-weighted assets	Net income for the period divided by average risk-weighted assets for the period.
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.
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.
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 period end less total assets outstanding at the previous period end, divided by total assets outstanding at the previous period end. For year-to-date change, it is the total assets change recorded during the year, divided by total assets outstanding at the previous year end.
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 period end less total deposits outstanding at the previous period end, divided by total deposits outstanding at the previous period end. For year-to-date change, it is the total deposit change recorded during the year, divided by total deposits outstanding at the previous year end.
Total expense change	The current period's non-interest expense less the previous period's non-interest expense, divided by the previous period's non-interest expense.
Total revenue	The sum of net interest income and other income.
Total revenue change	The current period's total revenue less the previous period's total revenue, divided by the previous period's total revenue.

Acronyms

(unaudited)

ABM	Automated banking machine
AcSB	Accounting Standards Board
AECO	Alberta Energy Company
AOCI	Accumulated other comprehensive income
AOE	Area of expertise
APAGA	*Alberta Public Agencies Governance Act*
ASFI	Alberta Superintendent of Financial Institutions
AUA	Assets under administration
BRR	Borrower risk rating
***CAR* Guideline**	*Capital Adequacy Requirements* Guideline
CARR	Canadian Alternative Reference Rate working group
CET 1	Common Equity Tier 1
CHT	Canada Housing Trust
CMB	Canada Mortgage Bonds
CMHC	Canada Mortgage Housing Corporation
CORRA	Canadian Overnight Repo Rate Average
CPI	Consumer Price Index
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EDC	Export Development Canada
EFS	Everyday Financial Services
FICO	Fair Isaac Corporation
FMG	Financial Markets Group
FTE	Full-time equivalent
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., FY2023)
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GoA	Government of Alberta
GRI	Global Reporting Initiative
HELOC	Home equity line of credit
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate

ICAAP	Internal capital adequacy assessment process
IFRS	International Financial Reporting Standards
LCR	Liquidity coverage ratio
LGIC	Lieutenant-Governor in Council
LIBOR	London Interbank Offered Rate
LLP	Loan loss provision (also “provision for loan losses”)
MBS	Mortgage-backed security
MD&A	Management’s discussion and analysis
NAV	Net asset value
NIBP	Net income before provision for loan losses
NI	Net income
NIE	Non-interest expense
NII	Net interest income
NIM	Net interest margin
OCI	Other comprehensive income
OI	Other income
OPEC+	Organization of the Petroleum Exporting Countries Plus
OSFI	Office of the Superintendent of Financial Institutions
PILOT	Payment in lieu of tax
RML	Residential mortgage loan
SSU	Strategic support unit
WTI	West Texas Intermediate