MANAGEMENT'S DISCUSSION AND ANALYSIS

FY2025 Q3 Financial Highlights

	For the three months ended			*For the nine months ended*	
	December 31 2024 (3)	**September 30 2024**	**December 31 2023**	**December 31 2024**	**December 31 2023**
Operating results *($ in thousands)*					
Net interest income	$ 362,974	$ 353,877	$ 348,281	$ 1,069,290	$ 1,024,482
Other income	203,703	172,341	169,708	557,233	494,669
Total revenue	566,677	526,218	517,989	1,626,523	1,519,151
Provision for (recovery of) loan losses	53,518	18,916	29,543	85,458	56,954
Non-interest expense	397,943	370,494	365,006	1,152,711	1,069,550
Income before payment in lieu of tax	115,216	136,808	123,440	388,354	392,647
Payment in lieu of tax	26,500	31,466	28,391	89,322	90,308
Net income	**$ 88,716**	**$ 105,342**	**$ 95,049**	**$ 299,032**	**$ 302,339**
Income before provisions (1)					
Total revenue	$ 566,677	$ 526,218	$ 517,989	$ 1,626,523	$ 1,519,151
Less: non-interest expense	397,943	370,494	365,006	1,152,711	1,069,550
Income before provisions	**$ 168,734**	**$ 155,724**	**$ 152,983**	**$ 473,812**	**$ 449,601**
Financial position *($ in thousands)*					
Net loans	$ 53,637,396	$ 53,087,763	$ 50,838,897	$ 53,637,396	$ 50,838,897
Total assets	65,465,994	62,337,363	60,193,739	65,465,994	60,193,739
Total risk-weighted assets (1)	44,886,682	43,105,674	40,683,733	44,886,682	40,683,733
Total deposits	43,530,156	42,957,172	40,188,940	43,530,156	40,188,940
Equity	5,646,433	5,581,754	5,203,503	5,646,433	5,203,503
Key performance measures *(%)* (1)					
Return on average assets	0.5	0.7	0.6	0.6	0.7
Return on average risk-weighted assets	0.8	1.0	0.9	0.9	1.0
Total revenue change	9.4	4.6	7.1	7.1	5.2
Other income to total revenue	35.9	32.8	32.8	34.3	32.6
Total expense change	9.0	3.1	7.3	7.8	7.7
Efficiency ratio	70.2	70.4	70.5	70.9	70.4
Net interest margin	2.34	2.32	2.38	2.34	2.39
Provision for (recovery of) loan losses to average loans	0.4	0.1	0.2	0.2	0.2
Net loan change	1.0	2.5	2.2	4.6	7.6
Total asset change	5.0	0.5	(1.2)	8.4	4.7
Total deposit change	1.3	2.1	(2.3)	7.3	1.8
Change in assets under administration	22.4	4.6	5.9	28.3	5.4
Tier 1 capital ratio	12.3	12.7	13.0	12.3	13.0
Total capital ratio	15.0	15.5	16.4	15.0	16.4
Other information					
ATB Wealth's assets under administration *($ in thousands)*	$ 36,623,995	$ 29,914,295	$ 27,297,757	$ 36,623,995	$ 27,297,757
Dividends paid *($ in thousands)*	25,000	25,000	-	75,000	-
Total clients	832,440	822,549	811,364	832,440	811,364
Team members (2)	5,410	5,281	5,327	5,410	5,327

(1) Refer to the glossary for definitions of the key performance measures listed.
(2) Reported as full-time equivalents (FTEs).
(3) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

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, 2024 and is dated February 20, 2024. (See the Glossary and Acronyms for our defined terms.) 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, 2024 as well as the audited consolidated financial statements for the year ended March 31, 2024.

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 interest rates, commodity prices, currency value and liquidity conditions; the ongoing impacts on the global economy due the current geopolitical uncertainty; 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 in this section refer to calendar years.

As an Alberta-based financial institution, helping Albertans achieve their financial goals is at the forefront of everything we do. ATB regularly monitors provincial, national and international economies and considers how these may impact our clients, team members and operations.

Alberta's economy has improved in 2024 and is entering 2025 with momentum. Oil production surged amid new market access, home construction has taken off and people continue to flock to the province from other parts of the country.

Some challenges persist—an influx of job seekers has led to an elevated unemployment rate. Additionally, despite easing inflation rates, households and businesses continue to feel the sting from past price growth.

We expect that the Alberta economy grows by 2.5% in 2025 and 2.3% in 2026, outpacing the national economy, and that per capita GDP growth will turn positive again in 2025 after two years of declines.

Investment in the oil and gas sector is improving, but is far below levels from a decade prior. There are also a number of emerging sectors such as food manufacturing and technology supporting economic growth in Alberta.

With inflation at target, we expect the Bank of Canada will follow its two latest cuts with three smaller cuts in 2025, ending at 2.5% by June. In time, lower interest rates will translate into improved confidence and support a rebound in consumer spending.

Overall, recent population growth has kept the Alberta housing market tight and prices rising. Falling interest rates combined with ongoing population growth should help support prices and housing construction going forward.

Shifting to a more global outlook, trade risk has become a key 2025 risk. Alberta's trade exposure with the U.S. is high, with 90% of merchandise exports flowing to the U.S, which are primarily oil and gas and refined products. In the event tariffs are enacted, we expect the impact will primarily affect the U.S. consumer via higher energy prices. However, we expect a reduction in demand on Alberta oil and gas exports, affecting prices. Tariffs will also raise import costs, weigh on investment plans and have ripple effects on consumer spending, unemployment rates and real GDP.

Implications for our clients

The economic challenges faced by our retail and business clients will spill over into their banking needs. Key economic issues that could impact our business decisions and practices include:

- Financial anxiety linked to geopolitical uncertainty.
- Current inflation rates are more manageable for households and businesses, though the effects of past price increases are still present.
- Elevated unemployment levels will create stress for affected households.

- The impact of higher borrowing costs will continue (even after rate cuts) in the form of higher debt servicing costs and debt levels, housing affordability challenges and mortgage stress.
- Financial challenges among agricultural sector clients due to drought conditions and potential trade disputes.
- Ongoing population growth and tight housing supply are driving price increases in the housing market.

REVIEW OF CONSOLIDATED OPERATING RESULTS

Net Income

For the quarter ended December 31, 2024, net income (NI) decreased compared to last quarter and year-over-year as higher total revenue was more than offset by increases in non-interest expenses (NIE) and loan loss provisions (LLP). The same factors drove the year-to-date decrease.

ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the Government of Alberta (GoA) was $132.5 million, a decrease from last quarter ($154.0 million) and year-over-year ($140.2 million), driven by lower NI. On a year-to-date basis, ATB's net contribution was $439.0 million—a decrease from last year ($441.2 million)—driven by lower NI.

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). This quarter's total revenue was $566.7 million, comprising $363.0 million in NII and $203.7 million in OI. On a year-to-date basis, total revenue was $1.6 billion. The quarterly, year-over-year and year-to-date increases were due to higher NII and OI.

Net Interest Income

NII represents the difference between the interest earned on assets (such as loans, securities and cash) and interest paid on liabilities (such as deposits, wholesale borrowings and securitization). NII increased from last quarter, driven by growth in residential mortgage and business loan portfolios, as well as lower funding costs primarily on deposits and related to BoC rate cuts. This was partially offset by lower rates earned on assets. Year-over-year, NII increased due to strong loan growth.

On a year-to-date basis, NII increased mainly due to stronger loan growth, offset by higher utilization of wholesale borrowings and higher funding costs as clients locked in rates on higher yielding fixed-date deposits in anticipation of further BoC rate reductions.

Table 1: Changes in Net Interest Income

For the three months ended ($ in thousands)	December 31, 2024 vs. September 30, 2024 Increase (decrease) due to changes in			December 31, 2024 vs. December 31, 2023 Increase (decrease) due to changes in		
	Volume	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Assets						
Interest-bearing deposits with financial institutions and securities	$ (294)	$ (14,231)	$ (14,525)	$ (183)	$ (24,060)	$ (24,243)
Loans	14,376	(14,832)	(456)	44,004	1,996	46,000
Change in interest income	**14,082**	**(29,063)**	**(14,981)**	**43,821**	**(22,064)**	**21,757**
Liabilities						
Deposits	7,317	(24,945)	(17,628)	28,147	(13,838)	14,309
Wholesale borrowings	2,937	(3,872)	(935)	1,105	(6,658)	(5,553)
Securitization liabilities	(350)	(3,801)	(4,151)	(4,408)	(6,701)	(11,109)
Securities sold under repurchase agreements	1,141	(3,016)	(1,875)	9,289	(1,662)	7,627
Obligations for securities sold short	(207)	718	511	-	1,790	1,790
Change in interest expense	**10,838**	**(34,916)**	**(24,078)**	**34,133**	**(27,069)**	**7,064**
Change in net interest income	**$ 3,244**	**$ 5,853**	**$ 9,097**	**$ 9,688**	**$ 5,005**	**$ 14,693**

For the nine months ended ($ in thousands)	December 31, 2024 vs. December 31, 2023 Increase (decrease) due to changes in		
	Volume	**Rate**	**Net change**
Assets			
Interest-bearing deposits with financial institutions and securities	$ (792)	$ (26,738)	$ (27,530)
Loans	153,535	83,797	237,332
Change in interest income	**152,743**	**57,059**	**209,802**
Liabilities			
Deposits	67,516	53,994	121,510
Wholesale borrowings	29,152	2,880	32,032
Securitization liabilities	(14,199)	(886)	(15,085)
Securities sold under repurchase agreements	22,396	1,071	23,467
Obligations for securities sold short	-	3,070	3,070
Change in interest expense	**104,865**	**60,129**	**164,994**
Change in net interest income	**$ 47,878**	**$ (3,070)**	**$ 44,808**

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 that demonstrates how profitable our lending business is. The ratio increased to 2.34% from 2.32% last quarter but decreased from 2.38% last year. The increase from last quarter was driven by strong growth in residential mortgages and business loan portfolios, as well as a reduction in deposit costs as a result of BoC rate cuts. The year-over-year NIM decrease was primarily driven by the BoC rate reductions on loans and, to a lesser extent, decreased deposit costs. Year-to-date NIM decreased to 2.34% from 2.39% last year due to higher funding costs, mostly on deposits as a result of a highly competitive market environment.

Other Income

OI consists of all revenue not classified as NII. OI grew in comparison to all periods. Key drivers across all comparatives include increased wealth management revenue due to the higher assets under administration (AUA) and the BCV Asset Management Inc. (BCV) acquisition (See Note 14), as well as strong performance in financial markets revenue fueled by favorable market conditions and increased client activity. Additionally, higher credit fees, increased capital markets activity and net gains on securities contributed to this growth. It was partially offset by lower revenue from balance sheet management activities.

Provision for Loan Losses

ATB’s LLP—comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans— saw a provision of $53.5 million this quarter, a significant increase from last quarter and year-over-year. The quarterly LLP change was primarily driven by a large increase in our Stage 3 provision as a result of new impairments, partially offset by a recovery in Stage 1. The year-over-year and year-to-date LLP increase are driven by the new impairments.

We remain committed to providing our clients with access to sound advice and a range of products and services in support of Alberta’s economy, while taking appropriate measures to limit losses. As at December 31, 2024, gross impaired loans of $0.7 billion comprise 1.2% (March 31, 2024: 1.1%, December 31, 2023: 0.9%) 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. Compared to the previous quarter and year-over-year, NIE increased due to higher people costs and BCV’s operating costs. The year-to-date increase was also driven by higher technology costs associated with various enterprise lending initiatives.

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 70.2% improved compared to last quarter’s 70.4% and year-over-year's 70.5% due to revenue growth outpacing expense increases. Year-to-date the efficiency ratio of 70.9% is higher than last year due to higher expenses.

REVIEW OF OPERATING RESULTS BY AREA OF EXPERTISE

Results presented in the following schedule are based on ATB's internal financial reporting systems. The accounting policies used in preparing the schedules are consistent with those followed in preparing the consolidated financial statements, as disclosed in the notes to the financial statements. As these results are based on ATB's internal management structure, they may not be directly comparable to those of other financial institutions. (See Note 13 in the financial statements for more on ATB's organizational structure.)

The NII, OI, NIE and LLP reported for each area may also include certain interline charges. The net effects of the internal funds transfer pricing (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 2024**	**September 30 2024**	**December 31 2023**
Net interest income	$ 146,038	$ 144,465	$ 141,600
Other income	44,240	42,196	39,454
Total revenue	190,278	186,661	181,054
Provision for (recovery of) loan losses	10,725	13,039	17,669
Non-interest expense (1)	144,146	138,752	143,552
Net income before payment in lieu of tax	35,407	34,870	19,833
Payment in lieu of tax	8,143	8,020	4,562
Net income	**$ 27,264**	**$ 26,850**	**$ 15,271**
Net loans	$ 23,055,333	$ 22,490,956	$ 21,174,652
Total deposits	20,927,943	20,523,355	18,877,917

For the nine months ended *($ in thousands)*	**December 31 2024**	**December 31 2023**
Net interest income	$ 433,565	$ 427,670
Other income	126,699	112,384
Total revenue	560,264	540,054
Provision for (recovery of) loan losses	29,892	15,438
Non-interest expense (1)	426,118	422,052
Net income before payment in lieu of tax	104,254	102,564
Payment in lieu of tax	23,978	23,590
Net income	**$ 80,276**	**$ 78,974**

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

Everyday Financial Services (EFS)'s NI increased among all periods, driven by higher revenue, partially offset by higher expenses. The year-to-date increase was also offset by higher LLP.

NII increased from last quarter mainly due to lower deposit costs on savings account rates and growth coming from lower-interest savings and transaction accounts. Year-over-year the NII increase was primarily related to strong retail mortgage growth. NII increased year-to-date for the same reasons, but was partially offset by higher deposit costs.

OI increased compared to all periods, driven by higher service charges. Compared to year-over-year and year-to-date, increased client acquisition also contributed to higher card and credit fee revenue.

LLP decreased from last quarter mainly driven by a recovery in Stage 1, in addition to a smaller increase in our Stage 3 provision due to new impairments. The year-over-year decrease is attributed to a recovery in Stage 1 and a smaller Stage 2 provision from lower loan loss expectations on existing performing and new loans. The year-to-date LLP increased in our Stage 2 provision due to an increase in loan loss expectations on existing loans and new loan growth.

NIE increased compared to last quarter primarily due to higher technology and corporate costs. The increase compared to the year-over-year and year-to-date was driven by higher people costs, partially offset by lower technology costs. Additionally, the year-over-year increase was driven by increased operational losses in the current year.

Loans grew quarter-over-quarter and year-over-year due to growth in mortgages as a result of competitive rates, promotions and market activity.

Deposits increased quarter-over-quarter and year-over-year. Compared to last quarter and year-over-year, growth was due to a successful savings promotion campaign and transaction accounts growth. Additionally, continued growth in higher interest-earning accounts, as clients locked in rates before the expected interest rate cuts, and higher client acquisition contributed to the year-over-year growth.

ATB Business

Table 3: ATB Business Financial Performance

For the three months ended ($ in thousands)	**December 31 2024**	**September 30 2024**	**December 31 2023**
Net interest income	$ 192,144	$ 192,058	$ 213,072
Other income	83,469	64,410	62,583
Total revenue	275,613	256,468	275,655
Provision for (recovery of) loan losses	42,538	4,377	12,610
Non-interest expense (1)	150,087	142,833	132,069
Net income before payment in lieu of tax	82,988	109,258	130,976
Payment in lieu of tax	19,089	25,128	30,125
Net income	**$ 63,899**	**$ 84,130**	**$ 100,851**
Net loans	$ 29,151,855	$ 29,101,706	$ 27,981,869
Total deposits	19,662,872	19,419,622	17,949,016

For the nine months ended ($ in thousands)	**December 31 2024**	**December 31 2023**
Net interest income	$ 588,185	$ 608,914
Other income	220,514	186,107
Total revenue	808,699	795,021
Provision for (recovery of) loan losses	52,799	41,194
Non-interest expense (1)	436,457	395,040
Net income before payment in lieu of tax	319,443	358,787
Payment in lieu of tax	73,472	82,521
Net income	**$ 245,971**	**$ 276,266**

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

ATB Business's NI decreased from last quarter due to higher LLP, partially offset by revenue growth outpacing expense growth. NI was lower compared to year-over-year and year-to-date due to higher LLP and expenses.

NII remained consistent from last quarter, but decreased year-over-year and year-to-date due to increased deposit costs and changes in loan portfolio mix.

OI increased compared to all periods from higher financial markets revenue and credit fees. Financial markets revenue was boosted by market performance and increased client activity in interest and foreign exchange (FX) portfolios. Credit fees continued to grow as a result of loan growth and fees generated from syndicated loans. Capital markets revenue also contributed to year-to-date OI growth due to the number of deals closed.

LLP increased significantly across all periods, driven by an increase in the Stage 3 provision due to an uptick in new impairments.

NIE has increased from the prior quarter mainly due to higher technology and corporate costs. Year-over-year and year-to-date growth was due to increased people costs, activity related to strategic initiatives and technology costs.

Loans continued to grow, both compared to last quarter and year-over-year. The growth from last quarter was partially offset by a large energy loan repayment, while the growth compared to last year came from the real estate and agricultural sectors.

Deposits grew compared to last quarter and year-over-year. The increase from last quarter came from growth in the municipality, university and hospital sectors. The growth from last year was spread across all products, due to strong deposit gathering activities. Large project finance clients and less seasonal run off also contributed to the growth.

ATB Wealth

Table 4: ATB Wealth Financial Performance

For the three months ended *($ in thousands)*	December 31 2024 (2)	September 30 2024	December 31 2023
Net interest income	$ 10,264	$ 10,484	$ 10,892
Other income	81,394	72,749	66,884
Total revenue	91,658	83,233	77,776
Provision for (recovery of) loan losses	(147)	395	649
Non-interest expense (1)	88,691	80,216	79,757
Net income before payment in lieu of tax	3,114	2,622	(2,630)
Payment in lieu (recovery) of tax	374	604	(605)
Net income	**$ 2,740**	**$ 2,018**	**$ (2,025)**
Net loans	$ 1,201,301	$ 1,188,974	$ 1,191,455
Total deposits	2,909,027	2,955,755	3,282,525
Total assets under administration	36,623,995	29,914,295	27,297,757

For the nine months ended *($ in thousands)*	December 31 2024 (2)	December 31 2023
Net interest income	$ 31,485	$ 32,443
Other income	224,587	200,989
Total revenue	256,072	233,432
Provision for (recovery of) loan losses	87	552
Non-interest expense (1)	251,989	222,540
Net income before payment in lieu of tax	3,996	10,340
Payment in lieu (recovery) of tax	578	2,378
Net income	**$ 3,418**	**$ 7,962**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(2) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

ATB Wealth's NI improved from last quarter and year-over-year driven by the acquisition of BCV and revenue growth outpacing expenses. Compared to year-to-date, NI is lower mostly due to higher expenses which outpaced revenue growth.

NII was consistent with last quarter and year-over-year, but contracted year-to-date because of higher deposit costs.

OI was higher across all comparatives primarily due to the BCV acquisition and the continued growth in AUA balances.

NIE increased from last quarter due to the BCV expenses, as well as higher revenue-linked and people costs. NIE increased year-over-year and year-to-date from the acquisition of BCV, higher technology and corporate costs and achievement note valuations. The increase year-to-date was compounded by an insurance recovery recorded in FY2024.

Loan balances were slightly higher compared to last quarter and year-over-year. Clients started to use higher-rate personal lines of credit following the BoC rate cuts.

Deposits decreased quarter-over-quarter and year-over-year as there was less demand for higher-rate products as prime rates decreased.

ATB Wealth's AUA grew compared to last quarter and year-over-year due to the BCV acquisition, as well as strong market returns and positive net assets gathered.

Strategic Support Units

Table 5: Strategic Support Units Financial Performance

For the three months ended *($ in thousands)*	December 31 2024	September 30 2024	December 31 2023
Net interest income (loss)	$ 14,528	$ 6,870	$ (17,283)
Other income (loss)	(5,400)	(7,014)	787
Total revenue (loss)	9,128	(144)	(16,496)
Provision for (recovery of) loan losses	402	1,105	(1,385)
Non-interest expenses (1)	15,019	8,693	9,628
Loss before payment in lieu of taxes	(6,293)	(9,942)	(24,739)
Payment in lieu (recovery) of tax	(1,106)	(2,286)	(5,691)
Net Income (loss)	**$ (5,187)**	**$ (7,656)**	**$ (19,048)**

For the nine months ended *($ in thousands)*	December 31 2024	December 31 2023
Net interest income (loss)	$ 16,055	$ (44,545)
Other income (loss)	(14,567)	(4,811)
Total revenue (loss)	1,488	(49,356)
Provision for (recovery of) loan losses	2,680	(230)
Non-interest expense (1)	38,147	29,918
Loss before payment in lieu of tax	(39,339)	(79,044)
Payment in lieu (recovery) of tax	(8,706)	(18,181)
Net Income (loss)	**$ (30,633)**	**$ (60,863)**

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

NII increased compared to last quarter, year-over-year and year-to-date due to balance sheet management activities.

OI increased from last quarter primarily due to net gains on securities, but contracted year-over-year due to balance sheet management activities. Additionally, losses on securities in FY2025 Q2 further compounded the year-to-date contraction.

LLP decreased from last quarter due to recoveries in all stages. Year-over-year and year-to-date LLP increased as a result of smaller recoveries in Stage 1 and Stage 2.

NIE increased in comparison to all periods, primarily driven by higher people costs.

REVIEW OF CONSOLIDATED FINANCIAL POSITION

Total Assets

Our total assets as at December 31, 2024, were $65.5 billion, which is higher than last quarter and this time last year, driven by strong loan growth and an increase in securities and cash.

Loans

The net loan increase this quarter and year-over-year to $53.6 billion was driven by growth in residential mortgage loans (RMLs) and business loans. Growth in RMLs was due to competitive mortgage rates, promotions and market activity. This was partially offset by clients paying down high interest rate debt, which led to a decline in home equity lines of credit (HELOCs) and other personal loans.

The allowance for loan losses increased quarter-over-quarter and year-over-year, which is attributed to new impairments and an increased loan loss expectation on existing performing and new loans. 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. Total other assets increased quarter-over-quarter and year-over-year mainly due to goodwill following the BCV acquisition (See Note 14, Business Combination).

Total Liabilities

Total liabilities ended the quarter at $59.8 billion, higher than last quarter and year-over-year, driven by an increase in deposits, wholesale borrowings and other liabilities.

Deposits

ATB's principal sources of funding are client deposits. Balances have increased quarter-over-quarter primarily from EFS promotional campaigns targeting savings and retail transaction accounts. The same factors drove the increase year-over-year as well as clients locking in rates on higher-interest earning deposits in the first half of the fiscal year ahead of anticipated prime rate decreases.

Other Liabilities

ATB's other liabilities are composed primarily of securitization liabilities and wholesale borrowings which are used as funding sources to supplement client deposits.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA, to a limit of $9.0 billion (effective January 29, 2025 the limit increased to $11.0 billion). Compared to last quarter and last year, wholesale borrowings have increased due to strong loan growth. Securitization liabilities include ATB's participation in the Canada Mortgage Bonds (CMB) program as well as securitization of credit card, agricultural loans and equipment finance receivables. Securitization liabilities increased compared to last quarter but declined year-over-year due to changes in participation in the CMB program. Securities sold under repurchase agreements have decreased compared to the last quarter but increased year-over-year.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are recorded in the consolidated statement of operations only when realized or when certain trigger events occur. AOCI increased from last quarter and year-over-year. The quarter-over-quarter increase is primarily attributable to higher unrealized gains on securities, while the year-over-year increase is mainly due to the favorable impact of declining interest rates on the fair value of derivatives designated as cash flow hedges.

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 the *OSFI Capital Adequacy Requirements Guideline* (CAR Guideline). Refer to Note 25 of the 2024 financial statements for more on ATB's regulatory capital. As at December 31, 2024, ATB had a Tier 1 capital ratio of 12.3% and a total capital ratio of 15.0%, both exceeding our regulatory requirements.

The shaded areas of the MD&A represent a discussion related to credit, market and liquidity risk and form an integral part of the interim consolidated financial statements for the period ended December 31, 2024.

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, 2024, are outlined below.

Table 6: Credit Risk Exposure

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

As at *($ in thousands)*	**December 31 2024**	**March 31 2024**
Financial assets (1)	$ 64,083,458	$ 59,514,203
Other commitments and off-balance-sheet items (2)	27,587,703	24,393,968
Total credit risk	**$ 91,671,162**	**$ 83,908,171**

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

Table 7: Industry Concentration

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

	December 31 2024		**March 31 2024**	
As at *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 8,407,734	15.6%	$ 7,325,781	15.4%
Mining and oil-and-gas extraction	4,905,322	9.1%	6,548,369	13.8%
Agriculture, forestry, fishing and hunting	5,479,941	10.1%	4,763,852	10.0%
Largest borrower	$ 242,764	0.4%	$ 1,143,833	2.4%

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

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

As at *($ in thousands)*		December 31 2024			March 31 2024
Residential mortgages	Insured (1)	$ 11,629,948	59.2%	$ 10,945,130	60.9%
	Uninsured	8,022,000	40.8%	7,025,932	39.1%
Total residential mortgages		**$ 19,651,948**	**100.0%**	**$ 17,971,062**	**100.0%**
Home equity lines of credit	Uninsured	$ 1,841,830	100.0%	$ 1,927,062	100.0%
Total home equity lines of credit		**$ 1,841,830**	**100.0%**	**$ 1,927,062**	**100.0%**
	Insured	**$ 11,629,948**	**54.1%**	**$ 10,945,130**	**55.0%**
Total	**Uninsured**	**9,863,830**	**45.9%**	**8,952,994**	**45.0%**

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

Table 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 2024	March 31 2024
Less than 25 years	97.1%	97.9%
25 years and above	2.9%	2.1%
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 2024	March 31 2024
Residential mortgages	65.8%	63.8%
Home equity lines of credit	58.1%	55.7%

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

ATB has limited exposure to variable rate mortgages, which comprised 7.7% of total mortgages as at December 31, 2024, and 7.3% at March 31, 2024.

Market Risk

Market risk can arise due to changes in interest rates, trading activity, foreign exchange (FX) rates and commodity prices. ATB primarily has market risk exposure to both the risk-sensitive assets and liabilities on our balance sheet as well as to the derivatives and other financial instruments 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, rate spreads, the shape of the yield curve or any other interest rate relationship. 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 2024**	**March 31 2024**
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 57,825	$ 54,015
200 basis points	106,706	108,251
Decrease in interest rates of:		
100 basis points (1)	(69,228)	(59,022)
200 basis points (1)	(153,096)	(128,985)

(1) Certain aspects of the decrease in interest rate scenarios are constrained by interest rate floors when appropriate.

The potential impact of a 100- and 200-basis-point increase is well within our interest-rate-risk-management policy.

Foreign Exchange Risk

Foreign exchange risk is the risk of loss resulting from fluctuations in foreign exchange rates. This risk arises from the existence of a net asset or liability position denominated in foreign currency 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 our 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 our Board-approved minimum limits as at December 31, 2024, and March 31, 2024.

Liquidity Risk

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

We measure liquidity through a series of short- and intermediate-term metrics, including the liquidity coverage ratio (LCR), net stable funding ratio and comprehensive net cumulative cash flow metrics defined in the Office of the Superintendent of Financial Institutions Liquidity Adequacy Requirements Guideline.

As at December 31, 2024, the LCR is 149.7% (March 31, 2024: 128.5%), above the Board-approved minimum limit.

Table 12: Long-Term Funding Sources

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

		December 31 2024		**March 31 2024**
As at *($ in thousands)*	**Long-term funding**	**Percentage of total**	**Long-term funding**	**Percentage of total**
Wholesale borrowings	$ 5,612,500	45.3%	$ 4,948,500	42.0%
Securitization liabilities	6,767,920	54.7%	6,839,797	58.0%
Total long-term funding	**$ 12,380,420**	**100.0%**	**$ 11,788,297**	**100.0%**

CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at *($ in thousands)*	Note	December 31 2024	September 30 2024	March 31 2024	December 31 2023
Cash		$ 2,541,533	$ 1,504,197	$ 1,492,755	$ 1,651,601
Interest-bearing deposits with financial institutions		152,944	139,769	182,371	190,222
Total cash resources		**2,694,477**	**1,643,966**	**1,675,126**	**1,841,823**
Securities measured at fair value through profit or loss		285,892	441,308	115,150	114,254
Securities measured at fair value through other comprehensive income		6,592,125	5,278,299	4,735,559	5,382,995
Securities purchased under reverse repurchase agreements		-	-	806,964	-
Total securities	6	**6,878,017**	**5,719,607**	**5,657,673**	**5,497,249**
Business		29,913,873	29,873,815	29,059,731	28,411,804
Residential mortgages		19,651,948	19,062,703	17,971,062	18,026,690
Personal		3,667,537	3,718,350	3,843,806	3,946,583
Credit card		780,369	781,836	757,574	773,441
Total gross loans		**54,013,727**	**53,436,704**	**51,632,173**	**51,158,518**
Allowance for loan losses	8	(376,331)	(348,941)	(366,016)	(319,621)
Total net loans	7	**53,637,396**	**53,087,763**	**51,266,157**	**50,838,897**
Derivative financial instruments		1,067,327	940,037	928,723	1,111,506
Property and equipment		198,786	196,665	208,371	206,427
Software and other intangibles		349,620	151,735	174,024	181,556
Other assets		640,371	597,590	472,206	516,281
Total other assets		**2,256,104**	**1,886,027**	**1,783,324**	**2,015,770**
Total assets		**$ 65,465,994**	**$ 62,337,363**	**$ 60,382,280**	**$ 60,193,739**
Transaction accounts		$ 13,192,331	$ 12,982,894	$ 12,644,253	$ 12,578,844
Saving accounts		10,674,471	10,277,333	9,981,121	10,003,752
Notice accounts		6,891,373	6,836,820	6,064,005	5,943,117
Non-redeemable fixed-date deposits		10,655,290	10,704,209	9,693,531	9,550,540
Redeemable fixed-date deposits		2,116,691	2,155,916	2,199,907	2,112,687
Total deposits		**43,530,156**	**42,957,172**	**40,582,817**	**40,188,940**
Securitization liabilities	9	6,770,855	6,577,184	6,820,589	7,004,186
Wholesale borrowings		5,607,060	3,583,352	4,919,593	5,004,181
Derivative financial instruments		1,079,420	935,199	1,070,555	1,190,616
Securities sold under repurchase agreements		340,641	801,303	141,724	-
Obligations related to securities sold short		103,193	154,113	-	-
Other liabilities		2,388,236	1,747,286	1,587,506	1,602,313
Total other liabilities		**16,289,405**	**13,798,437**	**14,539,967**	**14,801,296**
Total liabilities		**59,819,561**	**56,755,609**	**55,122,784**	**54,990,236**
Retained earnings		5,537,500	5,473,784	5,313,468	5,278,961
Accumulated other comprehensive income (loss)		108,933	107,970	(53,972)	(75,458)
Total equity		**5,646,433**	**5,581,754**	**5,259,496**	**5,203,503**
Total liabilities and equity		**$ 65,465,994**	**$ 62,337,363**	**$ 60,382,280**	**$ 60,193,739**

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

Signed by:
Curtis Stange
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Curtis Stange
President and Chief Executive Officer

DocuSigned by:
Dan Hugo
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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 2024**	**September 30 2024**	**December 31 2023**	**December 31 2024**	**December 31 2023**
Loans		$ 709,463	$ 709,919	$ 663,463	$ 2,114,116	$ 1,876,784
Securities		55,686	64,281	70,212	182,959	195,343
Interest-bearing deposits with financial institutions		17,828	23,758	27,545	73,993	89,139
Interest income		**782,977**	**797,958**	**761,220**	**2,371,068**	**2,161,266**
Deposits		324,090	343,082	300,364	985,627	837,580
Wholesale borrowings		39,488	40,423	45,041	131,306	99,274
Securitization		56,425	60,576	67,534	184,845	199,930
Interest expense		**420,003**	**444,081**	**412,939**	**1,301,778**	**1,136,784**
Net interest income		**362,974**	**353,877**	**348,281**	**1,069,290**	**1,024,482**
Wealth management		79,860	71,419	65,474	220,626	197,670
Service charges		27,849	26,492	23,579	78,643	70,571
Card fees		23,238	22,065	24,063	71,678	69,980
Credit fees		23,598	19,892	15,516	57,658	40,650
Financial markets		23,551	13,557	12,294	57,724	40,323
Capital markets		18,870	14,417	14,420	52,867	45,239
Foreign exchange gains (losses)		(4,530)	6,775	7,325	1,915	12,976
Insurance		5,496	5,693	6,872	16,164	17,304
Net gains (losses) on derivative financial instruments		763	78	2,084	467	(2,172)
Net gains (losses) on securities		3,413	(8,104)	(1,950)	(2,209)	(1,581)
Sundry		1,595	57	31	1,700	3,709
Other income		**203,703**	**172,341**	**169,708**	**557,233**	**494,669**
Total revenue		**566,677**	**526,218**	**517,989**	**1,626,523**	**1,519,151**
Provision for (recovery of) loan losses	8	**53,518**	**18,916**	**29,543**	**85,458**	**56,954**
Salaries and employee benefits		222,074	211,796	203,455	653,107	609,308
Data processing		50,231	46,468	43,849	145,925	128,845
Premises and occupancy, including depreciation		18,507	19,383	18,631	56,415	55,577
Professional and consulting costs		22,668	19,265	21,214	61,658	55,464
Deposit guarantee fee		14,783	14,811	14,545	44,336	42,889
Equipment, including depreciation		2,976	2,506	2,748	8,726	8,423
Software and other intangibles amortization		19,137	18,559	20,170	57,722	66,405
General and administrative		21,531	20,137	23,652	62,316	62,394
ATB agencies		4,399	4,362	4,366	13,286	13,053
Other		21,637	13,207	12,376	49,220	27,192
Non-interest expense		**397,943**	**370,494**	**365,006**	**1,152,711**	**1,069,550**
Income before payment in lieu of tax		**115,216**	**136,808**	**123,440**	**388,354**	**392,647**
Payment in lieu of tax	10	26,500	31,466	28,391	89,322	90,308
Net income		**$ 88,716**	**$ 105,342**	**$ 95,049**	**$ 299,032**	**$ 302,339**

The accompanying notes are an integral part of these 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 2024**	**September 30 2024**	**December 31 2023**	**December 31 2024**	**December 31 2023**
Net income	$ 88,716	$ 105,342	$ 95,049	$ 299,032	$ 302,339
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	(762)	48,329	21,735	50,631	44,392
Net losses (gains) reclassified to net income	3,325	(52,071)	(15,929)	(53,694)	(20,285)
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges					
Unrealized net gains (losses) arising during the period	(20,670)	85,615	113,300	67,374	(80,222)
Net losses (gains) reclassified to net income	21,906	32,931	51,759	98,090	155,659
Items that will not be reclassified to profit or loss					
Remeasurement of defined-benefit plan liabilities	(2,836)	(7,424)	(35,035)	504	(15,300)
Other comprehensive income (loss)	**963**	**107,380**	**135,830**	**162,905**	**84,244**
Comprehensive income (loss)	**$ 89,679**	**$ 212,722**	**$ 230,879**	**$ 461,937**	**$ 386,583**

The accompanying notes are an integral part of these 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 2024**	**September 30 2024**	**December 31 2023**	**December 31 2024**	**December 31 2023**
Retained earnings					
Balance at beginning of the period	$ 5,473,784	$ 5,393,442	$ 5,183,912	$ 5,313,468	$ 4,976,622
Net income	88,716	105,342	95,049	299,032	302,339
Dividends	(25,000)	(25,000)	-	(75,000)	-
Balance at end of the period	**5,537,500**	**5,473,784**	**5,278,961**	**5,537,500**	**5,278,961**
Accumulated other comprehensive income (loss)					
Securities measured at fair value through other comprehensive income					
Balance at beginning of the period	59,689	63,431	36,478	65,315	18,177
Other comprehensive income (loss)	2,563	(3,742)	5,806	(3,063)	24,107
Balance at end of the period	**62,252**	**59,689**	**42,284**	**62,252**	**42,284**
Derivative financial instruments designated as cash flow hedges					
Balance at beginning of the period	(29,530)	(148,076)	(338,932)	(193,758)	(249,310)
Other comprehensive income (loss)	1,236	118,546	165,059	165,464	75,437
Balance at end of the period	**(28,294)**	**(29,530)**	**(173,873)**	**(28,294)**	**(173,873)**
Defined-benefit-plan liabilities					
Balance at beginning of the period	77,811	85,235	91,166	74,471	71,431
Other comprehensive income (loss)	(2,836)	(7,424)	(35,035)	504	(15,300)
Balance at end of the period	**74,975**	**77,811**	**56,131**	**74,975**	**56,131**
Accumulated other comprehensive income (loss)	**108,933**	**107,970**	**(75,458)**	**108,933**	**(75,458)**
Equity	**$ 5,646,433**	**$ 5,581,754**	**$ 5,203,503**	**$ 5,646,433**	**$ 5,203,503**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

($ in thousands)	*For the three months ended* December 31 2024	September 30 2024	December 31 2023	*For the nine months ended* December 31 2024	December 31 2023
Cash flows from operating activities					
Net income	$ 88,716	$ 105,342	$ 95,049	$ 299,032	$ 302,339
Adjustments for non-cash items and other items					
Provision for (recovery of) loan losses	53,518	18,916	29,543	85,458	56,954
Depreciation and amortization	29,623	29,141	30,580	90,060	97,349
Net losses (gains) on securities	(3,413)	8,104	1,950	2,209	1,581
Losses (gains) on foreign-denominated wholesale borrowings	4,003	(1,571)	4,338	10,518	13,366
Adjustments for net changes in operating assets and liabilities					
Loans	(608,704)	(1,276,304)	(1,056,975)	(2,414,708)	(3,658,190)
Deposits	582,846	843,124	(950,366)	2,938,101	715,447
Trading securities	157,718	(159,377)	-	(187,214)	-
Derivative financial instruments	18,167	17,080	(53,841)	35,725	(6,727)
Prepayments and other receivables	(28,618)	69,083	33,438	(118,784)	28,684
Accounts receivable—financial market products	(82,891)	(19,840)	2	(102,939)	2
Due to (from) clients, brokers and dealers	(175,120)	167,483	(7,328)	171,682	9,892
Deposit guarantee fee payable	17,268	17,159	16,721	(13,751)	(10,396)
Accounts payable and accrued liabilities	49,684	(4,680)	19,921	(101,310)	131,043
Accounts payable—financial market products	765,617	2,168	(83,005)	767,856	9,674
Liability for payment in lieu of tax	26,502	31,465	28,391	(11,294)	(37,664)
Net interest receivable and payable	17,989	3,289	(15,622)	(2,055)	28,780
Change in accrued-pension-benefit liability	239	(1,711)	(386)	(614)	(609)
Obligations related to securities sold short	(50,920)	(79,058)	-	103,193	-
Other	(22,081)	(22,623)	37,774	(16,343)	21,918
Net cash provided by (used in) operating activities	**840,143**	**(252,810)**	**(1,869,816)**	**1,534,822**	**(2,296,557)**
Cash flows from investing activities					
Purchase of BCV (1)	(139,759)	-	-	(139,759)	-
Purchase of securities, other than trading	(2,653,196)	(2,931,370)	(1,709,256)	(8,671,516)	(5,294,478)
Proceeds from sales and maturities of securities, other than trading	1,308,196	2,856,796	1,709,538	7,760,070	5,728,865
Change in interest-bearing deposits with financial institutions	(13,175)	24,885	230,204	29,427	77,536
Purchases and disposals of property and equipment, software and other intangibles	(21,925)	(15,225)	(20,045)	(48,367)	(63,667)
Net cash provided by (used in) investing activities	**(1,519,859)**	**(64,914)**	**210,441**	**(1,070,145)**	**448,256**
Cash flows from financing activities					
Dividends	(25,000)	(25,000)	-	(75,000)	-
Issuance of wholesale borrowings	3,608,164	1,199,524	3,106,156	7,058,227	6,164,784
Repayment of wholesale borrowings	(1,600,000)	(2,505,645)	(2,475,497)	(6,463,670)	(3,726,860)
Issuance of collateralized borrowings	478,040	29,213	224,693	1,135,779	652,691
Repayment of collateralized borrowings	(275,564)	(223,945)	(487,384)	(1,245,529)	(1,534,660)
Change in securities sold under repurchase agreements	(460,662)	501,404	-	198,917	(122,556)
Repayment of lease liabilities	(7,926)	(7,907)	(8,408)	(24,623)	(25,196)
Net cash provided by (used in) financing activities	**1,717,052**	**(1,032,356)**	**359,560**	**584,101**	**1,408,203**
Net increase (decrease) in cash	1,037,336	(1,350,080)	(1,299,815)	1,048,778	(440,098)
Cash at beginning of the period	1,504,197	2,854,277	2,951,416	1,492,755	2,091,699
Cash at end of the period	**$ 2,541,533**	**$ 1,504,197**	**$ 1,651,601**	**$ 2,541,533**	**$ 1,651,601**
Net cash provided by (used in) operating activities includes:					
Interest paid	$ (486,925)	$ (459,736)	$ (464,807)	$ (1,393,383)	$ (1,099,093)
Interest received	819,117	812,373	776,637	2,429,142	2,144,999

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

(1) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 (Unaudited)

1 Nature of Operations

ATB is an Alberta-based financial services provider engaged in retail and commercial banking, credit cards and wealth management, investment-management and capital-markets services. ATB is an agent of the Crown in right of Alberta and operates under the authority of the *ATB Financial Act* (the *ATB Act*), Revised Statutes of Alberta, 2000, Chapter A-37. Under the *ATB Act*, ATB was established as a provincial Crown corporation governed by a Board of Directors appointed by the Lieutenant Governor in Council (LGIC). Under the 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 Government of Alberta (GoA) designed to be in lieu of such charges. (See Note 10.)

2 Material Accounting Policies

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 2024 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 in addition to the following related to the acquisition of BCV:

Basis of Preparation: The interim condensed consolidated financial statements have been prepared on a historical cost basis, except those items disclosed within the Basis of Preparation policy in the most recent annual consolidated financial statements, and contingent consideration arising from a business combination during the three months ended December 31, 2024, which have been measured at fair value.

Consolidation—Subsidiaries: The interim condensed consolidated financial statements include the wholly owned subsidiaries disclosed within the Consolidation-Subsidiaries policy in the most recent annual consolidated financial statements, and BCV Asset Management Inc., acquired on November 25, 2024.

Business Combinations and Goodwill: Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in NIE.

ATB determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When ATB acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration, classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, ATB re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of ATB's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

These interim statements were approved by the Audit Committee on February 20, 2024.

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 our 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.

3 Summary of Accounting Policy Changes

Changes in Accounting Policies and Disclosures

Accounting standards and amendments that are newly effective for this fiscal year-end are detailed in Note 3 to the 2024 annual consolidated financial statements. Adoption of newly effective standards and amendments did not have a material impact on our financial statements.

Interest Rate Benchmark Reform Phase 2

The final publication of all tenors of the Canadian Dollar Offered Rate (CDOR) was made on June 28, 2024. Exposure to financial instruments referencing CDOR is no longer significant to the financial statements.

Future Accounting Policy Changes

Accounting standards and amendments that are effective for future years are detailed in Note 3 to the 2024 annual consolidated financial statements with updates provided below.

Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In December 2024, the IASB issued *Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7.* The amendments explain the meaning of 'contracts referencing nature-dependent electricity' and clarify the related own-use requirements in IFRS 9. Hedge accounting requirements are also amended along with the introduction of additional disclosures for these contracts.

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and have both prospective and retrospective requirements, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

Annual Improvements to IFRS Accounting Standards—Volume 11

In July 2024, the IASB issued *Annual Improvements to IFRS Accounting Standards—Volume 11*, which contains eight minor amendments to five different standards. The amendments include clarification that a lessee recognizes the difference between the carrying amount and consideration paid in profit or loss on derecognition of a lease liability under IFRS 9 *Financial Instruments* and that a trade receivable without a significant financing component is initially measured at the amount determined by applying IFRS 15 *Revenue from Contracts with Customers.*

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and are applied prospectively, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).* The amendments include clarification related to the classification of financial assets with environmental, social, and governance (ESG) and similar features as well as derecognition for settlement of financial liabilities through electronic payment systems, introducing an accounting policy option to allow derecognition of a financial liability before it delivers cash on the settlement date if specified criteria are met. The amendments also introduce additional disclosure requirements for fair value through other comprehensive income (FVOCI) equity investments and financial instruments with contingent features.

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and are applied retrospectively with an adjustment to retained earnings, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements.* The new standard will replace IAS 1 *Presentation of Financial Statements* as the primary source of requirements for financial statement presentation. The new standard includes new requirements related to income statement structure and subtotals and management-defined performance measure disclosures, as well as new principles for grouping financial statement information.

ATB is currently assessing the impact of the new standard, which is effective for reporting periods beginning on or after January 1, 2027, and is applied retrospectively, with earlier application permitted. IFRS 18 will take effect on April 1, 2027—the start of ATB's FY2028.

4 Financial Instruments

Classification and Carrying Value

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

	Carrying value					
As at December 31, 2024 *($ in thousands)*	**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)	$ -	$ -	$ -	$ -	$ 2,541,533	$ 2,541,533
Interest-bearing deposits with financial institutions (1)	-	152,944	-	-	-	152,944
Total cash resources	-	152,944	-	-	2,541,533	2,694,477
Securities	285,821	71	6,485,341	106,784	-	6,878,017
Securities purchased under reverse repurchase agreements	-	-	-	-	-	-
Total securities (1)	285,821	71	6,485,341	106,784	-	6,878,017
Total net loans (2)	-	-	-	-	53,637,396	53,637,396
Derivative financial instruments	1,067,327	-	-	-	-	1,067,327
Other assets (1) (6)	-	-	-	-	471,347	471,347
Total other assets	1,067,327	-	-	-	471,347	1,538,674
Total financial assets	**$ 1,353,148**	**$ 153,015**	**$ 6,485,341**	**$ 106,784**	**$ 56,650,276**	**$ 64,748,564**
Financial liabilities						
Total deposits (3)	-	-	-	-	43,530,156	43,530,156
Securitization liabilities (4)	-	-	-	-	6,770,855	6,770,855
Wholesale borrowings (5)	-	-	-	-	5,607,060	5,607,060
Derivative financial instruments (1)	1,079,420	-	-	-	-	1,079,420
Securities sold under repurchase agreements (1)	-	-	-	-	340,641	340,641
Obligations related to securities sold short	103,193	-	-	-	-	103,193
Other liabilities (1) (6)	44,975	-	-	-	2,185,226	2,230,201
Total other liabilities	1,227,588	-	-	-	14,903,782	16,131,370
Total financial liabilities	**$ 1,227,588**	**$ -**	**$ -**	**$ -**	**$ 58,433,938**	**$ 59,661,526**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $55,385,808.
(3) The fair value of deposits is estimated at $43,322,974.
(4) The fair value of securitization liabilities is estimated at $6,788,649.
(5) The fair value of wholesale borrowings is estimated at $5,667,595.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

As at March 31, 2024 *($ in thousands)*	Carrying value Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 1,492,755	$ 1,492,755
Interest-bearing deposits with financial institutions (1)	-	182,371	-	-	-	182,371
Total cash resources	-	182,371	-	-	1,492,755	1,675,126
Securities	84,172	30,978	4,632,365	103,194	-	4,850,709
Securities purchased under reverse repurchase agreements	-	-	-	-	806,964	806,964
Total securities (1)	84,172	30,978	4,632,365	103,194	806,964	5,657,673
Total net loans (2)	-	-	-	-	51,266,157	51,266,157
Derivative financial instruments	928,723	-	-	-	-	928,723
Other assets (1) (6)	-	-	-	-	338,084	338,084
Total other assets	928,723	-	-	-	338,084	1,266,807
Total financial assets	**$ 1,012,895**	**$ 213,349**	**$ 4,632,365**	**$ 103,194**	**$ 53,903,960**	**$ 59,865,763**
Financial liabilities						
Total deposits (3)	-	-	-	-	40,582,817	40,582,817
Securitization liabilities (4)	-	-	-	-	6,820,589	6,820,589
Wholesale borrowings (5)	-	-	-	-	4,919,593	4,919,593
Derivative financial instruments (1)	1,070,555	-	-	-	-	1,070,555
Securities sold under repurchase agreements (1)	-	-	-	-	141,724	141,724
Obligations related to securities sold short	-	-	-	-	-	-
Other liabilities (1) (6)	-	-	-	-	1,426,173	1,426,173
Total other liabilities	1,070,555	-	-	-	13,308,079	14,378,634
Total financial liabilities	**$ 1,070,555**	**$ -**	**$ -**	**$ -**	**$ 53,890,896**	**$ 54,961,451**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $51,956,855.
(3) The fair value of deposits is estimated at $39,946,090.
(4) The fair value of collateralized borrowings is estimated at $6,703,858.
(5) The fair value of wholesale borrowings is estimated at $4,847,500.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

Fair-Value Hierarchy

The following tables present the level within the fair-value hierarchy as described in Note 4 of the 2024 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 six months ended December 31, 2024, and the year ended March 31, 2024, 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, 2024				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 152,944	$ -	$ 152,944
Securities				
Securities measured at FVTPL	196,811	-	89,081	285,892
Securities measured at FVOCI	6,485,341	-	106,784	6,592,125
Other assets				
Derivative financial instruments	-	1,067,327	-	1,067,327
Total financial assets	**$ 6,682,152**	**$ 1,220,271**	**$ 195,865**	**$ 8,098,288**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	103,193	-	-	103,193
Derivative financial instruments	-	1,079,420	-	1,079,420
Total financial liabilities	**$ 103,193**	**$ 1,079,420**	**$ -**	**$ 1,182,613**

March 31, 2024				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 182,371	$ -	$ 182,371
Securities				
Securities measured at FVTPL	31,109	-	84,041	115,150
Securities measured at FVOCI	4,632,365	-	103,194	4,735,559
Other assets				
Derivative financial instruments	-	928,723	-	928,723
Total financial assets	**$ 4,663,474**	**$ 1,111,094**	**$ 187,235**	**$ 5,961,803**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	-	-	-	-
Derivative financial instruments	-	1,070,555	-	1,070,555
Total financial liabilities	**$ -**	**$ 1,070,555**	**$ -**	**$ 1,070,555**

Valuation of Level 3 Instruments

For direct investments in private companies—as there is no observable market price as at the balance sheet date—ATB estimates the fair value using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies. Specifically, the expected earnings before interest, income tax, depreciation and amortization (EBITDA). For direct investments in capital funds, the net asset value is used in estimating the fair value of ATB's interest.

The 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 2024		March 31 2024	
			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	3.9	6.5	3.1	7.2
		Enterprise value/revenue multiple	4.7	5.5	5.5	5.7
	Adjusted net asset value (1)	Net asset value (2)	n/a	n/a	n/a	n/a

(1) Adjusted net asset value is determined using reported net asset values obtained from the fund manager or general partner of the limited partnership and may be adjusted for current market levels where appropriate.
(2) ATB holds limited partnership interests in certain private capital funds. Net asset values are provided quarterly by each fund's general partner and, due to the wide range and diverse nature of the investments, no inputs are disclosed.

A 10% change to each multiple would result in a $9.7 million increase and $3.9 million decrease in fair value (March 2024: $8.7 million increase and $3.5 million decrease in fair value). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2 of the 2024 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, 2024	$ 103,194	$ 84,041
Total realized and unrealized gains (losses) included in net income	-	(6,812)
Total realized and unrealized gains (losses) included in other comprehensive income	3,036	-
Purchases and issuances	554	11,852
Sales and settlements	-	-
Fair value as at December 31, 2024	**$ 106,784**	**$ 89,081**
Change in unrealized gains included in income regarding financial instruments held as December 31, 2024	$ -	$ (6,812)

Fair value as at March 31, 2023	$ 54,141	$ 82,913
Total realized and unrealized gains (losses) included in net income	-	(945)
Total realized and unrealized gains (losses) included in other comprehensive income	46,408	-
Purchases and issuances	2,645	12,266
Sales and settlements	-	(10,193)
Fair value as at March 31, 2024	**$ 103,194**	**$ 84,041**
Change in unrealized gains included in income regarding financial instruments held as March 31, 2024	$ -	$ (4,418)

The consolidated statement of income line item for net gains on securities includes realized and unrealized fair-value movements on all financial instruments classified and designated at FVTPL and realized gains on securities measured at FVOCI.

5 Financial Instruments—Risk Management

ATB has included in the Risk Management section of the MD&A certain disclosures required by IFRS 7 relating to credit, market, foreign exchange and liquidity risks. These risks are shaded in blue and form an integral part of these interim condensed financial statements.

6 Securities

The carrying value of securities by remaining term to maturity and net of valuation provisions is as follows:

As at *($ in thousands)*	Within 1 year	1 to 5 years	Over 5 years	No maturity	Total carrying value
December 31, 2024					
Securities measured at FVTPL					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ -	$ -	$ -	$ -	$ -
Trading	441	116,445	70,328	-	187,214
Other securities (1)	9,500	25	57,992	31,161	98,678
Total securities measured at FVTPL	**$ 9,941**	**$ 116,470**	**$ 128,320**	**$ 31,161**	**$ 285,892**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 3,237,201	$ 3,248,140	$ -	$ -	$ 6,485,341
Other securities (1)	-	-	106,784	-	106,784
Total securities measured at FVOCI	**$ 3,237,201**	**$ 3,248,140**	**$ 106,784**	**$ -**	**$ 6,592,125**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	-	-	-	-	-
Total securities purchased under reverse repurchase agreements	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
March 31, 2024					
Securities measured at FVTPL					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 30,911	$ -	$ -	$ -	$ 30,911
Trading	-	-	-	-	-
Other securities (1)	112	21	54,605	29,501	84,239
Total securities measured at FVTPL	**$ 31,023**	**$ 21**	**$ 54,605**	**$ 29,501**	**$ 115,150**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 1,349,744	$ 3,166,760	$ 115,861	$ -	$ 4,632,365
Other securities (1)	-	-	103,194	-	103,194
Total securities measured at FVOCI	**$ 1,349,744**	**$ 3,166,760**	**$ 219,055**	**$ -**	**$ 4,735,559**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	806,964	-	-	-	806,964
Total securities purchased under reverse repurchase agreements	**$ 806,964**	**$ -**	**$ -**	**$ -**	**$ 806,964**

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

As at December 31 2024, and at March 31, 2024, we had no securities classified as held-to-maturity.

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 tables present the gross carrying amount of loans and the full contractual amount of undrawn loan commitments subject to the impairment requirements under IFRS 9:

As at				December 31				March 31
($ in thousands)				2024				2024
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 6,352,219	$ 18,220	$ -	$ 6,370,439	$ 7,243,651	$ 100,289	$ -	$ 7,343,940
Low risk	19,196,339	534,211	-	19,730,550	17,745,074	447,654	-	18,192,728
Medium risk	2,569,108	224,421	-	2,793,529	2,442,178	203,991	-	2,646,169
High risk	1,649	397,599	-	399,248	-	328,887	-	328,887
Not rated (1)	47,030	5,263	-	52,293	32,505	5,123	-	37,628
Impaired	-	-	567,814	567,814	-	-	510,379	510,379
Total business	**28,166,345**	**1,179,714**	**567,814**	**29,913,873**	**27,463,408**	**1,085,944**	**510,379**	**29,059,731**
Very low risk	9,833,043	11,234	-	9,844,277	8,951,589	6,689	-	8,958,278
Low risk	6,640,790	35,344	-	6,676,134	6,017,445	14,431	-	6,031,876
Medium risk	2,405,993	54,172	-	2,460,165	2,265,991	40,611	-	2,306,602
High risk	517,929	108,137	-	626,066	525,446	103,669	-	629,115
Not rated (1)	3,609	246	-	3,855	5,086	-	-	5,086
Impaired	-	-	41,451	41,451	-	-	40,105	40,105
Total residential mortgages	**19,401,364**	**209,133**	**41,451**	**19,651,948**	**17,765,557**	**165,400**	**40,105**	**17,971,062**
Very low risk	1,638,171	8,267	-	1,646,438	1,698,375	7,135	-	1,705,510
Low risk	1,232,373	23,260	-	1,255,633	1,294,964	16,954	-	1,311,918
Medium risk	526,249	27,013	-	553,262	583,065	22,939	-	606,004
High risk	115,799	51,048	-	166,847	135,232	44,249	-	179,481
Not rated (1)	6,635	69	-	6,704	8,692	241	-	8,933
Impaired	-	-	38,653	38,653	-	-	31,960	31,960
Total personal	**3,519,227**	**109,657**	**38,653**	**3,667,537**	**3,720,328**	**91,518**	**31,960**	**3,843,806**
Very low risk	122,688	5,699	-	128,387	116,342	2,290	-	118,632
Low risk	321,907	25,571	-	347,478	318,135	16,564	-	334,699
Medium risk	184,849	23,142	-	207,991	187,156	19,055	-	206,211
High risk	29,271	15,278	-	44,549	28,651	11,758	-	40,409
Not rated (1)	39,421	6,783	-	46,204	46,243	6,689	-	52,932
Impaired	-	-	5,760	5,760	-	-	4,691	4,691
Total credit card	**698,136**	**76,473**	**5,760**	**780,369**	**696,527**	**56,356**	**4,691**	**757,574**
Total loans	**51,785,072**	**1,574,977**	**653,678**	**54,013,727**	**49,645,820**	**1,399,218**	**587,135**	**51,632,173**
Total allowance for loan losses	(75,353)	(94,122)	(206,856)	(376,331)	(87,446)	(89,104)	(189,466)	(366,016)
Total net loans	**$ 51,709,719**	**$ 1,480,855**	**$ 446,822**	**$ 53,637,396**	**$ 49,558,374**	**$ 1,310,114**	**$ 397,669**	**$ 51,266,157**

(1) Loans where the client account-level risk rating has not been determined have been included in the "not rated" category.

As at *($ in thousands)*	December 31 2024				March 31 2024			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 5,145,291	$ 24,220	$ -	$ 5,169,511	$ 5,078,519	$ 8,295	$ -	$ 5,086,814
Low risk	1,224,078	23,581	-	1,247,659	1,206,935	11,162	-	1,218,097
Medium risk	190,007	4,501	-	194,508	191,775	3,499	-	195,274
High risk	21,192	4,547	-	25,739	20,220	3,912	-	24,132
Not rated (1)	6,287	78	-	6,365	12,136	79	-	12,215
Total undrawn loan commitments—retail	**6,586,855**	**56,927**	**-**	**6,643,782**	**6,509,585**	**26,947**	**-**	**6,536,532**
Total allowance for loan losses (2)	(14,480)	(4,091)		(18,571)	(15,064)	(2,621)	-	(17,685)
Total net undrawn—retail	**$ 6,572,375**	**$ 52,836**	**$ -**	**$ 6,625,211**	**$ 6,494,521**	**$ 24,326**	**$ -**	**$ 6,518,847**
Very low risk	$ 8,200,749	$ 45,304	$ -	$ 8,246,053	$ 6,854,423	$ 106,888	$ -	$ 6,961,311
Low risk	10,074,250	475,818	-	10,550,068	9,269,635	168,616	-	9,438,251
Medium risk	719,742	44,130	-	763,872	617,706	33,956	-	651,662
High risk	5,750	127,618	-	133,368	3,191	86,812	-	90,003
Not rated (1)	142,420	7,424	-	149,844	144,716	4,051	-	148,767
Total undrawn loan commitments—non retail	**19,142,911**	**700,294**	**-**	**19,843,205**	**16,889,671**	**400,322**	**-**	**17,289,993**
Total allowance for loan losses (2)	(17,992)	(13,180)		(31,172)	(20,343)	(12,422)	-	(32,765)
Total net undrawn—non-retail	**$ 19,124,919**	**$ 687,114**	**$ -**	**$ 19,812,033**	**$ 16,869,328**	**$ 387,900**	**$ -**	**$ 17,257,228**

(1) Loans where the client account-level risk rating has not been determined have been included in the "not rated" category.
(2) The allowance is presented under other liabilities in the consolidated statement of financial position.

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, 2024						
Up to 1 month (1)	$ 84,258	$ 127,194	$ 15,697	$ 42,758	$ 269,907	0.5%
Over 1 month up to 2 months	80,526	82,384	47,389	10,678	220,977	0.4%
Over 2 months up to 3 months	9,114	11,820	8,243	4,790	33,967	0.1%
Over 3 months	4,605	518	570	5,010	10,703	0.0%
Total past due but not impaired	**$ 178,503**	**$ 221,916**	**$ 71,899**	**$ 63,236**	**$ 535,554**	**1.0%**
March 31, 2024						
Up to 1 month (1)	$ 35,476	$ 115,946	$ 18,967	$ 27,731	$ 198,120	0.4%
Over 1 month up to 2 months	106,840	83,117	47,357	8,044	245,358	0.5%
Over 2 months up to 3 months	24,572	10,070	11,485	3,805	49,932	0.1%
Over 3 months	501	1,136	930	4,743	7,310	0.0%
Total past due but not impaired	**$ 167,389**	**$ 210,269**	**$ 78,739**	**$ 44,323**	**$ 500,720**	**1.0%**

(1) Loans past due by one day do not represent the borrowers' ability to meet their payment obligations and therefore are not administratively considered past due nor disclosed.

8 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking expected credit losses (ECLs) approach, as required under IFRS 9. This process involves complex models, with inputs and assumptions requiring a high degree of judgment to assess forecasts of macroeconomic variables and significant increases in credit risk. Our estimates and assumptions consider a range of possible scenarios, including the current interest rate environment. We continue to closely monitor external conditions and their impacts on our clients. Due to the unique conditions in the current environment, uncertainty in judgments and assumptions remains elevated as at December 31, 2024.

Key Inputs and Assumptions

Measuring ECLs requires a complex calculation that involves a number of variables and assumptions. The key inputs for determining ECLs are:

- A borrower's credit quality, reflected through changes in risk ratings.
- Forward-looking macroeconomic conditions.
- Changes to the probability-weighted scenarios.
- Stage migration as a result of the inputs noted above.

Forward-Looking Information

Relevant forward-looking economic information is incorporated for each loan portfolio when measuring ECLs, based on a five-year outlook considering a combination of past, current and future economic conditions and outlooks. (See Note 2 for more on how forward-looking information is incorporated to measure ECLs.)

The following tables present the primary forward-looking economic information used to measure ECLs over the next 12 months, and the remaining two-year forecast period for the three probability-weighted scenarios:

	Baseline scenario			Optimistic scenario			Pessimistic scenario		
As at	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
December 31, 2024									
GDP *(%)*	2.5	2.6	2.3	3.8	4.9	3.2	1.2	(0.7)	0.8
Unemployment rate *(%)*	7.0	6.6	6.1	6.3	4.9	4.3	7.7	8.7	8.5
Housing starts	46,342	45,631	40,081	52,345	57,772	52,648	40,088	30,803	25,161
Oil prices *(WTI, USD/bbl)*	76	72	73	78	90	91	75	54	55
3m T-bill yield *(%)*	4.5	3.0	2.9	4.8	3.8	3.6	4.5	2.3	2.1

	2024	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
March 31, 2024									
GDP *(%)*	2.1	2.7	2.4	5.3	3.8	3.2	(1.6)	1.3	1.3
Unemployment rate *(%)*	6.2	5.9	5.7	4.7	4.0	3.9	7.8	7.9	7.7
Housing starts	40,423	39,533	35,139	51,680	51,116	47,246	28,476	27,271	22,287
Oil prices *(WTI, USD/bbl)*	75	73	69	93	91	86	58	55	51
3m T-bill yield *(%)*	4.5	3.5	3.3	5.6	4.4	4.1	3.5	2.6	2.4

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 write-offs	Discounted cash flows on impaired loans and other	Balance at end of period	Comprises	
						Loans	Other credit instruments (1)
December 31, 2024							
Business	$ 315,218	$ 41,614	$ (9,719)	$ (4,407)	$ 342,706	$ 312,600	$ 30,106
Residential mortgages	10,314	848	(458)	190	10,894	9,591	1,303
Personal	40,906	6,255	(6,146)	268	41,283	31,689	9,594
Credit card	30,996	4,801	(4,648)	42	31,191	22,451	8,740
Total	**$ 397,434**	**$ 53,518**	**$ (20,971)**	**$ (3,907)**	**$ 426,074**	**$ 376,331**	**$ 49,743**
December 31, 2023							
Business	$ 289,787	$ 15,579	$ (13,977)	$ (2,589)	$ 288,800	$ 259,750	$ 29,050
Residential mortgages	9,410	709	(381)	201	9,939	8,818	1,121
Personal	34,777	7,158	(4,765)	248	37,418	29,050	8,368
Credit card	26,679	6,097	(2,942)	(14)	29,820	22,003	7,817
Total	**$ 360,653**	**$ 29,543**	**$ (22,065)**	**$ (2,154)**	**$ 365,977**	**$ 319,621**	**$ 46,356**

For the nine months ended ($ in thousands)	Balance at beginning of period	Provision for (recovery of) loan losses	Net write-offs	Discounted cash flows on impaired loans and other	Balance at end of period	Comprises	
						Loans	Other credit instruments (1)
December 31, 2024							
Business	$ 335,963	$ 55,410	$ (33,503)	$ (15,164)	$ 342,706	$ 312,600	$ 30,106
Residential mortgages	9,957	1,371	(978)	544	10,894	9,591	1,303
Personal	40,730	16,173	(16,351)	731	41,283	31,689	9,594
Credit card	29,816	12,504	(11,167)	38	31,191	22,451	8,740
Total	**$ 416,466**	**$ 85,458**	**$ (61,999)**	**$ (13,851)**	**$ 426,074**	**$ 376,331**	**$ 49,743**
December 31, 2023							
Business	$ 309,589	$ 44,588	$ (57,927)	$ (7,450)	$ 288,800	$ 259,750	$ 29,050
Residential mortgages	8,815	1,729	(1,132)	527	9,939	8,818	1,121
Personal	39,935	12,107	(15,486)	862	37,418	29,050	8,368
Credit card	39,657	(1,470)	(8,459)	92	29,820	22,003	7,817
Total	**$ 397,996**	**$ 56,954**	**$ (83,004)**	**$ (5,969)**	**$ 365,977**	**$ 319,621**	**$ 46,356**

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

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

	December 31, 2024				December 31, 2023			
	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	$ 76,514	$ 81,240	$ 157,464	$ 315,218	$ 77,912	$ 71,801	$ 140,074	$ 289,787
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	1,869	(1,741)	(128)	-	1,764	(1,598)	(166)	-
Transfers into (out of) Stage 2 (1)	(10,909)	11,081	(172)	-	(1,578)	2,737	(1,159)	-
Transfers into (out of) Stage 3 (1)	(2,709)	(1,789)	4,498	-	(907)	(1,715)	2,622	-
New originations (2)	17,107	-	-	17,107	3,661	-	-	3,661
Repayments (3)	(4,873)	(8,831)	(315)	(14,019)	(3,868)	(2,782)	(995)	(7,645)
Remeasurements (4)	(7,689)	6,660	39,555	38,526	7,132	4,989	7,442	19,563
Total provision for (recovery of) loan losses	**(7,204)**	**5,380**	**43,438**	**41,614**	**6,204**	**1,631**	**7,744**	**15,579**
Write-offs	-	-	(10,663)	(10,663)	-	-	(14,203)	(14,203)
Recoveries	-	-	944	944	-	-	226	226
Discounted cash flows on impaired loans and other	280	156	(4,843)	(4,407)	(84)	(17)	(2,488)	(2,589)
Balance at end of period	**$ 69,590**	**$ 86,776**	**$ 186,340**	**$ 342,706**	**$ 84,032**	**$ 73,415**	**$ 131,353**	**$ 288,800**

Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 6,614	$ 2,511	$ 1,189	$ 10,314	$ 6,124	$ 2,018	$ 1,268	$ 9,410
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	452	(378)	(74)	-	531	(386)	(145)	-
Transfers into (out of) Stage 2 (1)	(119)	262	(143)	-	(106)	231	(125)	-
Transfers into (out of) Stage 3 (1)	(1)	(189)	190	-	(5)	(152)	157	-
New originations (2)	105	-	-	105	55	-	-	55
Repayments (3)	(51)	(32)	(62)	(145)	(40)	(15)	(40)	(95)
Remeasurements (4)	(608)	829	667	888	(323)	688	384	749
Total provision for (recovery of) loan losses	**(222)**	**492**	**578**	**848**	**112**	**366**	**231**	**709**
Write-offs	-	-	(504)	(504)	-	-	(406)	(406)
Recoveries	-	-	46	46	-	-	25	25
Discounted cash flows on impaired loans and other	-	-	190	190	-	-	201	201
Balance at end of period	**$ 6,392**	**$ 3,003**	**$ 1,499**	**$ 10,894**	**$ 6,236**	**$ 2,384**	**$ 1,319**	**$ 9,939**

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.

For the three months ended *($ in thousands)*	December 31, 2024 Performing Stage 1	December 31, 2024 Performing Stage 2	December 31, 2024 Impaired Stage 3	December 31, 2024 Total	December 31, 2023 Performing Stage 1	December 31, 2023 Performing Stage 2	December 31, 2023 Impaired Stage 3	December 31, 2023 Total
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 19,929	$ 6,405	$ 14,572	$ 40,906	$ 18,395	$ 6,747	$ 9,635	$ 34,777
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	3,952	(3,480)	(472)	-	2,838	(2,605)	(233)	-
Transfers into (out of) Stage 2 (1)	(818)	1,380	(562)	-	(627)	1,077	(450)	-
Transfers into (out of) Stage 3 (1)	(193)	(1,339)	1,532	-	(348)	(568)	916	-
New originations (2)	995	-	-	995	1,401	-	-	1,401
Repayments (3)	(497)	(242)	(294)	(1,033)	(397)	(272)	(128)	(797)
Remeasurements (4)	(4,035)	3,572	6,756	6,293	(1,635)	2,960	5,229	6,554
Total provision for (recovery of) loan losses	**(596)**	**(109)**	**6,960**	**6,255**	**1,232**	**592**	**5,334**	**7,158**
Write-offs	-	-	(6,159)	(6,159)	-	-	(4,810)	(4,810)
Recoveries	-	-	13	13	-	-	45	45
Discounted cash flows on impaired loans and other	-	-	268	268	-	-	248	248
Balance at end of period	**$ 19,333**	**$ 6,296**	**$ 15,654**	**$ 41,283**	**$ 19,627**	**$ 7,339**	**$ 10,452**	**$ 37,418**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 14,230	$ 13,679	$ 3,087	$ 30,996	$ 14,929	$ 9,055	$ 2,695	$ 26,679
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	3,704	(3,704)	-	-	4,936	(4,936)	-	-
Transfers into (out of) Stage 2 (1)	(634)	634	-	-	(664)	664	-	-
Transfers into (out of) Stage 3 (1)	(40)	(513)	553	-	(53)	(627)	680	-
New originations (2)	241	-	-	241	181	-	-	181
Repayments (3)	(93)	(1,627)	-	(1,720)	(179)	(839)	-	(1,018)
Remeasurements (4)	(4,923)	6,838	4,365	6,280	(3,867)	8,440	2,361	6,934
Total provision for (recovery of) loan losses	**(1,745)**	**1,628**	**4,918**	**4,801**	**354**	**2,702**	**3,041**	**6,097**
Write-offs	-	-	(6,959)	(6,959)	-	-	(5,511)	(5,511)
Recoveries	-	-	2,311	2,311	-	-	2,569	2,569
Discounted cash flows on impaired loans and other	25	11	6	42	(11)	(4)	1	(14)
Balance at end of period	**$ 12,510**	**$ 15,318**	**$ 3,363**	**$ 31,191**	**$ 15,272**	**$ 11,753**	**$ 2,795**	**$ 29,820**
Total balance as at end of period	**$ 107,825**	**$ 111,393**	**$ 206,856**	**$ 426,074**	**$ 125,167**	**$ 94,891**	**$ 145,919**	**$ 365,977**
Comprises: Loans	$ 75,353	$ 94,122	$ 206,856	$ 376,331	$ 92,311	$ 81,391	$ 145,919	$ 319,621
Comprises: Other credit instruments (5)	32,472	17,271	-	49,743	32,856	13,500	-	46,356

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.
(5) Other credit instruments, including off-balance-sheet items, are recorded to other liabilities in the consolidated statement of financial position.

	December 31, 2024				December 31, 2023			
	Performing		Impaired		Performing		Impaired	
For the nine 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	$ 79,036	$ 82,741	$ 174,186	$ 335,963	$ 57,462	$ 77,943	$ 174,184	$ 309,589
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	5,988	(5,694)	(294)	-	8,028	(7,581)	(447)	-
Transfers into (out of) Stage 2 (1)	(30,349)	31,303	(954)	-	(2,969)	11,570	(8,601)	-
Transfers into (out of) Stage 3 (1)	(4,436)	(13,738)	18,174	-	(1,969)	(3,058)	5,027	-
New originations (2)	46,678	-	-	46,678	9,077	-	-	9,077
Repayments (3)	(12,977)	(21,233)	(1,341)	(35,551)	(6,894)	(10,389)	(2,901)	(20,184)
Remeasurements (4)	(14,622)	13,256	45,649	44,283	21,364	4,941	29,390	55,695
Total provision for (recovery of) loan losses	(9,718)	3,894	61,234	55,410	**26,637**	**(4,517)**	**22,468**	**44,588**
Write-offs	-	-	(35,311)	(35,311)	-	-	(58,533)	(58,533)
Recoveries	-	-	1,808	1,808	-	-	606	606
Discounted cash flows on impaired loans and other	272	141	(15,577)	(15,164)	(67)	(11)	(7,372)	(7,450)
Balance at end of period	**$ 69,590**	**$ 86,776**	**$ 186,340**	**$ 342,706**	**$ 84,032**	**$ 73,415**	**$ 131,353**	**$ 288,800**
Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 5,887	$ 2,711	$ 1,359	$ 9,957	$ 4,997	$ 2,711	$ 1,107	$ 8,815
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	1,470	(1,101)	(369)	-	1,668	(1,428)	(240)	-
Transfers into (out of) Stage 2 (1)	(276)	637	(361)	-	(231)	527	(296)	-
Transfers into (out of) Stage 3 (1)	(5)	(400)	405	-	(9)	(375)	384	-
New originations (2)	327	-	-	327	248	-	-	248
Repayments (3)	(155)	(78)	(218)	(451)	(142)	(109)	(122)	(373)
Remeasurements (4)	(856)	1,234	1,117	1,495	(295)	1,058	1,091	1,854
Total provision for (recovery of) loan losses	505	292	574	1,371	**1,239**	**(327)**	**817**	**1,729**
Write-offs	-	-	(1,099)	(1,099)	-	-	(1,206)	(1,206)
Recoveries	-	-	121	121	-	-	74	74
Discounted cash flows on impaired loans and other	-	-	544	544	-	-	527	527
Balance at end of period	**$ 6,392**	**$ 3,003**	**$ 1,499**	**$ 10,894**	**$ 6,236**	**$ 2,384**	**$ 1,319**	**$ 9,939**

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.

For the nine months ended ($ in thousands)	December 31, 2024 Performing Stage 1	December 31, 2024 Performing Stage 2	December 31, 2024 Impaired Stage 3	December 31, 2024 Total	December 31, 2023 Performing Stage 1	December 31, 2023 Performing Stage 2	December 31, 2023 Impaired Stage 3	December 31, 2023 Total
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 22,483	$ 7,025	$ 11,222	$ 40,730	$ 23,065	$ 7,856	$ 9,014	$ 39,935
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	11,634	(10,375)	(1,259)	-	7,535	(6,902)	(633)	-
Transfers into (out of) Stage 2 (1)	(2,211)	3,359	(1,148)	-	(1,505)	2,465	(960)	-
Transfers into (out of) Stage 3 (1)	(791)	(3,541)	4,332	-	(712)	(1,836)	2,548	-
New originations (2)	3,306	-	-	3,306	2,833	-	-	2,833
Repayments (3)	(1,458)	(685)	(611)	(2,754)	(1,143)	(741)	(520)	(2,404)
Remeasurements (4)	(13,630)	10,513	18,738	15,621	(10,446)	6,497	15,627	11,678
Total provision for (recovery of) loan losses	**(3,150)**	**(729)**	**20,052**	**16,173**	**(3,438)**	**(517)**	**16,062**	**12,107**
Write-offs	-	-	(16,438)	(16,438)	-	-	(15,560)	(15,560)
Recoveries	-	-	87	87	-	-	74	74
Discounted cash flows on impaired loans and other	-	-	731	731	-	-	862	862
Balance at end of period	**$ 19,333**	**$ 6,296**	**$ 15,654**	**$ 41,283**	**$ 19,627**	**$ 7,339**	**$ 10,452**	**$ 37,418**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 15,447	$ 11,670	$ 2,699	$ 29,816	$ 19,173	$ 18,215	$ 2,269	$ 39,657
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	10,402	(10,402)	-	-	21,723	(21,723)	-	-
Transfers into (out of) Stage 2 (1)	(1,469)	1,469	-	-	(1,863)	1,863	-	-
Transfers into (out of) Stage 3 (1)	(103)	(1,402)	1,505	-	(137)	(1,962)	2,099	-
New originations (2)	648	-	-	648	687	-	-	687
Repayments (3)	(327)	(3,495)	-	(3,822)	(612)	(2,950)	-	(3,562)
Remeasurements (4)	(12,110)	17,469	10,319	15,678	(23,694)	18,312	6,787	1,405
Total provision for (recovery of) loan losses	**(2,959)**	**3,639**	**11,824**	**12,504**	**(3,896)**	**(6,460)**	**8,886**	**(1,470)**
Write-offs	-	-	(18,776)	(18,776)	-	-	(16,280)	(16,280)
Recoveries	-	-	7,609	7,609	-	-	7,821	7,821
Discounted cash flows on impaired loans and other	22	9	7	38	(5)	(2)	99	92
Balance at end of period	**$ 12,510**	**$ 15,318**	**$ 3,363**	**$ 31,191**	**$ 15,272**	**$ 11,753**	**$ 2,795**	**$ 29,820**
Total balance as at end of period	**$ 107,825**	**$ 111,393**	**$ 206,856**	**$ 426,074**	**$ 125,167**	**$ 94,891**	**$ 145,919**	**$ 365,977**
Comprises: Loans	$ 75,353	$ 94,122	$ 206,856	$ 376,331	$ 92,311	$ 81,391	$ 145,919	$ 319,621
Comprises: Other credit instruments (5)	32,472	17,271	-	49,743	32,856	13,500	-	46,356

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.
(5) Other credit instruments, including off-balance-sheet items, are recorded to other liabilities in the consolidated statement of financial position.

9 Securitization Liabilities

Residential Mortgage Loans Securitization

ATB periodically securitizes insured residential mortgage loans (RMLs) and certain securities by participating in the *National Housing Act* Mortgage-Backed Security (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The 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. (For more on the program, refer to Note 15 of the 2024 annual consolidated financial statements.)

Credit Card Securitization

ATB entered into a program with another financial institution to securitize credit card receivables to obtain additional funding. This program allows ATB to borrow up to 85% of the amount of credit card receivables pledged. The secured credit card receivables remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. Should the amount securitized not adequately support the program, ATB will be responsible for funding this shortfall.

Equipment Finance Securitization

Effective December 8, 2023, ATB entered into a program with another financial institution to securitize equipment finance receivables as an additional source of funding. This program allows ATB to borrow up to 84% of the equipment finance receivables pledged. The equipment finance receivables remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. Should the amount securitized not adequately support the program, ATB will be responsible for funding this shortfall.

Synthetic Securitization

Effective May 8, 2024, ATB began the synthetic securitization of certain loan assets. This allows ATB to purchase credit protection against eligible credit events on these loans through the issuance of interest-bearing guarantee linked notes to third-party investors. The loans remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. As at December 31, 2024, ATB issued $63.8 million in guarantee linked notes. The transaction is fully cash collateralized as funds in the amount of the guarantee are received on issuance.

The following table presents the carrying amount of ATB's RMLs, agricultural loans under synthetic securitization, credit card and equipment finance receivables, as well as, assets pledged as collateral for the associated liability recognized in the consolidated statement of financial position:

As at *($ in thousands)*	**December 31 2024**	**March 31 2024**
Principal value of mortgages pledged as collateral	$ 5,108,237	$ 5,865,807
ATB mortgage-backed securities (MBSs) pledged as collateral through repurchase agreements	553,984	1,004,258
Externally purchased MBSs	-	32,568
Principal value of credit card receivables pledged as collateral	721,128	689,770
Principal value of equipment finance receivables pledged as collateral	23,294	26,756
Principal value of Agricultural loans under synthetic securitization	750,000	-
Total	**$ 7,156,641**	**$ 7,619,159**
Associated liabilities	$ 6,770,855	$ 6,820,589

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 our audited annual financial statements. Payment in lieu of tax (PILOT) is calculated as 23% of NI reported under IFRS.

For the three and nine months ended December 31, 2024, ATB has accrued a total of $26.5 million and $89.3 million, respectively (December 31, 2023: $28.4 million and $90.3 million, respectively) for PILOT.

11 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the three and nine months ended December 31, 2024, ATB declared and paid dividends of $25 million and $75 million respectively (December 31, 2023: nil for both periods).

Subsequent to December 31, 2024, ATB's Board of Directors declared a $25 million dividend payable to the GoA.

12 Capital Management

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

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act* and associated regulations and guidelines. The capital adequacy requirements for ATB are defined in a guideline authorized by the Minister, which was modelled after guidelines governing other Canadian deposit-taking institutions. ATB's minimum Tier 1 capital requirement is 7%. The total capital requirement is the greater of 10% of risk-weighted assets or 5% of total assets. Risk weights are established for various on- and off-balance-sheet assets according to the degree of credit risk.

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. (For more details, refer to Note 25 of the 2024 annual consolidated financial statements.)

As at December 31, 2024, and at March 31, 2024, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	**December 31 2024**	**March 31 2024**
Tier 1 capital		
Retained earnings	$ 5,537,500	$ 5,313,468
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,335,304	1,304,469
Collective allowance for loan losses	219,218	227,000
Total Tier 2 capital	**$ 1,554,522**	**$ 1,531,469**
Deductions from capital		
Software and other intangibles	349,620	174,024
Total capital	**$ 6,742,402**	**$ 6,670,913**
Total risk-weighted assets	$ 44,886,682	$ 40,769,954
Risk-weighted capital ratios		
Tier 1 capital ratio	12.3%	13.0%
Total capital ratio	15.0%	16.3%

13 Segmented Information

ATB has organized our 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 and a securities trading platform to medium and large businesses, corporations and agricultural clients.
- **ATB Wealth** provides investment advisory services, investment management, insurance solutions, private banking and institutional portfolio management solutions.

ATB's strategic support units (SSUs) provide company-wide expertise and support to our AOEs in being client-obsessed and providing and delivering the best experience, products and services to our clients. The SSUs comprise business units of a corporate nature, including finance, risk management, technology, treasury operations, HR, internal assurance and other functions.

Basis of Presentation

Results presented in the following schedule are based on ATB's internal financial reporting systems. The accounting policies used in preparing the schedules are consistent with those followed in preparing the consolidated financial statements, as we disclose in the notes to the statements. Since these AOEs align with ATB's internal management structure, they may not be directly comparable to those of other financial institutions.

NII is attributed to each AOE according to ATB's internal funds transfer pricing (FTP) system: assets earn NII to the extent that external revenues exceed internal FTP expense, and liabilities earn NII to the extent that internal FTP revenues exceed external interest expenses. 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 the 2024 annual consolidated financial statements.

Direct expenses are attributed across AOEs as incurred. Certain indirect expenses are allocated to ATB Wealth on the basis of service-level agreements. Other indirect costs are allocated between the reporting segments using indirect allocation methods that incorporate financial and activity-based cost drivers. Indirect expenses that are not allocated and direct expenses of a corporate or support nature are reported under SSUs.

For the three months ended *($ in thousands)*	Everyday Financial Services	ATB Business	ATB Wealth (2)	Strategic support units	Total
December 31, 2024					
Net interest income (loss)	$ 146,038	$ 192,144	$ 10,264	$ 14,528	$ 362,974
Other income (loss)	44,240	83,469	81,394	(5,400)	203,703
Total revenue (loss)	190,278	275,613	91,658	9,128	566,677
Provision for (recovery of) loan losses	10,725	42,538	(147)	402	53,518
Non-interest expense (1)	144,146	150,087	88,691	15,019	397,943
Income (loss) before payment in lieu of tax	35,407	82,988	3,114	(6,293)	115,216
Payment in lieu of (recovery of) tax	8,143	19,089	374	(1,106)	26,500
Net income (loss)	**$ 27,264**	**$ 63,899**	**$ 2,740**	**$ (5,187)**	**$ 88,716**
Total assets	$ 33,226,328	$ 29,688,833	$ 1,378,820	$ 1,172,013	$ 65,465,994
Total liabilities	20,381,990	20,986,314	1,490,590	16,960,667	59,819,561
September 30, 2024					
Net interest income (loss)	$ 144,465	$ 192,058	$ 10,484	$ 6,870	$ 353,877
Other income (loss)	42,196	64,410	72,749	(7,014)	172,341
Total revenue (loss)	186,661	256,468	83,233	(144)	526,218
Provision for (recovery of) loan losses	13,039	4,377	395	1,105	18,916
Non-interest expense (1)	138,752	142,833	80,216	8,693	370,494
Income (loss) before payment in lieu of tax	34,870	109,258	2,622	(9,942)	136,808
Payment in lieu of (recovery of) tax	8,020	25,128	604	(2,286)	31,466
Net income (loss)	**$ 26,850**	**$ 84,130**	**$ 2,018**	**$ (7,656)**	**$ 105,342**
Total assets	$ 31,730,754	$ 29,177,557	$ 1,401,306	$ 27,746	$ 62,337,363
Total liabilities	19,962,413	20,766,123	1,500,782	14,526,291	56,755,609
December 31, 2023					
Net interest income (loss)	$ 141,600	$ 213,072	$ 10,892	$ (17,283)	$ 348,281
Other income (loss)	39,454	62,583	66,884	787	169,708
Total revenue (loss)	181,054	275,655	77,776	(16,496)	517,989
Provision for (recovery of) loan losses	17,669	12,610	649	(1,385)	29,543
Non-interest expense (1)	143,552	132,069	79,757	9,628	365,006
Income (loss) before payment in lieu of tax	19,833	130,976	(2,630)	(24,739)	123,440
Payment in lieu of (recovery of) tax	4,562	30,125	(605)	(5,691)	28,391
Net income (loss)	**$ 15,271**	**$ 100,851**	**$ (2,025)**	**$ (19,048)**	**$ 95,049**
Total assets	$ 30,836,205	$ 25,953,973	$ 1,835,416	$ 1,568,145	$ 60,193,739
Total liabilities	18,520,949	18,615,854	1,900,819	15,952,614	54,990,236

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(2) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

For the nine months ended ($ in thousands)	**Everyday Financial Services**	**ATB Business**	**ATB Wealth (2)**	**Strategic support units**	**Total**
December 31, 2024					
Net interest income (loss)	$ 433,565	$ 588,185	$ 31,485	$ 16,055	$ 1,069,290
Other income (loss)	126,699	220,514	224,587	(14,567)	557,233
Total revenue (loss)	560,264	808,699	256,072	1,488	1,626,523
Provision for (recovery of) loan losses	29,892	52,799	87	2,680	85,458
Non-interest expense (1)	426,118	436,457	251,989	38,147	1,152,711
Income (loss) before payment in lieu of tax	104,254	319,443	3,996	(39,339)	388,354
Payment in lieu of (recovery of) tax	23,978	73,472	578	(8,706)	89,322
Net income (loss)	**$ 80,276**	**$ 245,971**	**$ 3,418**	**$ (30,633)**	**$ 299,032**
December 31, 2023					
Net interest income (loss)	$ 427,670	$ 608,914	$ 32,443	$ (44,545)	$ 1,024,482
Other income (loss)	112,384	186,107	200,989	(4,811)	494,669
Total revenue (loss)	540,054	795,021	233,432	(49,356)	1,519,151
Provision for (recovery of) loan losses	15,438	41,194	552	(230)	56,954
Non-interest expense (1)	422,052	395,040	222,540	29,918	1,069,550
Income (loss) before payment in lieu of tax	102,564	358,787	10,340	(79,044)	392,647
Payment in lieu of (recovery of) tax	23,590	82,521	2,378	(18,181)	90,308
Net income (loss)	**$ 78,974**	**$ 276,266**	**$ 7,962**	**$ (60,863)**	**$ 302,339**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(2) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

14 Business Combination

On November 25, 2024, ATB acquired 100% of the issued and outstanding shares in the capital of BCV Asset Management Inc. ("BCV"), an unlisted Manitoba-based portfolio management firm offering customised investment solutions through separately managed accounts. ATB has acquired BCV as an opportunity to leverage the collective experience and expertise for the benefit of its clients. BCV's customised approach to portfolio management complements ATB's vision for growth and delivering personalised financial solutions to clients across Canada.

The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of BCV for the period from the acquisition date to December 31, 2024.

The provisional fair values of the identifiable assets and liabilities of BCV as at the date of acquisition were:

($ in thousands)	**As at November 25, 2024(1)**
Provisional fair value recognized on acquisition:	
Assets	
Cash	$ 13,977
Current assets	20,644
Property and equipment	1,727
Right-of-use assets	2,407
Intangible assets	122,100
	$ 160,855
Liabilities	
Current liabilities (excluding current portion of long-term debt)	$ 27,245
Assumed liabilities	25,961
Lease liabilities	2,434
	$ 55,640
Total identifiable net assets at fair value (provisional)	**$ 105,215**
Goodwill arising on acquisition (provisional)	**$ 85,604**
Purchase consideration transferred (provisional)	**$ 190,819**

The following table reconciles the purchase consideration to enterprise value:

($ in thousands)	**As at November 25, 2024 (1)**
Purchase consideration (provisional):	
Cash consideration	$ 160,000
Closing working capital adjustment	(2,172)
Closing cash adjustment	13,977
Closing indebtedness	(25,961)
Contingent consideration liability	44,975
Total consideration (provisional)	**$ 190,819**
Closing indebtedness	25,961
Closing cash	(13,977)
Enterprise value	**$ 202,803**

The following table summarizes the net cash flow on acquisition:

($ in thousands)	**As at November 25, 2024**
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition, net of reimbursed amounts paid on behalf of BCV (included in cash flows from operating activities)	$ (3,310)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	13,977
Cash paid (included in cash flows from investing activities)	(153,736)
Net cash flows on acquisition	**$ (143,069)**

The acquisition date provisional fair value of trade receivables, included within other assets, amounts to $20.5 million.

(1) The BCV closing balance sheet information has not been finalized by the date the interim condensed consolidated financial statements were approved for issue by the Board of Directors. Thus, the valuation of all assets acquired, liabilities assumed and purchase consideration transferred is provisional and may need to be subsequently adjusted, with corresponding adjustments to goodwill prior to November 26, 2025 (one year after the transaction).

ATB measured the acquired lease liabilities, included in other liabilities, using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets, included in property and equipment, were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The provisional intangible assets of $122.1 million include brand and customer and referral relationships. The provisional goodwill of $85.6 million comprises the value of expected synergies arising from the acquisition and workforce, which is not separately recognised. Intangibles and goodwill are allocated entirely to the SSU segment.

From the date of acquisition, BCV contributed $6.0 million of revenue and $1.5 million to profit from continuing operations of ATB. If the combination had taken place at the beginning of the fiscal year, revenue from continuing operations would have been $53.6 million and profit from continuing operations for ATB would have been $13.3 million.

Included in closing indebtedness was $20.3 million for immediately settling BCV's income tax liabilities, such that the tax liabilities would be extinguished. This amount was recognized separately by ATB from the acquisition of assets and assumption of current liabilities in the business combination. Therefore, in determining the provisional purchase consideration, $20.3 million was excluded and treated as an immediate post-acquisition settlement of the income tax liability.

Transaction costs of $3.3 million were expensed and are included in other non-interest expenses.

Contingent Consideration

As part of the purchase agreement with the previous owners of BCV, a contingent consideration has been agreed. There may be additional cash payments to the previous owners of BCV, determined in tranches, up to a possible total of $70.0 million based on the future value of assets under administration (AUA).

At the acquisition date, the provisional fair value of the contingent consideration was estimated to be $45.0. The contingent consideration is classified as other liabilities.

As at December 31, 2024, the forecasted AUA of BCV show that the targets will be achieved due to the synergies realized. The fair value of the contingent consideration as at December 31, 2024 reflects this development, among other factors. The fair value is determined using a discounted cash flow model.

A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

($ in thousands)	**Contingent consideration**
Fair value as at April 1, 2024	$ -
Liability arising on business combination (provisional) (1)	44,975
Unrealized fair value changes recognized in profit or loss	-
Fair value as at December 31, 2024	**$ 44,975**

(1) The BCV closing balance sheet information has not been finalized by the date the interim condensed consolidated financial statements were approved for issue by the Board of Directors. Thus, the valuation of all assets acquired, liabilities assumed and purchase consideration transferred is provisional and may need to be subsequently adjusted, with corresponding adjustments to goodwill prior to November 26, 2025 (one year after the transaction).

15 Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current period's presentation.

GLOSSARY

(unaudited)

Achievement note	A long-term investment note whose return is directly tied to the increasing or decreasing value of ATB Wealth.
Allowance for loan losses	A total allowance that represents management's best estimate of expected losses for both performing and impaired loans that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month and lifetime horizon or on the discounted contractual cash shortfall expected over the remaining lifetime.
Assets 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 year.
Average interest-earning assets	The daily average for the year of cash held in the Bank of Canada's large-value transfer system, deposits with financial institutions, securities and net loans.
Average risk-weighted assets	The monthly average value of assets calculated by applying a prescribed risk-weighted factor to on- and off-balance-sheet asset exposures.
Basis point	One one-hundredth of one percent (0.01%).
Carrying value	The net value of an asset or liability as reported within the consolidated financial statements.
Collateral	Assets pledged as security for a loan or other obligation.
Credit risk	The risk of financial loss resulting from failure of a debtor, for whatever reason, to fully honour its financial or contractual obligations to ATB.
Derivative or derivative contract	A contract whose value changes by reference to a specified underlying variable, such as interest rates, foreign exchange rates or equity or commodity prices. Use of derivatives allows for the mitigation of current or expected risks relating to these variables. Derivatives typically require little or no initial net investment and are settled at a future date. The most common types of derivatives ATB uses include interest rate swaps, foreign exchange and commodity forwards, and futures contracts.
Efficiency ratio	Non-interest expense for the year divided by total revenue for the year. May be referred to as the "productivity ratio" by other financial institutions.
Embedded derivative	A component of a financial instrument or other contract with features similar to a derivative.
Fair value	The amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
Financial instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset/liability is the right to receive/deliver cash or another financial asset or the right to exchange financial instruments with another party under favourable or unfavourable conditions. An equity instrument is a contract that represents a residual interest in another entity's assets.
Foreign exchange forward contract	A commitment to buy or sell a fixed amount of foreign currency on a future specified date at a set rate of exchange.
Foreign exchange risk	The potential risk of loss resulting from fluctuations in foreign exchange rates. It arises from the existence of a net asset or liability position denominated in foreign currencies and/or a difference in maturity profiles for purchases and sales of a given currency.
Forwards and futures	Commitments to buy or sell designated amounts of commodities or currencies on a specified date at a predetermined price. Forwards are customized contracts transacted in the over-the-counter market. Futures are traded on recognized exchanges.
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.
Guarantee Linked Note	A guarantee linked note (GLN) is a financial instrument that is used to transfer credit risk from the issuer - the protection buyer, to an investor - the protection seller. A GLN is backed by a single asset, a basket of assets, or a whole loan portfolio originated by the issuer. The investor purchases the GLN at (typically) par value, and in return receives periodic coupon payments (typically floating, but could be fixed) and the face value of the asset at maturity, minus losses (or write downs) incurred from the underlying portfolio.
Impaired loan	A loan for which there is no longer reasonable assurance of the timely collection of principal or interest.
Income before provisions	All ATB revenue (operating revenue) minus non-interest expense (operating expenses). Does not include payment in lieu of tax or loan loss provision expenses.

Interest rate floor	A contract whereby the buyer pays the seller a premium in exchange for the payment of any difference below a set strike interest rate and the prevailing market interest rate on predetermined dates.
Interest rate 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	Net of assets inflows and outflows at year end
Net income (NI)	Income after the removal of expenses, provision for loan losses and payment in lieu of tax.
Net 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 net interest income for the year to the value of average interest-earning assets.
Net loan change	Net loans outstanding at year end less net loans outstanding at the previous year end, divided by net loans outstanding at the previous year end.
Net loans	Gross loans less the allowance for loan losses.
Notional amount	The principal value used to calculate interest and other payments under derivative contracts. The amounts are termed “notional” because they are not usually exchanged, except in the case of cross-currency swaps; they serve only as the basis for calculating amounts that do change hands.
Off-balance-sheet instruments	Assets or liabilities that are not recorded on the balance sheet but have the potential to produce future positive or negative cash flows. Various products offered to clients can be classified as off-balance sheet, and they fall into two general categories: credit-related arrangements, such as letters of credit and letters of guarantee, and the notional amount of derivatives.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but not strategic or reputational.
Option	A contract between two parties whereby the buyer of the option has the right but no obligation to buy (call) or sell (put) a specified financial instrument or currency at a set price or rate on or before a specified future date or on a series of specified future dates.
Other income to total revenue	Other income for the period divided by total revenue for the period.
Performing loan change	Performing loans outstanding at period end less performing loans outstanding at the previous period end, divided by performing loans outstanding at the previous period end.
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 year divided by average total assets for the year.

Return on average risk-weighted assets	Net income for the year divided by average risk-weighted assets for the year.
Securities purchased under reverse repurchase agreements	The purchase of securities for cash and the concurrent sale of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securities sold under repurchase agreements	The cash sale of securities and the concurrent repurchase of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securitization	The process by which a pool of financial assets, mainly loans, are converted into asset-backed securities and transferred to a trust that normally issues a series of asset-backed securities to investors to fund the purchase of loans.
Standby fees	Fees charged monthly, quarterly or annually to a client based on the average unused portion of their loan commitment. Standby fees can arise on any loan, including syndicated loans.
Swaps	A contractual agreement between two parties to exchange a series of cash flows. For interest rate swaps, counterparties generally exchange fixed- and floating-rate interest payments based on a notional amount in a single currency. For cross-currency swaps, counterparties generally exchange one currency for another at a set date.
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, its net assets change recorded during the year
Total capital	An assessed regulatory measure of Tier 1 capital; Tier 2 capital consisting of eligible portions of subordinated debentures, wholesale borrowings and the collective allowance for loan losses; and the deduction of software and other intangibles.
Total capital ratio	Total capital divided by risk-weighted assets.
Total deposit change	Total deposits outstanding at period end less total deposits outstanding at the previous period end, divided by total deposits outstanding at the previous period end.
Total expense change	The current year's non-interest expense less the previous year's non-interest expense, divided by the previous year's non-interest expense.
Total revenue	The sum of net interest income and other income.

ACRONYMS

(unaudited)

AOCI	Accumulated other comprehensive income
AOE	Area of expertise
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
CDOR	Canadian Dollar Offered Rate
CMB	Canada Mortgage Bonds
CORRA	Canadian Overnight Repo Rate Average
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EFS	Everyday Financial Services
FICO	Fair Isaac Corporation
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., FY2025)
GDP	Gross domestic product
GLN	Guarantee Linked Note
GoA	Government of Alberta
HELOC	Home equity line of credit
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
LCR	Liquidity coverage ratio
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
NI	Net income
NIE	Non-interest expense
NII	Net interest income
NIM	Net interest margin
OI	Other income
PILOT	Payment in lieu of tax
RML	Residential mortgage loan
SSU	Strategic support unit