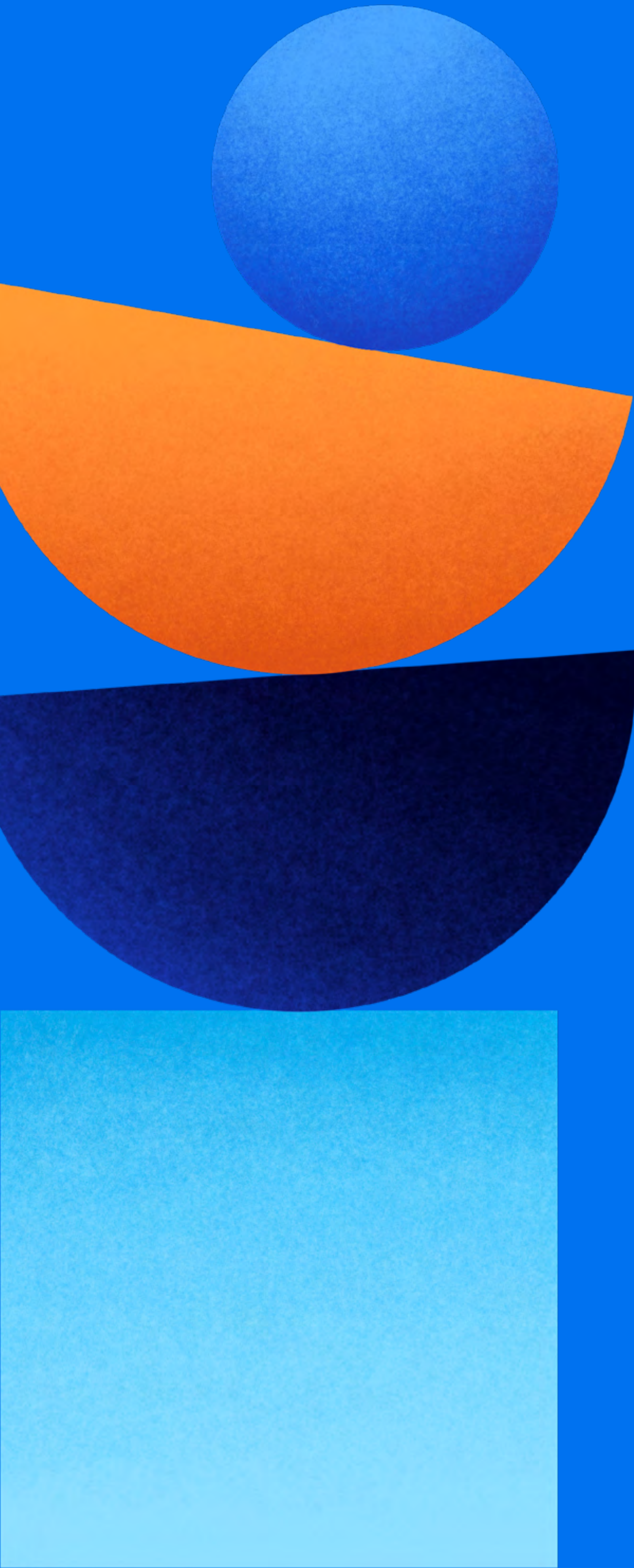
ANNUAL REPORT 2024


IT'S POSSIBLE



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INTRODUCTION

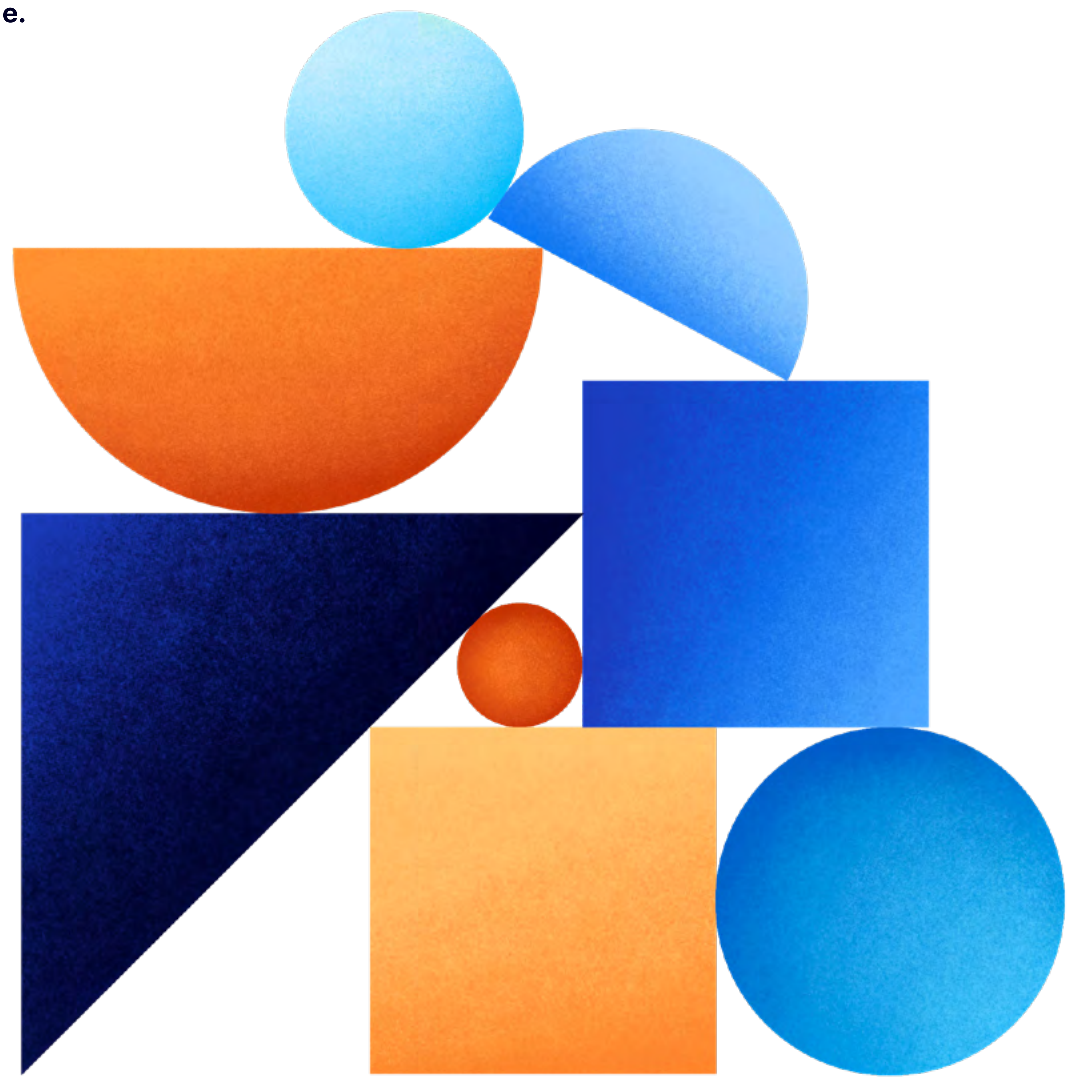
It's possible—in Alberta and beyond

Everyone has their own financial goals and aspirations. And although everyone's personal and professional milestones are unique, they all share something in common—that ATB Financial welcomes the opportunity to help make them a reality.

And not just for individuals, but also for the collective ambitions of small businesses, large enterprises, entire communities and Indigenous Nations. It is ATB's pleasure and purpose to empower everyone with the expertise and solutions they need to bring their goals and aspirations to life.

As industries continue to shift, environmental opportunities emerge, and world politics have an impact closer to home, ATB is ready to navigate a path forward and help our clients do the same.

Together, it's possible.



ABOUT ATB

We exist to make it possible

Since our start in 1938, ATB Financial has been focused on serving Albertans. Over 85 years we've grown from a small treasury branch to the largest financial institution headquartered in Western Canada. ATB now provides personalized solutions and expert advice to more than 800,000 clients in more than 280 locations, across personal, business, agriculture, corporate, investment banking and wealth management. ATB Wealth has recently opened locations outside of Alberta, in Kelowna and Saskatoon, enabling us to provide even more Canadians with financial advice.

Along with meeting our clients' needs, we're proud of the positive contributions we make in the local communities we call home. We're continually looking for opportunities to advance sustainable impact in the communities that matter most to us and to create value for Indigenous Peoples, equity-seeking groups and the broader society and planet.

Since ATB Financial became a commercial Crown corporation in 1997, we have returned nearly $7 billion directly to the Government of Alberta in earnings and injected multiples of that figure into the provincial economy, underscoring our commitment to serving Albertans, their businesses and their communities.

Message from the President and CEO

CURTIS STANGE

Nobody understands the word “possibility” better than Albertans.

We are people who see potential even in the most challenging of circumstances. It’s been that way since Alberta’s earliest days and it remains that way today, as entrepreneurs and innovators continue moving our province forward, seizing opportunity while leaning into every headwind.

Like Albertans past and present, ATB Financial is as resilient as we are optimistic. We will soon celebrate our 86th year in Alberta, and that milestone gives me pause as I reflect on our ongoing evolution over the decades, appreciating our history while looking ahead with excitement towards the future.

ATB has come a long way since our humble beginnings in 1938.

We’ve grown alongside Alberta, its economy and its businesses to have one of the strongest balance sheets of any regional financial institution in North America. This year, ATB achieved a net loan portfolio in excess of $51 billion that further stimulates the growth of our province. Our success comes from our more than 5,000 team members who love to deliver exceptional experiences to over 800,000 clients across personal, business, agriculture, energy, corporate, investment banking and wealth management services.

We have always been a company driven by our purpose—to make it possible. ATB strives to consistently show up for our clients and communities and to play a significant role in achieving positive financial outcomes for Albertans and their businesses. This is especially meaningful amid economic headwinds, higher costs of living and, increasingly, environmental challenges like the extremely dry conditions in some parts of Alberta.

We stepped in to offer our support to local organizations assisting Albertans displaced by wildfires. And, recognizing rising affordability challenges, coupled with an increased demand for essential services, we also extended financial support to dozens of food banks across the province.

As ATB rises to challenges, we also lean on our strengths. Our team members are our heart, and I am continually in awe of their commitment to supporting our clients and their businesses with expert advice and personalized solutions to reach their goals.

Throughout the year, we invested in our growth and provided opportunities for every team member and leader at ATB to develop their domain knowledge, core skills and leadership capabilities. We've made advancements not just in developing skills critical to financial services, but also in gaining momentum in cultivating an environment of continuous learning and growth.

Our deep expertise and strong market offerings allow us to provide an advantage to our clients, and our own strong financial performance has instilled a confidence that we will continue to be there in the years ahead. Proudly this year, we announced that we are in a position, for the first time in our organization's history, to declare ATB dividends to our Shareholder—the Alberta government. This will help build a stronger Alberta now and for the future.

We know the road ahead at times may feel uncertain. Economic and geopolitical instability will continue to impact our province. Banks will continue to face pressures on the heels of elevated costs and interest rates, and affordability challenges will remain acute. That said, we see many positive signs of an improving economy in Alberta—like the province recently hitting a new record for oil production—and ATB will continue to act as a catalyst for continued growth throughout 2024 and into 2025.

What's certain is ATB's unwavering commitment to live our purpose—showing up for our clients and communities, offering hope no matter the challenges and reinforcing what we know to be true: if you believe in it, it is possible.

Curtis Stange
President and CEO

"Our deep expertise and strong market offerings allow us to provide an advantage to our clients, and our own strong financial performance has instilled a confidence that we will continue to be there in the years ahead."

Curtis Stange

Message from the Board Chair

JOAN HERTZ

I am reminded of the saying "Success is not final, failure is not fatal: It is the courage to continue that counts." In the midst of ongoing headwinds and emerging opportunities, ATB Financial, like the Albertans we serve, carries on.

Over the past year, geopolitical forces—combined with rapidly shifting economic forces—continued to impact the Alberta economy and our clients. As we shared the suffering and loss from the wildfires, many Albertans also continued their uphill climb to rebuild after COVID-19.

Even so, a sense of promise remained in the air. We could feel renewed energy and optimism with more jobs, more migration to the province and solid results from the energy industry. I heard from clients who were grateful to ATB for supporting their new businesses, such as a family-owned coffee bar in Edmonton. I also heard from clients about our CEBA refinancing being a lifeline that allowed them to pay back their loans without putting their families or their businesses in a cash crunch. And I heard from large energy and agriculture producers grateful for the expert advice ATB provided to their businesses—businesses that are so essential to our provincial economy.

I was heartened as we listened to team members who were proud to go the extra mile for their clients—some renewing mortgages or nearing the end of their CEBA loans. In all cases, team members worked together, leveraging ATB's expert advice to get the best solution for clients. This included ATB backing Indigenous-led ventures in partnership with the Alberta Indigenous Opportunities Corporation, which is driving economic prosperity across our province.

This past year, our CEO, Curtis Stange, was named Most Admired Enterprise CEO by Waterstone Human Capital. We are grateful for his excellent leadership and blessed that he chooses to share his talents with ATB. Our strong financial performance, award-winning culture and top-tier client recognition are the trifecta of positive wins our ATB team members have delivered—all under Curtis's leadership.

On behalf of the Board of Directors, I wish to thank our clients for their business and our team members for their hard work to make it possible this past year.

I would be remiss if I didn't also extend my heartfelt gratitude to our esteemed Board of Directors. Their unwavering commitment, expertise and diverse perspectives are invaluable assets to our organization. Their strategic guidance and forward-thinking approach are instrumental in navigating the complexities of the financial landscape and positioning us for sustainable growth. I also want to acknowledge two directors whose terms are ending. Wendy Henkelman and Barry James, we are sad to see you leave, and we thank you for your loyal and capable service.

Finally, as a true Canadian, and with the NHL playoffs top of mind, I can't help but recognize that banking is a lot like being a goalie—you never know when you'll be called upon to make a crucial save! Rest assured, our team is always ready to defend your financial goals and help you score big by making it possible.

Joan Hertz
Board Chair

REMEMBERING ROBERT PEARCE

"This past year, we lost a great friend in Rob, who passed away in September following his retirement from the ATB Board. During his nine years of service as a director at ATB, Rob was highly recognized for his contributions to the Risk Committee and for his perspectives. He will be greatly missed as a contributor to corporate governance as well as being a true advocate for Alberta."

Joan Hertz

BUSINESS HIGHLIGHTS

Numbers help demonstrate how we've invested in our communities, the economy and the province. Here are a few highlights of our efforts and outcomes over the past year.

> "Every day, through our team members and our technology, ATB Financial aspires to deliver remarkable experiences to our clients and to make an impact in communities throughout Alberta and beyond."
>
> **Curtis Stange, President and CEO**

Achieved highest ever total revenue—**over $2.0 billion**

Positioned to declare quarterly dividends totalling **$100.0 million** in fiscal 2025 to our Shareholder, the Government of Alberta

Reached record-high assets under administration in ATB Wealth totalling **$28.6 billion**

Continued our expansion of ATB Wealth's advice and award-winning investment products into British Columbia and Saskatchewan

Enhanced our support for clients with the **opening of new advisory hubs for clients to access advisory services, digital banking solutions and innovative community spaces**

Launched a second $50.0 million private equity fund dedicated to making minority interest investments in Alberta-based small and mid-market enterprises

Recognized on seven Best Workplaces™ lists, including Best Workplaces in Canada - 1000+ Employees, Financial Services & Insurance, Women, Inclusion, Giving Back, Mental Wellness and Most Trusted Executive Teams

Contributed nearly **$1.4 billion** in shared value through our team members, local contributions and payments to the Province to reinvest in Alberta[1]

Unveiled W by ATB to power the growth of women-led and women-owned businesses through products and services, community partners and networking events dedicated to their success

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

APPROACH TO SUSTAINABILITY

ATB's approach to sustainable impact is purpose-driven and guided by an environmental, social and governance (ESG) framework. We recognize an opportunity to be purposeful—for the greater good of our clients, team members, communities and Shareholder—while growing our sophistication and capabilities as a sustainable organization.

In FY2024, ATB established three aspirations to guide our sustainability commitments, actions and desired outcomes:

- Responsibly lead a sustainable economic future in Alberta and beyond
- Uplift the well-being of our communities and advance sustainable social impact
- Model trust through exceptional governance

From these aspirations, we formed four commitments to drive near- and long-term enterprise sustainability:

- Advancing to net zero by 2050
- Championing a thriving, resilient and equitable society for current and future generations
- Advancing truth and reconciliation
- Achieving gold standard in Crown corporation governance

These commitments are representative of our work to advance sustainable impact across our business and stakeholders while aligning with our purpose, strategy and culture. As outlined in the 2024 Sustainability Report, we're proud to share a number of initiatives that demonstrate our four commitments and associated outcomes in action.

"Sustainability is about value creation for our stakeholders, carefully balancing our present with creating a future of economic and societal prosperity while respecting the environment."

Stuart McKellar, Chief Legal and Sustainability Officer & Corporate Secretary

OUR STRATEGIC LEADERSHIP TEAM

Meet the Strategic Leadership Team who leads ATB Financial for the benefit and prosperity of our clients, team members and all Albertans. More information about each member is available on atb.com.

CURTIS STANGE
President and CEO

CAMILLE WELESCHUK
Vice President, Office of the CEO

CHRIS TURCHANSKY
Group Head, ATB Business and Wealth

DAN HUGO
Chief Financial Officer

JOHN TARNOWSKI
Chief Client Experience and Technology Officer

LISA MCDONALD
Group Head, Everyday Financial Services

RENEE OXLEY
Chief Risk Officer

STUART MCKELLAR
Chief Legal and Sustainability Officer & Corporate Secretary

TARA LOCKYER
Chief People, Culture, Brand and Communications Officer

URSULA HOLMSTEN
CEO, ATB Wealth, and EVP, ATB Financial

Message from the Chief Financial Officer

DAN HUGO

This past year has been one of transitions as Albertans navigated challenging conditions such as high interest rates, persistent inflation and escalating geopolitical events.

These factors have affected the financial, mental and physical well-being of households and businesses in Alberta. Albertans have shown remarkable resilience, adapting, transforming and thriving in the face of adversity. We take pride in the role we played in providing a secure and stable financial foundation for our clients.

Amidst the challenges, I am proud of the people at ATB and the considerable milestones they have reached this year.

ATB has achieved a record-breaking $51.0 billion in net loans to clients, driven by both residential and business segments. Residential mortgage origination exceeded $3.0 billion for the first time, and our business loans supported a wide range of sectors, from a resurgence in the energy sector to small businesses and agriculture.

Another first for ATB was surpassing $2.0 billion in annual revenue. Our loan growth and competitive offerings in loans and deposits have bolstered our net interest income. Other income grew by 6% from last year, reflecting the strength and diversification of our products and services. Notably, our ATB Wealth segment recorded assets under administration of $28.6 billion. Capital Markets has also matured as a fully integrated dealer, providing expertise and servicing a wide range of investors.

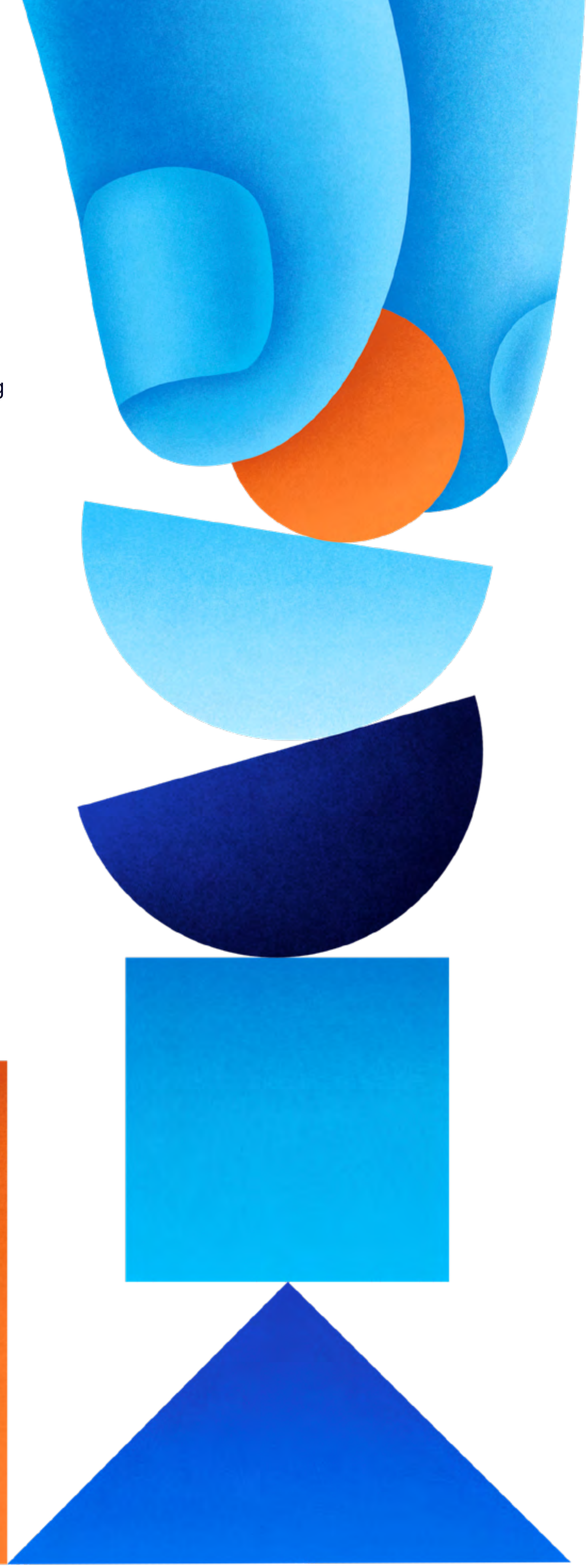
Despite facing inflationary pressures, ATB remains committed to investing in our people and technology. These upfront investments support major initiatives that will ultimately lead to value creation and improved financial performance. Although our expenses grew, strong revenue growth resulted in net income before provisions of $569.0 million.

The loan loss provision increased to $131.0 million mainly due to our loan portfolio growing in support of the Alberta economy and the release of provisions in the prior year.

An additional milestone for ATB is the strength of our balance sheet, with capital levels reaching an all-time high. This positioned us to declare quarterly dividends totalling $100.0 million in fiscal 2025 to the Government of Alberta.

Looking ahead, Alberta's economy remains resilient and poised for growth. At ATB, we will continue to be a steadfast partner, optimizing funding sources, diversifying our products and offerings and prioritizing strategic investments to drive growth and innovation.

Dan Hugo,
Chief Financial Officer



"Albertans have shown remarkable resilience, adapting, transforming and thriving in the face of adversity. We take pride in the role we played in providing a secure and stable financial foundation for our clients."

Dan Hugo

FY2024 FINANCIAL HIGHLIGHTS

"After a year with many headwinds, we are proud to be celebrating many milestones and records. Our achievements underscore a commitment to providing unwavering support, even in challenging times. Looking forward with optimism, we are confident in our ability to build on this momentum, to drive growth and deliver value for our clients."

Dan Hugo, Chief Financial Officer

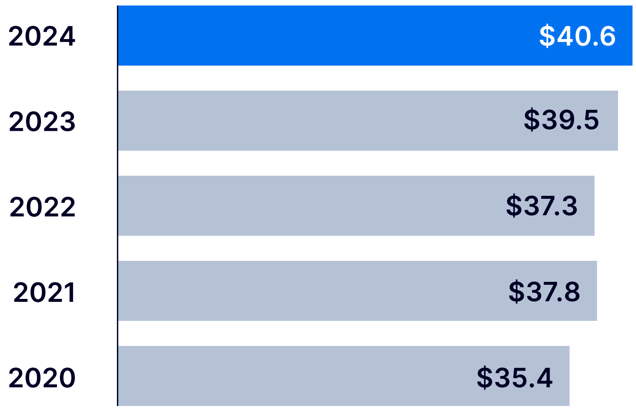
For the year ended March 31	2024	2023
Operating results *($ in thousands)*		
Net interest income	$ 1,370,612	$ 1,319,293
Other income	654,104	616,238
Total revenue	2,024,716	1,935,531
Provision for (recovery of) loan losses	131,472	24,633
Non-interest expense	1,455,781	1,354,493
Income before payment in lieu of tax	437,463	556,405
Payment in lieu of tax	100,617	127,973
Net income	**$ 336,846**	**$ 428,432**
Income before provisions (1)		
Total revenue	$ 2,024,716	$ 1,935,531
Less: non-interest expense	1,455,781	1,354,493
Income before provisions	**$ 568,935**	**$ 581,038**

For the year ended March 31	2024	2023
Financial position *($ in thousands)*		
Net loans	$ 51,266,157	$ 47,234,083
Total assets	60,382,280	57,470,857
Total risk-weighted assets (1)	40,769,954	38,526,125
Total deposits	40,582,817	39,473,493
Equity	5,259,496	4,816,920
Key performance measures *(%)* (1)		
Return on average assets	0.6	0.7
Return on average risk-weighted assets	0.8	1.1
Total revenue change	4.6	1.7
Other income to total revenue	32.3	31.8
Total expense change	7.5	0.6
Efficiency ratio	71.9	70.0
Net interest margin	2.40	2.37
Provision for (recovery of) loan losses to average loans	0.27	0.10
Net loan change	8.5	2.8
Total asset change	5.1	0.7
Total deposit change	2.8	5.8
Change in assets under administration	10.2	(1.1)
Tier 1 capital ratio	13.0	12.9
Total capital ratio	16.3	16.6
Other information		
ATB Wealth's assets under administration *($ in thousands)*	$ 28,555,986	$ 25,905,220
Total clients	814,140	799,183
Team members (2)	5,238	5,239

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

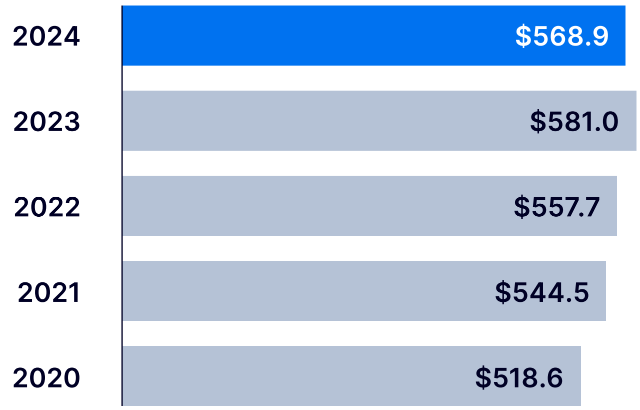
Deposits

($ in billions)



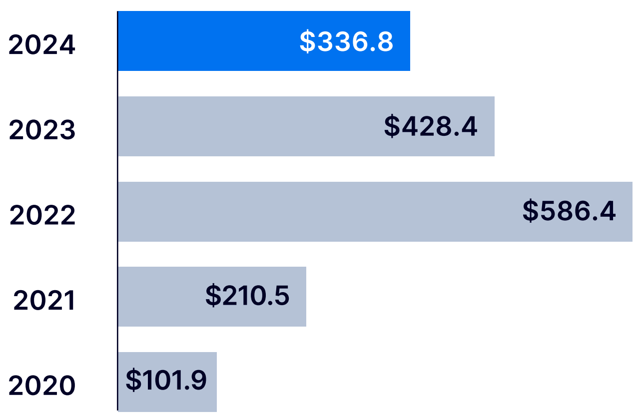
Income before provisions

($ in millions)

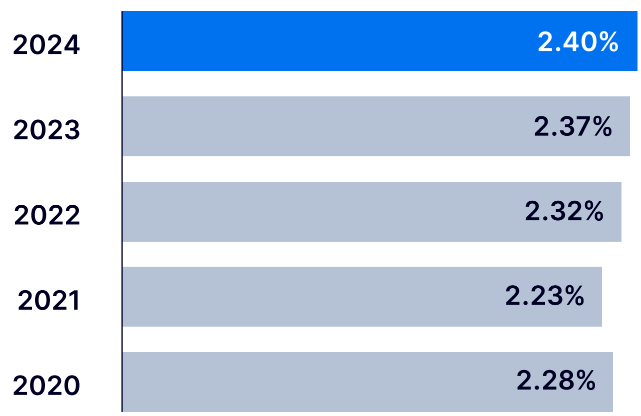


Net income

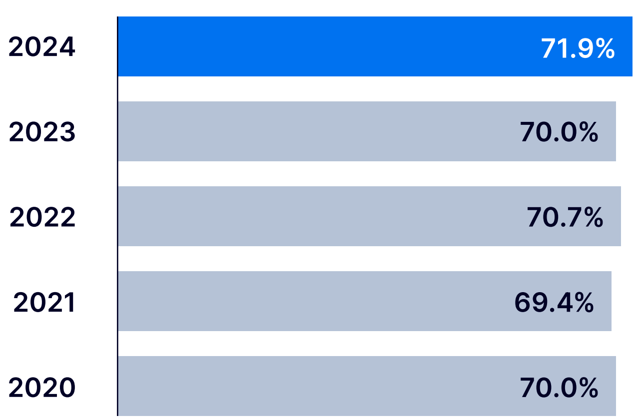
($ in millions)



Net interest margin

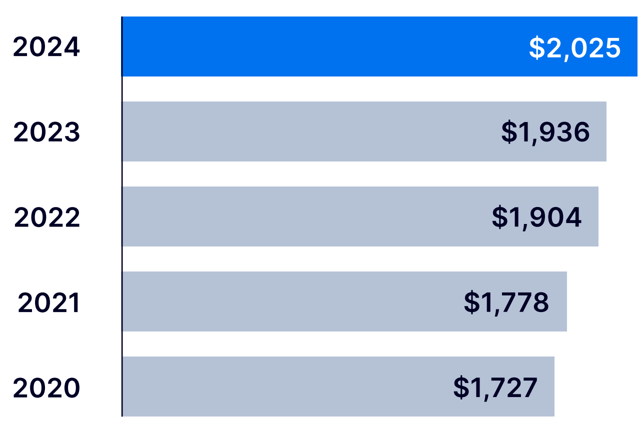


Efficiency ratio



Total revenue

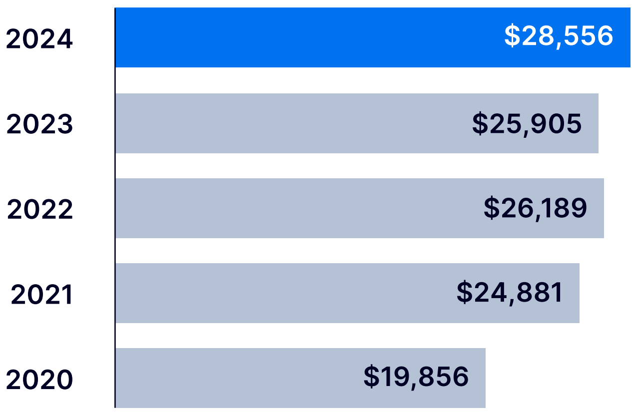
($ in millions)



Revenue earned by area of expertise

Assets under administration

($ in millions)



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This is Management's Discussion and Analysis (MD&A) of the consolidated results of operations and the financial position of ATB Financial (ATB) for the year ended March 31, 2024. (See the Glossary and Acronyms for our defined terms.) The MD&A is current as at May 22, 2024. All amounts are reported in millions of Canadian dollars (CAD), except where otherwise stated, and are derived from the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). For further details about the amounts reported, see the Consolidated Financial Statements.

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

Caution Regarding Forward-Looking Statements

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

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

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

ABOUT ATB

History and Mandate

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

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

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

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

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

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

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

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

ATB subsidiaries that provide wealth management and investment banking services are also subject to regulatory oversight by the Canadian Investment Regulatory Organization (ATB Securities Inc.) and the Alberta Securities Commission (ATB Investment Management Inc. and ATB Securities Inc.).

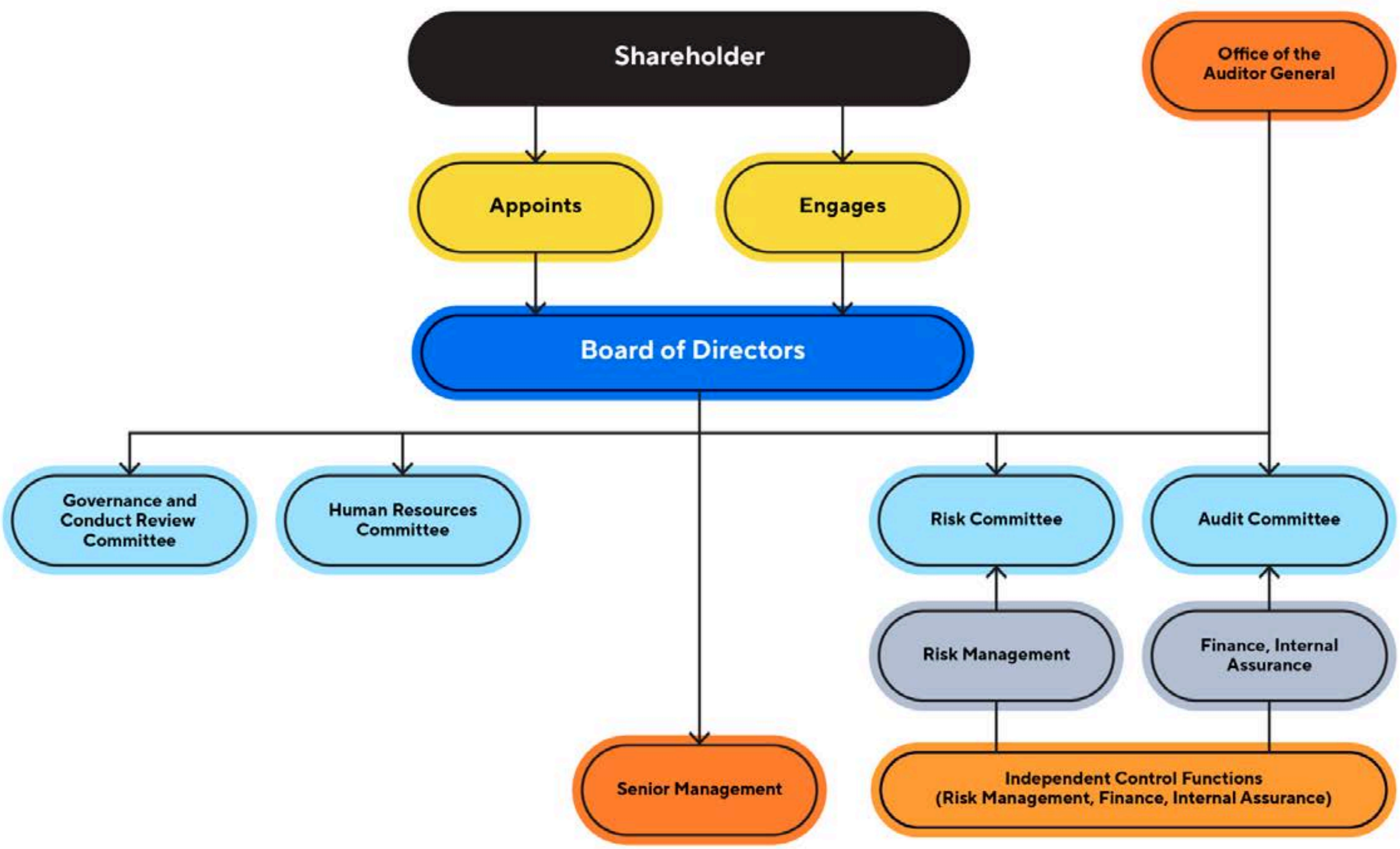
ATB and our subsidiaries pursue compliance with all applicable laws and regulations. Annually, ATB provides the Minister with a formal report on compliance, pursuant to the *ATB Regulation*.

Corporate Governance

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

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

Governance Structure



Board of Directors and Committees

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

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

Board and Committee Structure

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

Chair of the Board

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

Joan Hertz was initially appointed Chair effective January 1, 2019, by the LGIC and reappointed January 2022. The roles of Chair and Chief Executive Officer (CEO) are separate.

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

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

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

Board Mandate

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

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

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

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

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

Succession planning: The Board approves succession planning processes for the Board, CEO and senior executives. The Governance and Conduct Review Committee reviews the Board succession plan, and the HR Committee oversees CEO and executive succession planning through its review of succession plans and ATB's structure at the executive level.

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

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

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

Pension governance: The HR Committee assists the Board in ensuring ATB has appropriate pension governance policies and procedures in place.

Position Descriptions

The Board has approved a written position description for the Chair, committee chairs and directors. The Governance and Conduct Review Committee periodically reviews these position descriptions.

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

Codes of Conduct and Ethics

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

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

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

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

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

During FY2024, the Board had no occasion to consider any waiver from the relevant code for the benefit of any director or executive officer of ATB. The Board also had no occasion to determine that any conduct by an ATB director or executive officer was a material departure from the relevant code as defined in National Instrument 51-102 Continuous Disclosure Obligations*.*

Conflicts of Interest

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

Safe Disclosure and Whistleblower Protection

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

For FY2024 there were no disclosures of wrongdoing made or referred to the designated officer under PIDA.

Independence

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

The Board believes it needs to operate independently of management to be effective. To this end, Board and committee members are not part of management and do not have relationships with ATB that may, or may be seen to, interfere with the exercise of their independent judgment. The Board adopted a director independence policy based on the requirements of the CSA guidelines for determining whether a director is "independent" and whether each member of the Audit Committee meets the applicable Canadian criteria for membership on that committee. The Governance and Conduct Review Committee reviews the director independence policy regularly, makes annual determinations concerning each director's independence and reports to the Board on the directors' independence status.

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

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

The Governance and Conduct Review Committee then considers whether the director could reasonably be expected to be objective about management's recommendations and performance.

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

- At each regularly scheduled Board meeting, including those of Board committees, the Board and each committee meet in camera without management. Time to do so is provided at each regular Board and committee meeting. During FY2024, the Board held four regular meetings and the committees held 38 meetings in total.
- The Board and each committee may engage their own independent advisors at the expense of ATB. This is considered an important tool to ensure the Board's independence from management.

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

In FY2024, there were no interlocking directorships among ATB's Board of Directors.

Diversity and Inclusion

Board Diversity Policy and Diversity in Board Positions

The Board recognizes the benefits of promoting a corporate culture that supports diversity and inclusion in the composition and operation of the Board and throughout ATB. In support of the Board's effectiveness framework, the Board has approved a diversity policy to promote an environment conducive to the recruitment of highly qualified directorial candidates with diverse backgrounds who will provide diversity of thought at the Board table.

Director recruitment is based on merit and the expected contributions the selected candidate will bring to the Board, with the diversity profile being considered in the recruitment of qualified Board candidates. From 2015 to 2017, the Board's target for female representation on the Board was 25%, and that target was achieved in each of those years. In November 2017, the Board revised its target to have 50% female representation. *As of March 31, 2024, 6 of the 12 Board members (50%)—including the Chair—are women, and one of the four committees is chaired by a woman.* The diversity policy was last reviewed in FY2022. At that time, the Board decided not to set specific targets related to any other diversity factors. In 2023, directors were surveyed anonymously to determine if they self-identified as a visible minority, person with disability, 2SLGBTQIA+ or Indigenous. Of all Board directors surveyed, 8% identified as being among those groups.

Year	Diversity target	Gender representation
2023–24	50% female	50.0% female
2021–23	50% female	50.0% female
2020–21	50% female	46.2% female
2017–20	50% female	50.0% female

In FY2024, all ATB directors participated in a survey to obtain a baseline of the Board's diversity. The survey included questions that assessed the diversity of background and experience, with the goal of understanding diversity of thought. After reviewing the results, the Governance and Conduct Review Committee ascertained that the Board possessed adequate diversity of thought to be effective.

ATB Diversity Policy and Diversity in Executive Officer Positions

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

Through our talent management and succession planning processes, ATB regularly monitors and reviews the number of women in executive and senior leadership positions. The executive team and HR Committee of the Board review the results of these processes, including year-over-year changes, and discuss both the number of women who currently hold executive officer positions and the gender balance of the succession pipeline.

The following table shows the number and percentage of men and women in executive officer and executive roles at ATB, as of March 31, 2024. The phrase "executive officer" is used in the regulations related to the gender diversity of executive officer staff across companies, whereas "executive" is ATB's preferred term for our executive staff. The executive officers also include officers of ATB's subsidiaries.

Gender	Number of executive officers	Percentage of executive officers	Number of executives	Percentage of executives
Men	10	56%	30	52%
Women	8	44%	28	48%
Total	**18**	**100%**	**58**	**100%**

While the best candidate for each role will ultimately be chosen, ATB reviews a diverse slate of candidates when seeking potential team members for executive positions. At the executive level, ATB has chosen to not set targets for the representation of women nor for other diversity factors. While increasing diversity at senior levels in the company is considered integral to succession planning, ATB will continue to hire based on merit. ATB will continue to work toward increasing the diversity of our team, including executive officers and executives.

Effectiveness and Evaluations

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

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

For FY2024, the Board and its committees determined they had met their key accountabilities. Through an Effectiveness Assessment led by the Governance and Conduct Review Committee, it was confirmed that the Board continues to be highly effective.

Succession and Director Nomination/Appointment

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

The Board Chair and Governance and Conduct Review Committee Chair work with the Province of Alberta's Public Agency Secretariat, as well as representatives of the Minister, to assist the Governance and Conduct Review Committee in nominating candidates for the Board based on an inventory of the Board's overall skill-set requirements and competencies. Recommendations are based on a careful examination of the Board's size, composition and director tenure, while balancing factors such as age and geographical, professional and industry representation—with consideration of ATB's diversity policy.

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

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

Director Tenure

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

Board Size

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

Orientation and Professional Development

The Governance and Conduct Review Committee oversees the process to assist new directors with understanding the nature and operation of ATB's business, the role of the Board and its committees and the contribution individual directors are expected to make.

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

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

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

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

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

In FY2024, individual Board members participated in the following training, conferences and courses, among others:

- Alberta Machine Intelligence Institute: Machine Learning Foundations course and Executive AI Summit
- Business Council of Alberta sessions
- Calgary Economic Outlook
- Competent Boards: Sustainability & ESG Certificate Program
- Deloitte: Audit Committee Update session
- Deloitte: Charting the Future of Canadian Governance: A One Year Update
- Deloitte: Economic Outlook
- Deloitte: The Digital Tsunami: Governance Implications of AI
- Elections Alberta Training
- Energy Institute: Statistical Review of World Energy
- ICD: Annual Director Conference
- ICD: Beyond Compliance to Strategic Opportunity
- ICD: Charting the Future of Canadian Governance: A Principled Approach to Navigating Rising Expectations of Board of Directors
- ICD: HR and Compensation Committee Effectiveness
- ICD: M&A Activism and Preparedness for Directors
- ICD: Navigating Chair-CEO Tension
- ICD: Spotting the Signals — Anticipating and Addressing Governance Failures
- ICD: The Art and Science of Public Sector Governance
- ICD: The Future of Sustainability Reporting with ISSB Standards "Interoperability"
- New Climate Disclosure Standards: Impact on Boardrooms
- Ozone Advisory Group sessions, including the Just for Chairs retreat
- PwC: Director Webinar
- University of Alberta: Indigenous Canada course
- Women's Executive Network: Canadian Equity, Diversity and Inclusion Summit

In FY2024, Board and committee members participated in the following presentations, which were organized by management:

May	Open Banking and the Edge Strategy
August	Client tours—Red Deer, Alberta
September	September Board retreat— Powering Possibility
November	• Expert Advisory • Indigenous Educations Session, including the Indigenous Peoples Experience at Fort Edmonton Park
January	Pension Education Session

Subsidiary Governance

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

A Closer Look at Our Directors

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

Joan Hertz

LLB, KC, ICD.D, GCB.D in ESG

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

Career and education summary

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

Joan sits as a public member on the Chartered Professional Accountants of Canada Board. She also serves on the Alberta Machine Intelligence Institute Board, leading research and development of artificial intelligence (AI), as well as numerous other private company boards.

Current directorships and appointments

- CPA Canada Board
- Silvacom Holdings Corp.
- Alberta Machine Intelligence Institute
- FortisAlberta
- Business Council of Alberta
- Chair YEG Airport Business Advisory Committee
- Steering Committee Forward Slash

Past directorships and appointments

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

Barry James

BCom, FCPA, FCA, ICD.D

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

Career and education summary

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

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

Current directorships and appointments

- Corus Entertainment Inc. (Audit Committee Chair)
- AutoCanada Inc. (Audit Committee Chair)
- Melcor REIT (Audit Committee Chair)
- Business Council of Alberta
- Norseman Group
- Kipnes Foundation
- Inuvialuit Investment Corp.
- University of Alberta Properties Trust Inc.

Past directorships and appointments

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

Jim Davidson

BES, ICD.D

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

Career and education summary

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

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

Current directorships and appointments

- Business Council of Alberta
- Economic Futures Council of Junior Achievement of Southern Alberta
- Fraser Institute
- Modern Miracle Network
- TOPAZ Energy
- Alliston at Home

Past directorships and appointments

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

Andrew Fraser

BA, MBA, ICD.D, GCB.D in ESG

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

Career and education summary

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

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

Current directorships and appointments

- Aquatera Utilities
- Layfield Group

Past directorships and appointments

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

Wendy Henkelman

BCom, CPA, CA

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

Career and education summary

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

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

Current directorships and appointments

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

Past directorships and appointments

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

Michael Kelly
ICD.D

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

Career and education summary

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

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

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

Current directorships and appointments

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

Past directorships and appointments

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

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

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

Career and education summary

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

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

Current directorships and appointments

- Galatea Technologies

Past directorships and appointments

- Osprey Informatics
- CanElson Drilling
- Orvana Minerals
- Carmanah Technologies
- AZ Technology Investors

Jill Matthew

CPA, CA, CMC, ICD.D

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

Career and education summary

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

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

Jill is the Chair of the Alberta Safety Codes Council. She was previously the Chair for the Bissell Centre and the Audit Committee Chair for Athabasca University, and in 2013 she was inducted into the university. She is a designated CPA from the Chartered Professional Accountants of Canada and a Certified Management Consultant and holds an ICD.D designation.

Current directorships and appointments

- Alberta Safety Codes Council (Chair)

Past directorships and appointments

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

Manjit Minhas

B.Sc., GCB.D in ESG

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

Career and education summary

Manjit Minhas is an entrepreneur and venture capitalist in the liquor industry. She also appears as a television personality on the Canadian reality series *Dragons' Den*, where she has invested in dozens of Canadian businesses. Manjit's unique experience has given her a range of knowledge in brand development, marketing, sales management and retail negotiation.

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

Manjit was appointed as the Honorary Lieutenant-Colonel of the Canadian Armed Forces in late 2022.

Current directorships and appointments

- Enbridge
- YYC Calgary Airport Authority
- Decibel Cannabis Company
- Telus Future Friendly Foundation

Past directorships and appointments

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

Mary Ellen Neilson

BCom, CPA, CMA, MBA, ICD.D

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

Career and education summary

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

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

Current directorships and appointments

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

Past directorships and appointments

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

Maryse Saint-Laurent

LLB, LLM, ICD.D, GCB.D in ESG

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

Career and education summary

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

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

Current directorships and appointments

- North American Construction Group

Past directorships and appointments

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

Donald Smitten

CPA

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

Career and education summary

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

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

Current directorships and appointments

- Excel Society

Past directorships and appointments

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

Robert Pearce[1]

B.A.Sc., MBA, ICD.D

Calgary
Age 60–69
Director term 2014–23
ATB committees
Risk, Governance and Conduct Review
Employment status
Corporate Director

Career and education summary

Robert Pearce gained his experience through various advisory and C-suite roles in the energy business. He worked as President, CEO and Co-founder of North West Upgrading, as Treasurer of PanCanadian Energy and as Chief Operating Officer of Harvest Operation Corp. He was the past chair of Prospect Human Services.

Robert held a B.A.Sc. degree in Geological Engineering from the University of British Columbia, an MBA from the University of Calgary and an ICD.D designation from the Institute of Corporate Directors.

Sadly, Robert passed away following his retirement from the Board.

Past directorships and appointments

- Scenic Sands Community Association
- G3 Nutrition
- North West Upgrading
- Aliron Exploration
- Jupiter Resources
- Prospect Human Services (Past Chair)

[1] Robert Pearce retired from the Board on June 15, 2023.

Diane Pettie[2]
JD, FCG, KC, ICD.D

Calgary
Age 60–69
Director term 2014–23
ATB committees
Governance and Conduct Review (Chair), Human Resources
Employment status
Corporate Director

Career and education summary

Diane Pettie is a retired lawyer and certified corporate director. She brings more than 30 years of legal practice and executive and corporate governance experience to board discussions.

Diane served as Vice President, General Counsel and Corporate Secretary of TSX-listed Canexus Corporation, a chemical manufacturing company. She was Assistant Vice President at Sempra Energy Trading, Associate General Counsel at Mirant Corporation, General Counsel and Corporate Secretary at Pan-Alberta Gas Ltd. and Manager, Legal Services at TransCanada.

Diane has her Juris Doctorate from the University of Alberta and is a Fellow of the Chartered Governance Institute of Canada. She was honoured with a King's Counsel appointment and was awarded the designation of ICD.D by the Institute of Corporate Directors.

Current directorships and appointments

- Alberta Petroleum Marketing Commission
- Women in Law Leadership

Past directorships and appointments

- Society of Management Accountants of Alberta
- Accountants Unification Joint Venture Board
- Association of Women Lawyers
- Law Society of Alberta (Audit Committee)
- Calgary Region Arts Foundation
- CPA Alberta
- CPA Canada (Independence Standing Committee)

Key Areas of Competency

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

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

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

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

[2] Diane Pettie retired from the Board on June 15, 2023.

Area of competency (knowledge, skills and experience)	Individual directors												Average
	J. Hertz	J. Davidson	A. Fraser	W. Henkelman	B. James	M. Kelly	R. Logan	J. Matthew	M. Minhas	M. Neilson	M. Saint-Laurent	D. Smitten	
Years on the Board	5	3	3	9	9	1	3	1	6	6	1	1	
Current term years	2022–24	2023–26	2023–26	2023–24	2021–24	2022–25	2023–26	2022–25	2022–25	2023–26	2022–25	2022–25	
ATB Financial considers all Board members to have significant proficiency in: (a) leadership acumen, (b) critical thinking and risk management and (c) strategic thinking and planning at the Board level.													
Business Transformation (1)	3	3	3	3	3	3	3	3	2	2	2	3	2.75
Entrepreneurialism (2)	2	3	2	1	3	3	3	1	3	2	0	2	2.08
Executive Leadership (3)	3	1	3	1	3	3	2	2	1	3	3	1	2.17
Financial Industry (4)	3	2	2	2	3	2	2	1	0	3	1	2	1.92
Financial Literacy (5)	2	2	1	3	3	3	2	3	1	3	2	3	2.33
Governance (6)	3	3	3	3	3	3	2	3	3	3	3	2	2.83
IT/Technology (7)	2	1	2	2	1	1	2	3	1	1	1	1	1.50
Legal Acumen (8)	3	1	2	1	2	1	1	1	1	1	3	1	1.50
Sustainability and Stakeholder Engagement (9)	3	2	2	1	2	3	2	2	2	2	2	1	2.00
Talent Management and Compensation (10)	2	2	3	2	2	3	2	2	3	2	3	3	2.42

(1) Business Transformation: Experience in overseeing fundamental changes in how a business or organization runs or is governed. Having involvement with the management or implementation of a large-scale business transformation. Examples could include mergers and acquisitions, a major shift in product or industry focus or in leveraging digital technology to drive competitive strategy, innovation, revenue growth and business performance.
Rating Scale: 0 = Limited experience; 1 = Has general knowledge and experience in business transformation but without practical experience managing the complexities of change within an organization; 2 = Has foundational knowledge and experience in business transformation, including ability to create a plan, identify process improvements and some integration concepts; 3 = Has led or had significant experience guiding strategic planning, technology adoption and organizational change management or is known as a subject matter expert.

(2) Entrepreneurialism: Experience in owning or leading a small/medium-sized entrepreneurial business within a broad range of industries, including retail, agriculture, energy and natural resources. Awareness and thorough understanding of reputation and brand, sales and marketing, customer satisfaction and customer experience.
Rating Scale: 0 = Limited experience; 1 = Has general understanding of owning a small entrepreneurial business with limited experience; 2 = Within the last 15 years, has owned or led a small/medium-sized entrepreneurial business with some experience in brand, sales and marketing and customer impact and/or has mentored others using practical application; 3 = Currently owns, leads or advises small/medium-sized entrepreneurial businesses and has direct impact on the brand, sales and marketing and customer.

(3) Executive Leadership: Experience leading as CEO or senior executive (or equivalent C-suite role) in a larger organizational setting of similar size and complexity as ATB or bigger (e.g., corporate, academic or not-for-profit).
Rating Scale: 0 = Limited experience; 1 = CEO or senior executive experience of a small or less complex organization; 2 = CEO or senior executive experience (including interim) of an organization of similar size or complexity to ATB; 3 = CEO or senior executive experience either currently or within the last 10 years or has had experience as a senior executive at a large nationally focused or global organization.

(4) Financial Industry: Understanding of financial services gained from experience at a Canadian bank, or a US bank with comparable size and market to ATB. May include experience at a larger credit union. May be recognized as a subject matter expert in a related industry (e.g., insurance, investment banking, pension management, treasury management or wealth management) or may have experience auditing any of the foregoing.
Rating Scale: 0 = Limited experience; 1 = Has general understanding and limited experience in financial services or related industries; 2 = Has a good understanding of financial services and related industries through significant experience as a senior executive working with banks in a treasury or investment banking role, or has previously been employed in the industry as a senior executive in the last 20 years; 3 = Is recognized as a subject matter expert in financial services, led the auditing team of a national accounting firm auditing financial services companies or previously worked in the industry in the last 10 years in a senior executive role.

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

Rating Scale: 0 = Limited experience; 1 = Has some knowledge or training and limited experience with financial accounting and reporting; 2 = Has work experience with the practical application of corporate finance with respect to a financial institution; 3 = Holds an accounting designation or currently works in the accounting field in public or private practice, with at least 5 years of experience.

(6) Governance: Strong understanding or experience in governance processes, policies and accountabilities by which corporations are directed and controlled (e.g., understanding the roles and relationships between stakeholders, directors and management).
Rating Scale: 0 = Limited experience; 1 = Has some knowledge and limited experience, such as with not for-profit boards; 2 = Has at least 3 years of experience as a corporate secretary or has sat on at least two large for-profit corporation boards; 3 = Has the ICD.D designation and either 5+ years of experience as a corporate secretary working with a for-profit board or has sat on more than two large corporate for-profit boards with a role on a Governance committee.

(7) IT/Technology: Strong understanding of technology and IT-related issues such as IT project management, DevOps or software development, information management, data protection and analytics, electronic record management, AI and machine learning, and cybersecurity risk management. An understanding of how IT strategic alignment impacts the company's bottom line.
Rating Scale: 0 = Limited experience; 1 = Has general knowledge and understanding of IT/technology issues but limited experience; 2 = Has 1 to 2 years of working experience in an IT/technology area of a major company within the last 10 years, with practical application of theories; 3 = Has at least 3 years of experience in an IT/technology area of a major company within the last 5 years or is recognized as a subject expert.

(8) Legal Acumen: Strong understanding of legal issues (including corporate law, legal and regulatory compliance, financing, securities, bankruptcy and insolvency, litigation and employment). May have experience being involved in corporate reorganizations, mergers and acquisitions, major transactions or major litigation. May hold an LLB or Juris Doctor degree. The Board considers its members to have necessary subject matter expertise for legal acumen, given its ability to engage ATB's Legal Services team and/or seek external assistance.
Rating Scale: 0 = Limited experience; 1 = Has experience reviewing and understanding legal issues, such as contracts or other commercial issues; 2 = Has a strong understanding of legal issues, documents and processes through regular involvement or is an active lawyer; 3 = In the last 5 years, has worked in the profession in a commercial law field (including corporate/commercial, M&A, commercial litigation or IP) or as senior in-house counsel in a large organization.

(9) Sustainability and Stakeholder Engagement: Experience engaging with community organizations and stakeholders, making use of their advice and managing public commitments toward sustainability. Experience identifying risks and opportunities created by environmental and social issues and integrating them strategically into the business. Experience with board oversight of Environmental, Social and Governance (ESG) and knowledge of how to create and implement metrics for ESG and reporting on the same. May have experience in, or a strong understanding of, the workings of media and internal communications.
Rating Scale: 0 = Limited experience; 1 = Has general understanding and limited experience in ESG and stakeholder engagement; 2 = Has practical application knowledge and experience in ESG policies, metrics and standards, reporting and stakeholder engagement and/or has a designation in the area (e.g., GCB.D); 3 = Has experience developing, implementing and reporting on ESG policies and standards for an organization of similar size and complexity as ATB Financial and/or engaging with the community and stakeholders.

(10) Talent Management and Compensation: Proficiency in, and a thorough understanding of, talent management strategy and compensation (e.g., processes to identify, attract, evaluate, develop and retain talent to meet the strategic ambitions of the corporation, succession planning, change management, organizational culture retention and development, compensation programs and pensions). May include experience with collective agreements and union dynamics.
Rating Scale: 0 = Limited experience; 1 = Has general understanding and limited experience with talent management and compensation as defined; 2 = Has or had hands-on experience with talent management and compensation, as defined, for an organization of similar complexity and size to ATB; 3 = Has or had direct impact on an organization's (of similar complexity and size as ATB) talent management, compensation and pensions and/or has led an organization through significant change, including cultural change or development.

Director and Committee Meeting Attendance

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

Director *[total number of meetings]*	**Board** [4] **(Special Board** [5]**)**	**Audit** [4]	**Gov** [4]	**HR** [4] **(Special HR** [3]**)**	**Risk** [5] **(Special Risk** [18]**)**	**Attendance percentage (1) (Special meetings) (2)**
Joan Hertz (Chair)	4/4 (5/5)	4/4	4/4	4/4 (3/3)	5/5 (17/18)	100% (96%) (3)
Barry James (Vice-Chair)	4/4 (4/5)	4/4	n/a	n/a	5/5 (13/17) (4)	100% (77%)
Jim Davidson	4/4 (5/5)	n/a	n/a	4/4 (3/3)	5/5 (16/18)	100% (92%)
Andy Fraser (5)	4/4 (5/5)	1/1	n/a	4/4 (3/3)	4/4 (11/11)	100% (100%)
Wendy Henkelman (6)	4/4 (4/5)	1/1	3/3	4/4 (3/3)	n/a	100% (88%)
Michael Kelly (7)	4/4 (5/5)	3/3	n/a	1/1 (1/1)	5/5 (18/18)	100% (100%)
Robert Logan (8)	4/4 (5/5)	n/a	3/3	1/1 (1/1)	5/5 (17/18)	100% (96%)
Jill Matthew	4/4 (5/5)	4/4	n/a	4/4 (3/3)	n/a	100% (100%)
Manjit Minhas	4/4 (5/5)	n/a	2/4	2/4 (3/3)	n/a	67% (100%)
Mary Ellen Neilson	4/4 (5/5)	4/4	n/a	n/a	5/5 (18/18)	100% (100%)
Robert Pearce (9)	1/1 (2/2)	n/a	1/1	n/a	1/1 (7/7)	100% (100%)
Diane Pettie (10)	4/4 (1/1)	n/a	1/1	n/a	1/1(7/7)	100% (100%)
Maryse Saint-Laurent	4/4 (5/5)	4/4	4/4	n/a	n/a	100% (100%)
Donald Smitten	4/4 (5/5)	4/4	4/4	n/a	n/a	100% (100%)

(1) The attendance percentage calculation is based on the total of all regularly scheduled Board and committee meetings possible for each applicable director for the fiscal year. Attendance as guests on committees is not captured.

(2) The attendance percentage is calculated based on the total of all special meetings that were not scheduled in advance.
(3) The Chair of the Board may attend all committee meetings, but this percentage is calculated using Board meetings only. The attendance percentage calculation is based on the total of all special meetings that were not scheduled in advance.
(4) Barry James abstained from one Special Risk Committee meeting.
(5) Andy Fraser left the Audit Committee and joined the Risk Committee on June 16, 2023.
(6) Wendy Henkelman left the Audit Committee and joined the Governance and Conduct Review Committee on June 16, 2023.
(7) Michael Kelly left the Human Resources Committee and joined the Audit Committee on June 16, 2023.
(8) Robert Logan left the Human Resources Committee and joined the Governance and Conduct Review Committee on June 16, 2023.
(9) Robert Pearce retired from the Board on June 15, 2023.
(10) Diane Pettie retired from the Board on June 15, 2023.

Director Compensation

Remuneration for directors for retainers and meeting fees is approved through Order in Council 69/2004 and, pursuant to agreement with the President of Treasury Board and Minister of Finance, additional compensation was agreed upon to appropriately recognize the contributions of the Board to ATB by setting the compensation philosophy for the Board at mid range of its peers considering the size and complexity of ATB. There were 14 directors for a portion of the year and the total director compensation for the fiscal year ending March 31, 2024 was $1,525,600.

FY2024 BUSINESS HIGHLIGHTS

With $60.4 billion in assets, ATB Financial is the largest financial institution headquartered in Western Canada. That success is thanks in great part to our more than 5,000 team members, who are committed to delivering consistently remarkable experiences and expert advice to our over 800,000 clients across Everyday and Business banking, Wealth Management and Capital Markets. Our clients can access ATB's expertise, products and services in many ways: through our large network of branches and agencies across Alberta, 24-hour Client Care Centre and personal and business digital banking options.

In FY2024, ATB continued to operate three areas of expertise (AOEs): Everyday Financial Services (EFS), ATB Business and ATB Wealth. The following sections describe key aspects of how these AOEs are managed and reported, along with some of the year's accomplishments:

Everyday Financial Services

As the largest gateway between Albertans and all that ATB has to offer, EFS remains committed to the critical role it plays with clients, within Alberta, and within ATB. By providing trusted advice to our retail and entrepreneur clients, EFS seeks to create a differentiated client experience at every opportunity.

Growth

- Despite a continued period of high interest rates and inflationary pressures, EFS delivered strong loan and deposit growth, with revenues of $728 million, which translated to net income of $100 million—an increase of 5.4% over FY2023.
- Approximately 15,000 net new retail clients and 3,000 net new small business clients were added in FY2024, further strengthening our core deposit base and reflecting our commitment to supporting the everyday banking needs of Albertans through our advice and differentiated experience.
- EFS acquired $3.1 billion in new residential mortgages through FY2024, exceeding mortgage acquisition in FY2023 by $0.7 billion and contributing to net mortgage growth of $1.2 billion.
- EFS achieved an 88.4% retention of maturing mortgages in FY2024 as a result of the efforts of the EFS renewal team, proactive client connection and targeted pricing strategies.

EFS remains a strong source of low-cost liquidity for ATB. Through proactive deposit and loan acquisition strategies, competitive pricing, strategic alignment of our small business clients from ATB Business, and record-breaking productivity in our branch workforce, EFS acquired $1.5 billion of net deposit in FY2024.

ATB Business

ATB Business is committed to delivering a differentiated and remarkable experience and to growing Alberta businesses by offering customized, data-driven advice that enhances their future. ATB Business optimizes value by aligning clients with industry experts and develops businesses through a combination of traditional and creative strategies.

Growth

- Net interest income increased by 5.3% this year due to robust loan growth surpassing $3.0 billion, particularly driven by a resurgence in the energy sector, with nearly $2.0 billion of growth. We continue to support Alberta businesses throughout all of our core sectors.
- Other income increased by 11.1%, propelled by contributions from our Capital Markets team, credit fees and card fees.
- ATB Business enhanced our online banking system for clients and implemented greater sector specialization, ensuring clients are matched with advisors possessing deep expertise in their respective sectors.
- Capital Markets continues to mature its offerings by closing more complex and sophisticated transactions.

ATB Wealth

ATB Wealth offers advice, products and wealth solutions that help more than 107,000 Canadians reach their financial goals. Over the last two decades, ATB Wealth has built client relationships by looking past dollars and cents to understand what our clients want and need. We make client goals possible through simplified, powerful management and an unbiased approach to investing.

Growth

- Continued growth and market changes resulted in a record $28.6 billion in assets under management at the end of FY2024, an increase of 10.2% over the previous year. Due to the past year's high-interest-rate environment, investment in short-term products has been larger than usual, but this has begun to plateau. ATB Wealth has seen a 16.3% higher growth in overall gross asset inflows over FY2023.
- ATB Wealth officially opened the doors of our Kelowna, BC, and Saskatoon, SK, offices.
- ATB Wealth funds continue to deliver against their long-term objectives for our clients. ATB Investment Management funds received recognition this year from FundGrade A+ awards and LSEG Lipper Fund Awards.
- ATB Wealth launched a new financial planning tool that has improved our conversations with clients and helped them better understand their finances and investments.

OUR STRATEGIC DIRECTION

FY2024 marked the fourth year of our 10-year strategic plan, Path to 2030, and we remain committed to advancing the priorities identified in this bold vision for ATB. This year, we focused on:

- Differentiating ATB through our client experience and expert advisory services.
- Supporting Alberta's key industries and investing in our people and technology to deliver better advice, banking products and financial services to our clients.
- Creating profitability by managing our liquidity and mitigating risk and credit exposure in our business.
- Being in business for the greater good and advancing sustainable impact in all our communities: local, Indigenous Peoples and other equity-seeking groups, as well as our broader society and planet.

ATB exists to make it possible—that purpose never ends. So, as we enter FY2025, we will continue to make it possible for our clients, team members, communities and Shareholder. Our priorities include:

- Further integrating the client experience we provide through our physical locations and digital offerings.
- Pursuing strategic growth opportunities within Alberta and beyond.
- Contributing to Alberta's greater good in new and unique ways.
- Remaining a stable source of revenue for our Shareholder, the Government of Alberta.

ECONOMIC OUTLOOK

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

Weathering the Storm: Alberta's Economy in 2024

Despite facing inflation and interest rate headwinds, Alberta's economy continues to forge ahead and remain a growth leader in Canada. This resiliency is the result of a surge in population, energy sector activity and growth in emerging sectors.

Alberta's real gross domestic product (GDP) is projected to grow by 2.5% this year—outpacing growth expected for the country as a whole. It's been a long road, but Alberta's economy is now in expansion mode. In 2022, the province finally recovered lost output from the 2015–16 and 2020 recessions. On a per capita basis, however, real GDP is not expected to recover over the forecast period.

The inflation threat has mostly receded, with interest rate cuts by the Bank of Canada expected around mid-year, but higher borrowing costs are intensifying financial strains, leading to increased insolvencies and tempering both consumer spending and business investment.

In 2024, significant improvements in oil exports are expected as the Trans Mountain Expansion comes online. Housing construction, gaining momentum from late 2023, will surge further this year due to soaring demand fuelled by strong population growth. Moreover, growth is expected in a number of sectors, including hydrogen, biofuels, petrochemicals, carbon capture and storage, high-tech, aviation and tourism.

Amid heightened uncertainty, events like the wars in Ukraine and the Middle East, China's unsteady economy and upcoming elections in the United States and other countries contribute to an unpredictable global landscape.

Higher interest rates have taken their toll on Canada's economy. The country avoided a technical recession (two consecutive quarters of negative GDP growth) last year, but national output has effectively stalled. National real GDP growth last year is just 1.1%. Economic growth is not keeping pace with the population: per capita GDP has been declining since mid-2022. Overall, we see the national economy in low gear over the first half of 2024, with 1.2% real GDP growth in 2024, improving to 1.8% in 2025.

Capital investment has returned to the oil and and gas sector, rising in each of the last three years. In 2024, that pace of growth is expected to slow. We are forecasting a modest 1.8% increase, in real terms, as low natural gas prices weigh on conventional activity. Investment gains will be concentrated in the oil sands industry as companies optimize existing assets and scale up production. The sector's main contribution to Alberta's economic growth will be through exports. Oil production has recovered after spring/summer wildfire and maintenance disruptions and will expand further with improved market access. We forecast oil sands production growth of 6.4% this year. Overall, we see real oil and gas exports rising by about 4.8% in 2024 and 3.1% in 2025.

Conditions have been exceptionally dry this winter. The province is preparing for potential drought conditions. While the outcome is highly uncertain, we are assuming that agricultural exports will decline slightly this year. Crop prices remain higher than historical averages but have been on a downward trend since mid-2022 and are expected to stay relatively flat this year. Livestock prices are strong amid low North American inventories, but feed costs have jumped and feedstocks have declined, especially in drought areas. Some ranchers have been forced to cull their herds in response to shortages.

Implications for our clients

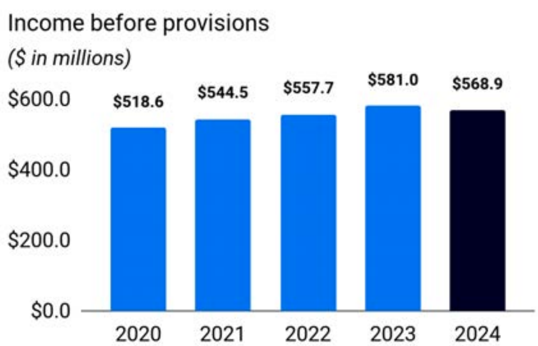
The economic challenges faced by our personal and business clients will spill over into their banking needs. Examples of economic issues that have the potential to affect our business decisions and practices include:

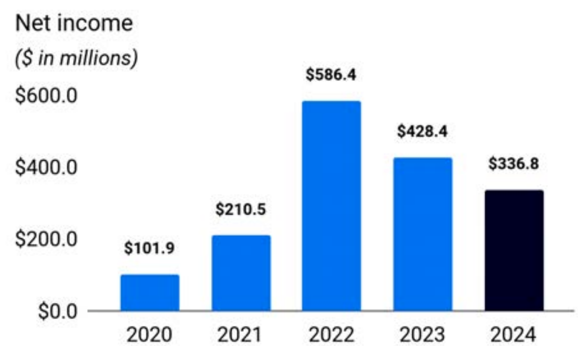
- High levels of financial anxiety.
- Market volatility.
- Business disruptions due to labour shortages, supply chain issues and higher input costs.
- Cash flow uncertainty.
- Increased debt.
- Mortgage stress.
- Financial challenges among agricultural sector clients due to drought.

REVIEW OF FY2024 CONSOLIDATED OPERATING RESULTS

See detailed analysis in the Consolidated Financial Statements.

FY2024 Performance





Net Income

Net income (NI) has decreased due to higher loan loss provisions (LLP) and non-interest expense (NIE), slightly offset by increased revenue. As a result, ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the GoA was $501.9 million, a decrease of $113.4 million (-18.4%) from last year's $615.3 million.

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

Table 1: Income Before Provisions

($ in thousands)	**2024**	**2024 vs. 2023 increase (decrease)**		**2023**
Total revenue	$ 2,024,716	$ 89,185	4.6%	$ 1,935,531
Less: non-interest expense	$ (1,455,781)	101,288	7.5%	$ (1,354,493)
Income before provision for loan losses	**$ 568,935**	**$ (12,103)**	**(2.1)%**	**$ 581,038**

Return on Average Assets

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

Table 2: Return on Average Assets

($ in thousands)	**2024**	**2024 vs. 2023 increase (decrease)**		**2023**
Net income	$ 336,846	$ (91,586)	(21.4)%	$ 428,432
Average total assets	$ 60,496,487	$ 701,518	1.2%	$ 59,794,969
Return on average assets	**0.6%**	**(0.1)%**		**0.7%**

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). The following table presents the changes in ATB's total revenue:

Table 3: Total Revenue

($ in thousands)	2024	2024 vs. 2023 increase (decrease)		2023
Net interest income	$ 1,370,612	$ 51,319	3.9%	$ 1,319,293
Other income	$ 654,104	37,866	6.1%	$ 616,238
Total revenue	**$ 2,024,716**	**$ 89,185**	**4.6%**	**$ 1,935,531**

Net Interest Income

NII represents the difference between the interest earned on assets (such as cash, loans and securities) and interest paid on liabilities (such as deposits and wholesale or collateralized borrowings). NII increased, driven by strong growth in our business and residential mortgage loans portfolios. Assets also benefited from the Bank of Canada prime rate increases; however, this was partially offset by higher funding costs and a change in our deposit mix as clients moved funds to higher-cost fixed-date deposits.

Table 4: Changes in Net Interest Income

	2024 vs. 2023			2023 vs. 2022		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
($ in thousands)	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Assets						
Interest-bearing deposits with financial institutions and securities	$ (28,635)	$ 149,875	$ 121,240	$ 2,449	$ 221,332	$ 223,781
Loans	125,995	388,836	514,831	54,285	303,635	357,920
Change in interest income	**97,360**	**538,711**	**636,071**	**56,734**	**524,967**	**581,701**
Liabilities						
Deposits	71,367	427,795	499,162	19,224	358,811	378,035
Wholesale borrowings	(9,612)	47,934	38,322	10,400	37,325	47,725
Collateralized borrowings	(18,881)	74,154	55,273	771	68,180	68,951
Securities sold under repurchase agreements	(8,762)	757	(8,005)	46	9,966	10,012
Change in interest expense	**34,112**	**550,640**	**584,752**	**30,441**	**474,282**	**504,723**
Change in net interest income	**$ 63,248**	**$ (11,929)**	**$ 51,319**	**$ 26,293**	**$ 50,685**	**$ 76,978**

Net interest margin (NIM) is the ratio of NII to average total interest-earning assets for the year. It is an important measure for ATB that demonstrates how profitable our banking business is. The ratio increased to 2.40% from 2.37% last year, driven by the same factors that led to the higher NII previously noted. The NIM growth was partially offset by higher rates on funding, notably on wholesale borrowings, which was also driven by higher Bank of Canada prime rate increases.

Table 5: Net Interest Income and Margin

($ in thousands)	Average balances 2024	Average balances 2023	Interest 2024	Interest 2023	Average rate *(%)* 2024	Average rate *(%)* 2023
Assets						
Interest-bearing deposits with financial institutions and securities	$ 7,631,673	$ 8,742,677	$ 370,603	$ 249,363	4.9	2.9
Loans	49,581,973	46,913,413	2,547,146	2,032,315	5.1	4.3
Total interest-earning assets	57,213,646	55,656,090	2,917,749	2,281,678	5.1	4.1
Non-interest-earning assets	3,282,841	4,138,879	-	-	-	-
Total assets	**$ 60,496,487**	**$ 59,794,969**	**$ 2,917,749**	**$ 2,281,678**	**4.8**	**3.8**
Liabilities and equity						
Deposits	$ 40,494,280	$ 38,492,178	$ 1,130,760	$ 639,603	2.8	1.7
Wholesale borrowings	3,811,668	4,167,211	150,978	112,656	4.0	2.7
Collateralized borrowings	7,366,217	7,950,550	265,399	210,126	3.6	2.6
Non-interest-bearing liabilities	3,747,599	4,279,960	-	-	-	-
Securities sold under repurchase agreements	42,310	338,054	-	-	-	-
Equity	5,034,413	4,567,016	-	-	-	-
Total liabilities and equity	**$ 60,496,487**	**$ 59,794,969**	**$ 1,547,137**	**$ 962,385**	**2.6**	**1.6**
Net interest margin					**2.40**	**2.37**

Other Income

OI consists of all revenue not classified as NII.

Table 6: Other Income

($ in thousands)	2024	2024 vs. 2023 increase (decrease)		2023
Wealth management	$ 265,500	$ 7,305	2.8%	$ 258,195
Service charges	94,750	3,929	4.3%	90,821
Card fees	93,374	7,271	8.4%	86,103
Credit fees	62,087	8,508	15.9%	53,579
Financial markets	56,183	(5,603)	(9.1)%	61,786
Capital markets	64,532	15,807	32.4%	48,725
Foreign exchange	17,848	7,545	73.2%	10,303
Insurance	24,215	5,576	29.9%	18,639
Net gains (losses) on derivative financial instruments	(6,296)	(17,085)	(158.4)%	10,789
Net gains (losses) on securities	2,779	8,373	149.7%	(5,594)
Sundry	(20,868)	(3,760)	(22.0)%	(17,108)
Total other income	**$ 654,104**	**$ 37,866**	**6.1%**	**$ 616,238**

The majority of OI revenue sources increased year-over-year, partially offset by net losses on derivative financial instruments.

Pricing changes and increases in transaction volumes are the primary drivers for higher service charges and fees. Improved market conditions boosted capital markets, strategic investments and wealth management revenues. Increased activity further contributed to capital markets revenue. These increases were partially offset by losses from balance sheet management activities and lower financial market revenue earned from supporting our clients' risk management needs.

The ratio of OI to total revenue was 32.3%—an increase of 0.5% from the prior year.

Provision for Loan Losses

Table 7: Provision for Loan Losses

($ in thousands)	2024	2024 vs. 2023 increase (decrease)		2023
Stage 3 (recovery) provision (1)	$ 10,446	$ 38,812	136.8%	$ (28,366)
Stage 2 (recovery) provision (1)	(2,588)	13,766	84.2%	(16,354)
Stage 1 (recovery) provision (1)	18,131	33,723	216.3%	(15,592)
Net write-offs	105,483	20,538	24.2%	84,945
Total provision for (recovery of) loan losses	**$ 131,472**	**$ 106,839**	**433.7%**	**$ 24,633**
Provision for (recovery of) loan losses to average gross loans	0.3%	(0.2)%		0.1%

(1) Refer to the Critical Accounting Policies and Estimates section for further details.

ATB's LLP—comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans—saw a significant increase in the provision this year. The changes are primarily attributed to an increase in our Stage 3 provision, driven by non-retail impairments, combined with an increase to our Stage 1 and Stage 2 provision as a result of this year's strong loan growth.

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 (see Risk Management). As at March 31, 2024, gross impaired loans of $0.6 billion comprise 1.1% (2023: 1.1%) of the total loan portfolio.

Non-Interest Expense

Non-interest expense (NIE) consists of all expenses incurred by ATB except for interest expenses and LLP.

Table 8: Non-Interest Expense

($ in thousands)	2024	2024 vs. 2023 increase (decrease)		2023
Salaries and employee benefits	$ 830,850	$ 83,448	11.2%	$ 747,402
Data processing	179,140	4,880	2.8%	174,260
Premises and occupancy, including depreciation	76,426	2,042	2.7%	74,384
Professional and consulting costs	80,677	2,193	2.8%	78,484
Deposit guarantee fee	56,027	1,659	3.1%	54,368
Equipment and software and other intangibles, including depreciation and amortization	99,324	9,953	11.1%	89,371
General and administrative	82,758	208	0.3%	82,550
ATB agencies	17,442	936	5.7%	16,506
Other	33,137	(4,031)	(10.8)%	37,168
Total non-interest expense	**$ 1,455,781**	**$ 101,288**	**7.5%**	**$ 1,354,493**
Efficiency ratio	**71.9%**	**1.9%**		**70.0%**

The NIE increase was primarily driven by higher people and technology costs, including the delivery of key initiatives, as well as a full year of costs related to the modernization of our core banking system. These drivers were compounded by inflationary pressures.

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 71.9% increased compared to last year's 70.0%, with expense growth outpacing total revenue growth.

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 26 in the financial statements for more on ATB's organizational structure.)

The NII, OI, NIE and LLP reported for each area may also include certain interline charges. The net effects of the internal funds transfer pricing (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).

Table 9: Year-Over-Year Segmented Results

($ in thousands)	Everyday Financial Services	ATB Business	ATB Wealth	Strategic support units (1)	Total
For the year ended March 31, 2024					
Net interest income (loss)	$ 575,597	$ 809,114	$ 43,716	$ (57,815)	$ 1,370,612
Other income (loss)	152,862	263,263	270,058	(32,079)	654,104
Total revenue (loss)	728,459	1,072,377	313,774	(89,894)	2,024,716
Provision for (recovery of) loan losses	30,023	100,331	381	737	131,472
Non-interest expenses (1)	568,413	532,212	296,655	58,501	1,455,781
Payment in lieu of (recovery of) tax	29,905	101,162	2,947	(33,397)	100,617
Net income (loss)	**$ 100,118**	**$ 338,672**	**$ 13,791**	**$ (115,735)**	**$ 336,846**
Increase (decrease) from 2023					
Net interest income	$ 33,059	$ 40,974	$ 1,643	$ (24,357)	$ 51,319
Other income	17,235	26,206	8,251	(13,826)	37,866
Total revenue	50,294	67,180	9,894	(38,183)	89,185
Provision for loan losses	8,009	91,608	1,091	6,131	106,839
Non-interest expenses	35,598	31,540	22,131	12,019	101,288
Payment in lieu of tax	1,538	(12,872)	(3,968)	(12,054)	(27,356)
Net income (loss)	**$ 5,149**	**$ (43,096)**	**$ (9,360)**	**$ (44,279)**	**$ (91,586)**
For the year ended March 31, 2023					
Net interest income	$ 542,538	$ 768,140	$ 42,073	$ (33,458)	$ 1,319,293
Other income	135,627	237,057	261,807	(18,253)	616,238
Total revenue	678,165	1,005,197	303,880	(51,711)	1,935,531
Provision for (recovery of) loan losses	22,014	8,723	(710)	(5,394)	24,633
Non-interest expenses (1)	532,815	500,672	274,524	46,482	1,354,493
Payment in lieu of (recovery of) tax	28,367	114,034	6,915	(21,343)	127,973
Net income (loss)	**$ 94,969**	**$ 381,768**	**$ 23,151**	**$ (71,456)**	**$ 428,432**

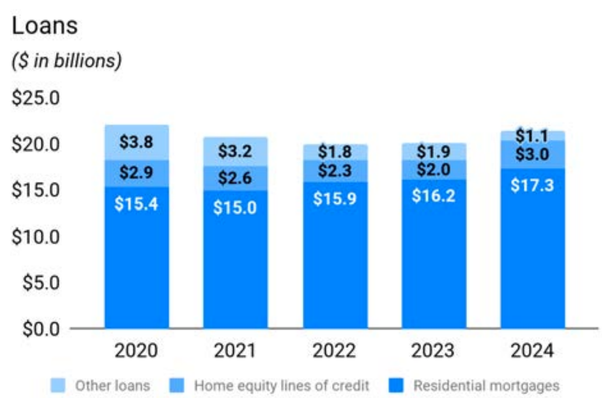
(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

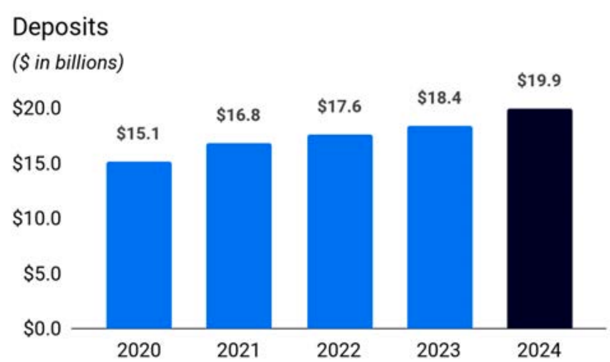
Everyday Financial Services

Table 10: EFS Financial Performance

($ in thousands)	**2024**	**2023**
Net interest income	$ 575,597	$ 542,538
Other income	152,862	135,627
Total revenue	728,459	678,165
Provision for loan losses	30,023	22,014
Non-interest expense (1)	568,413	532,815
Net income before payment in lieu of tax	130,023	123,336
Payment in lieu of tax	29,905	28,367
Net income	**$ 100,118**	**$ 94,969**
Net loans	$ 21,447,147	$ 20,105,860
Total deposits	19,943,162	18,438,461

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





EFS's NI increased this year as a result of higher revenue, offset partially by higher expenses and LLP.

NII increased due to the Bank of Canada prime rate increases and strong loan growth. This was mostly offset by higher deposit costs and increased deposit volumes.

OI increased, mainly due to higher credit and debit card revenue as clients spent more due to inflation and an increase in card usage. Higher third-party insurance revenue on loans and service charges from an increase in the number of small business clients also contributed to the increase.

LLP increased from the prior year in line with loan growth.

NIE increased, primarily from higher people costs, higher credit card fees associated with increased revenue and higher amortization costs related to major retail banking initiatives.

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

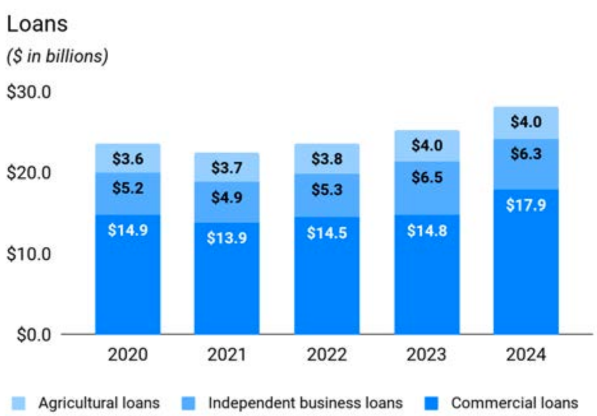
Deposits increased as clients continue to take advantage of high interest rates by holding fixed-date deposits.

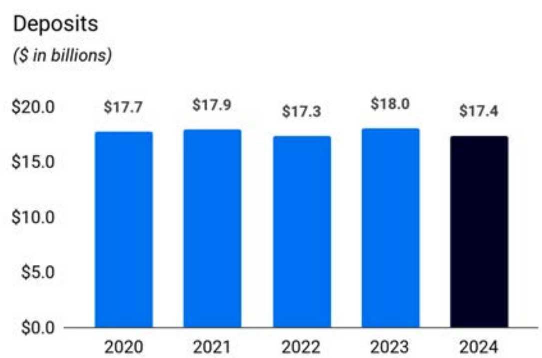
ATB Business

Table 11: ATB Business Financial Performance

($ in thousands)	**2024**	**2023**
Net interest income	$ 809,114	$ 768,140
Other income	263,263	237,057
Total revenue	1,072,377	1,005,197
Provision for (recovery of) loan losses	100,331	8,723
Non-interest expense (1)	532,212	500,672
Net income before payment in lieu of tax	439,834	495,802
Payment in lieu of tax	101,162	114,034
Net income	**$ 338,672**	**$ 381,768**
Net loans	$ 28,230,581	$ 25,254,071
Total deposits	17,364,277	17,954,131

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





ATB Business's NI decreased because of higher LLP and higher expenses.

NII increased due to the Bank of Canada rate increases and loan growth in the energy and extraction sector.

OI grew mainly from capital markets revenue as a result of improved market conditions and increased activity. The loan growth seen in the year also contributed to higher credit fees.

LLP increased among all stages compared to the prior year, with the uptick in Stage 1 and Stage 2 driven by the loan growth. The increase in Stage 3 is as a result of new impairments.

NIE increased, driven by performance-based compensation associated with higher revenues, people costs and higher amortization costs related to key technology initiatives.

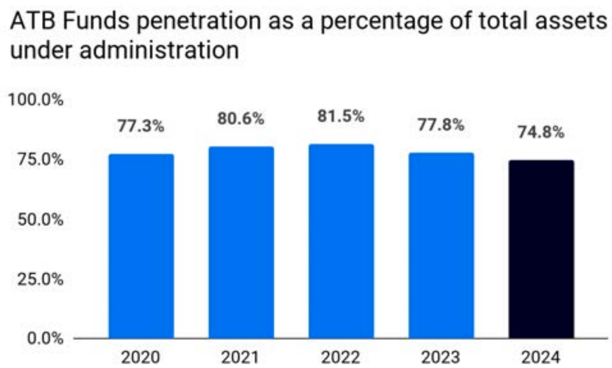
Loans grew significantly, mostly from the energy and extraction and real estate sectors. Deposits contracted as a result of small business deposits decreasing.

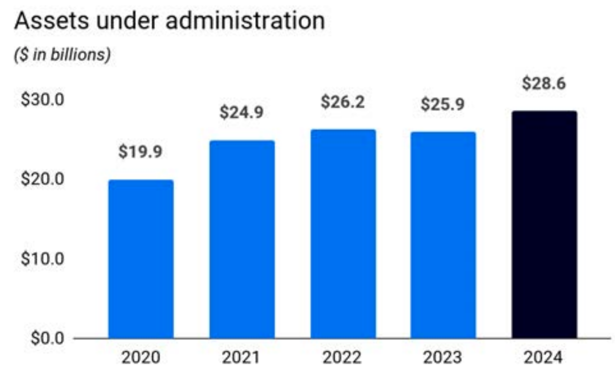
ATB Wealth

Table 12: ATB Wealth Financial Performance

($ in thousands)	**2024**	**2023**
Net interest income	$ 43,716	$ 42,073
Other income	270,058	261,807
Total revenue	313,774	303,880
Provision for (recovery of) loan losses	381	(710)
Non-interest expense (1)	296,655	274,524
Net income before payment in lieu of tax	16,738	30,066
Payment in lieu of tax	2,947	6,915
Net income	**$ 13,791**	**$ 23,151**
Net loans	$ 1,177,272	$ 1,241,496
Total deposits	3,246,756	2,970,082
Total assets under administration	28,555,986	25,905,220

(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 Wealth's NI decreased as higher expenses offset the growth in total revenue.

NII increased mainly due to the impact of the Bank of Canada prime rate increases on loans. This was partially offset by clients shifting towards higher-cost deposits and loan contraction.

OI increased due to a 6.0% year-over-year growth in average assets under administration (AUA) balances.

NIE increased from higher people costs, higher variable costs associated with higher AUA balances and higher amortization costs related to key technology initiatives. This was partially offset by an insurance recovery on a previously recognized operational loss.

Loans contracted with the increase in the prime rates as clients paid down higher-rate personal lines of credit and demand for new RMLs decreased. Deposits increased as ATB Wealth clients continue to transfer assets to fixed-date deposits in order to take advantage of higher interest rates.

ATB Wealth's AUA increased, reaching a record $28.6 billion as market returns improved.

Strategic Support Units

Table 13: Strategic Support Units Financial Performance

($ in thousands)	**2024**	**2023**
Net interest income (loss)	$ (57,815)	$ (33,458)
Other income (loss)	(32,079)	(18,253)
Total revenue (loss)	(89,894)	(51,711)
Provision for (recovery of) loan losses	737	(5,394)
Non-interest expenses (1)	58,501	46,482
Loss before payment in lieu of taxes	(149,132)	(92,799)
Recovery of tax	(33,397)	(21,343)
Net income (loss)	**$ (115,735)**	**$ (71,456)**

(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 decreased mainly due to balance sheet management activities.

OI decreased mainly due to balance sheet management activities, partially offset by net gains from strategic investments.

The increase in LLP reflects a smaller recovery across all stages as a result of increased loan loss expectations on existing loans.

The increase in NIE is attributed to higher people costs.

QUARTERLY OPERATING RESULTS AND TREND ANALYSIS

Review of FY2024 Fourth-Quarter Operating Results

Table 14: Summarized Consolidated Statement of Income

For the three months ended ($ in thousands)	**Q4 Mar 31/24**	**Q3 Dec 31/23**	**Q2 Sep 30/23**	**Q1 Jun 30/23**	**Q4 Mar 31/23**	**Q3 Dec 31/22**	**Q2 Sep 30/22**	**Q1 Jun 30/22**
Interest income	$ 756,483	$ 761,220	$ 730,331	$ 669,715	$ 649,858	$ 621,331	$ 550,037	$ 460,452
Interest expense	410,353	412,939	385,957	337,888	316,222	290,121	219,623	136,419
Net interest income	346,130	348,281	344,374	331,827	333,636	331,210	330,414	324,033
Other income	159,435	169,708	158,829	166,132	158,298	152,470	153,386	152,084
Total revenue	505,565	517,989	503,203	497,959	491,934	483,680	483,800	476,117
Provision for (recovery of) loan losses	74,518	29,543	30,320	(2,909)	16,092	(19,510)	27,284	767
Non-interest expense	386,231	365,006	359,483	345,061	361,071	340,325	326,538	326,559
Net income before payment in lieu of tax	44,816	123,440	113,400	155,807	114,771	162,865	129,978	148,791
Payment in lieu of tax	10,309	28,391	26,081	35,836	26,397	37,459	29,895	34,222
Net income (loss)	**$ 34,507**	**$ 95,049**	**$ 87,319**	**$ 119,971**	**$ 88,374**	**$ 125,406**	**$ 100,083**	**$ 114,569**

Net Income

NI is lower compared to last quarter and the same time last year. Both decreases are due to higher NIE and an increase in our LLP.

Total Revenue

Total revenue consists of NII and OI. This quarter's total revenue decreased from last quarter but is higher than the same time last year.

The decrease from last quarter is mainly driven by a decrease in OI. A sundry write-off was recognized in the current quarter, which was partially offset by stronger credit fees, capital markets income and financial markets revenue.

The year-over-year increase is mainly due to higher NII, driven by loan growth and the Bank of Canada prime rate increases.

Provision for Loan Losses

ATB recorded a significant increase in the provision compared to last quarter and this time last year. While the economic outlook remained stable for the quarter, the changes were primarily due to an increase in our Stage 3 provision attributed to non-retail impairments. The year-over-year LLP change was driven by non-retail impairments, combined with an increase in our Stage 1 and Stage 2 provision as a result of considerable loan growth this year. The increase is further compounded by large recoveries seen in the prior year.

Non-Interest Expense and Efficiency Ratio

NIE increased quarter-over-quarter and from the same time last year, driven by higher team member and technology costs. These are slightly offset by other expenses related to the fair value adjustment of achievement notes.

ATB's efficiency ratio of 76.4% this quarter represents an increase from 70.4% last quarter and 73.4% from the same quarter last year. This is due to expense growth outpacing our total revenue growth and a sundry write-off recognized in the current quarter.

Trend Analysis

NII trended up from Q1 to Q3, followed by a slight decrease in Q4. NII was bolstered by the Bank of Canada prime rate hikes and strong loan growth in our business loan and residential mortgage portfolios. The increase was offset by higher deposit costs as clients continued to move funds to fixed-date deposits to take advantage of the high interest rates.

OI showed variability over FY2024 with fluctuations each quarter, but has shown a positive trend compared to the same quarters in FY2023. The growth came from various sources, contributing to a diversified revenue stream. Capital markets revenue was a significant driver as a result of favourable market conditions and increased activity. Wealth revenue was higher as improved market performance increased assets under administration to a record balance of $28.6 billion. Credit fees grew in conjunction with loan growth. In Q4, OI formed 31.5% of total revenue, slightly lower than 32.2% in the same quarter last year. However, OI as a percentage of total revenue for FY2024 ended at 32.2%, an improvement on the FY2023 ratio of 31.8%.

Throughout the majority of FY2024, LLP increased, in contrast to the fluctuations seen in FY2023. As the risk outlook for the year remained stable and consistent with FY2023, the increases are primarily a result of the considerable loan growth recorded throughout the year in addition to non-retail impairments that occurred in Q4. Despite the increases in LLP this year, our credit quality remains strong and our overall provision is within the expected range. We remain committed to providing our clients with access to a diverse range of credit products and services to support Alberta's economy while taking appropriate measures to maintain acceptable levels of loan losses.

NIE has increased, mostly from higher people costs and operationalizing major technology initiatives, which are key to our growth and improving our client experiences.

REVIEW OF FY2024 CONSOLIDATED FINANCIAL POSITION

Total Assets

Our total assets as at March 31, 2024, are $60.4 billion, which is higher than last year, driven by strong loan growth, slightly offset by less cash and liquid securities.

Cash and Liquid Securities

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

Table 15: Total Cash and Liquid Securities

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Cash	$ 1,492,755	$ (598,944)	(28.6)%	$ 2,091,699
Interest-bearing deposits with financial institutions	182,371	(85,387)	(31.9)%	267,758
Liquid securities	5,470,439	(280,727)	(4.9)%	5,751,166
Cash and liquid securities	**$ 7,145,565**	**$ (965,058)**	**(11.9)%**	**$ 8,110,623**

Fluctuations in cash holdings stem from changes in client product preferences and the timing of certain interbank activities, including foreign currency and cheque clearing, and other transit items. The decrease is driven by holding less cash with the Bank of Canada and other financial institutions, as well as a decrease in securities held for liquidity risk management purposes.

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

Loans

Table 16: Net Loans

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Gross loans	$ 51,632,173	$ 4,042,285	8.5%	$ 47,589,888
Less: Stage 3 allowance	(189,466)	(2,892)	(1.6)%	(186,574)
Loans, net of Stage 3 allowance	51,442,707	4,039,393	8.5%	47,403,314
Less: Stage 1 and 2 allowance	(176,550)	(7,319)	(4.3)%	(169,231)
Net loans	**$ 51,266,157**	**$ 4,032,074**	**8.5%**	**$ 47,234,083**

Net loans increased, with business loans specifically in the energy and extraction sector driving most of the increase. Residential mortgages also grew, with competitive rates, promotions and market activity driving the increase. This is slightly offset by a reduction in HELOCs and other personal loans as clients continue to pay down high-rate debt.

All three stages of the allowance for loan losses have increased since last year. While the majority of increases can be attributed to significant loan growth, our credit quality remains strong. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in the Risk Management section and Notes 8 and 9 to the financial statements.

Other Assets

Table 17: Total Other Assets

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Derivative financial instruments	$ 928,723	$ (122,292)	(11.6)%	$ 1,051,015
Prepaid expenses and other receivables	236,752	(54,858)	(18.8)%	291,610
Software and other intangibles	174,024	(42,175)	(19.5)%	216,199
Property and equipment	208,371	2,905	1.4%	205,466
Accrued interest receivable	127,615	37,628	41.8%	89,987
Net pension asset	53,766	2,142	4.1%	51,624
Other	54,073	(29,123)	(35.0)%	83,196
Total other assets	**$ 1,783,324**	**$ (205,773)**	**(10.3)%**	**$ 1,989,097**

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

The decrease in our derivative assets is primarily due to foreign exchange volatility, impacting the fair value of our foreign exchange portfolio. This decrease is associated with the decrease in derivative liabilities noted in Other Liabilities, with more information described in the Derivatives section.

Total Liabilities

Total liabilities ended the year at $55.1 billion, $2.5 billion higher than last year. The increase is primarily from wholesale borrowings and deposits used to fund our loan growth.

Deposits

Table 18: Total Deposits

As at *($ in thousands)*	Payable on demand	Payable on a fixed date	Total	Percentage of total
March 31, 2024				
Transaction accounts	$ 12,644,253	$ -	$ 12,644,253	31.2%
Savings accounts	9,981,121	-	9,981,121	24.6%
Notice accounts	6,064,005	-	6,064,005	14.9%
Non-redeemable fixed-date deposits	-	9,693,531	9,693,531	23.9%
Redeemable fixed-date deposits	-	2,199,907	2,199,907	5.4%
Total deposits	**$ 28,689,379**	**$ 11,893,438**	**$ 40,582,817**	**100.0%**
March 31, 2023				
Transaction accounts	$ 13,106,160	$ -	$ 13,106,160	33.2%
Savings accounts	10,086,677	-	10,086,677	25.5%
Notice accounts	5,676,301	-	5,676,301	14.4%
Non-redeemable fixed-date deposits	-	9,307,271	9,307,271	23.6%
Redeemable fixed-date deposits	-	1,297,084	1,297,084	3.3%
Total deposits	**$ 28,869,138**	**$ 10,604,355**	**$ 39,473,493**	**100.0%**

ATB's principal sources of funding are client deposits. Balances have increased as clients continue holding more assets in fixed-date deposits to take advantage of the higher interest rates on these products. Liquid accounts held steady.

Other Liabilities

Table 19: Total Other Liabilities

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Wholesale borrowings	$ 4,919,593	$ 2,407,090	95.8%	$ 2,512,503
Collateralized borrowings	6,820,589	(1,071,277)	(13.6)%	7,891,866
Derivative financial instruments	1,070,555	(141,734)	(11.7)%	1,212,289
Accounts payable and accrued liabilities	945,731	83,557	9.7%	862,174
Accrued interest payable	300,204	104,498	53.4%	195,706
Due to clients, brokers and dealers	119,949	(15,924)	(11.7)%	135,873
Payment in lieu of tax	100,617	(27,356)	(21.4)%	127,973
Achievement notes	56,578	(3,991)	(6.6)%	60,569
Deposit guarantee fee payable	64,427	5,504	9.3%	58,923
Securities sold under repurchase agreements	141,724	19,156	15.6%	122,568
Total other liabilities	**$ 14,539,967**	**$ 1,359,523**	**10.3%**	**$ 13,180,444**

ATB's other liabilities are composed primarily of collateralized and wholesale borrowings, derivative financial instruments, accounts payable and accrued liabilities. (See Notes 10, 15, 16 and 18 to the financial statements.) Collateralized and wholesale borrowings are used as a funding source to supplement client deposits.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA, to a limit of $9.0 billion. The increase in issuances is to support our strong loan growth. Collateralized borrowings represent ATB's participation in the Canada Mortgage Bonds (CMB) program as well as securitization of credit card and equipment finance receivables.

Derivative liabilities decreased as a result of a decrease in the fair value of foreign exchange portfolio. This decrease is associated with the decrease in derivative assets noted in the Other Assets section.

Accumulated Other Comprehensive Income

Table 20: Total Accumulated Other Comprehensive Income

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Securities measured at fair value through other comprehensive income	$ 65,315	$ 47,138	259.3%	$ 18,177
Derivative financial instruments designated as cash flow hedges	(193,758)	55,553	22.3%	(249,310)
Defined-benefit-plan liabilities	74,471	3,040	4.3%	71,431
Accumulated other comprehensive income (loss)	**$ (53,972)**	**$ 105,730**	**66.2%**	**$ (159,702)**

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are recorded in the consolidated statement of operations only when realized or when certain trigger events occur. AOCI increased from last year as our hedge-accounted swap portfolio was favourably impacted by swap rates increasing and from securities benefiting from improving market conditions.

Regulatory Capital

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

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act*, *ATB Regulation* and the *OSFI Capital Adequacy Requirements Guideline* (CAR Guideline). ATB's capital adequacy requirements were modelled after guidelines governing other Canadian deposit-taking institutions and authorized by the GoA's President of Treasury Board and Minister of Finance. ATB's minimum Tier 1 capital requirement is 7.0%, and the total capital requirement is the greater of 10.0% of risk-weighted assets or 5.0% of total assets. (See Note 25 to the financial statements for more on ATB's regulatory capital.)

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

Table 21: Regulatory Capital

As at March 31 *($ in thousands)*	2024	2024 vs. 2023 increase (decrease)		2023
Tier 1 capital				
Retained earnings	$ 5,313,468	$ 336,846	6.8%	$ 4,976,622
Tier 2 capital				
Eligible portions of:				
Wholesale borrowings	1,304,469	(132,799)	(9.2)%	1,437,268
Collective allowance for loan losses	227,000	15,578	7.4%	211,422
Total Tier 2 capital	1,531,469	(117,221)	(7.1)%	1,648,690
Deductions from capital				
Software and other intangibles	174,024	(42,175)	(19.5)%	216,199
Total capital	**$ 6,670,913**	**$ 261,800**	**4.1%**	**$ 6,409,113**
Total risk-weighted assets	$ 40,769,954	$ 2,243,829	5.8%	$ 38,526,125
Risk-weighted capital ratios				
Tier 1 capital ratio	13.0%	0.1%		12.9%
Total capital ratio	16.3%	(0.3)%		16.6%
Assets-to-capital multiple	9.1	0.1		9.0

Risk-Weighted Assets

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

Table 22: Risk-Weighted Assets

		2024				2023	
As at March 31 *($ in thousands)*	Risk-weighted percentage	**On- or off-balance-sheet value**	**Risk-weighted value**	**Risk-weighted value increase (decrease)**		**On- or off-balance-sheet value**	**Risk-weighted value**
On-balance-sheet amounts							
Cash resources	0–20	$ 1,675,126	$ 70,390	$ (12,416)	(15.0)%	$ 2,359,457	$ 82,806
Securities	0–100	5,657,673	187,301	50,247	36.7%	5,888,220	137,054
Residential mortgages	0–100	17,971,062	4,302,445	176,799	4.3%	16,830,720	4,125,646
Other loans	0–100	33,295,095	30,472,901	1,650,384	5.7%	30,403,363	28,822,517
Other assets	20–100	1,783,324	380,112	(606,834)	(61.5)%	1,989,097	986,946
Total on-balance-sheet amounts		**$ 60,382,280**	**$ 35,413,150**	**$ 1,258,181**	**3.7%**	**$ 57,470,857**	**$ 34,154,969**
Off-balance-sheet amounts							
Guarantees and letters of credit (1)	0–100	$ 24,403,844	$ 5,356,804	$ 985,648	22.5%	$ 22,210,669	$ 4,371,156
Derivative financial instruments	0–50	32,402,471	-	-	-	33,450,064	-
Total off-balance-sheet amounts		**$ 56,806,315**	**$ 5,356,804**	**$ 985,648**	**22.5%**	**$ 55,660,733**	**$ 4,371,156**
Total risk-weighted assets		**$ 117,188,595**	**$ 40,769,954**	**$ 2,243,829**	**5.8%**	**$ 113,131,590**	**$ 38,526,125**

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

Return on Average Risk-Weighted Assets

ATB achieved a 0.8% return on risk-weighted assets—a 0.3% decrease from last year—as income decreased while our risk-weighted assets increased, mainly due to higher loans, guarantees and letters of credit.

Off-Balance-Sheet Arrangements

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

Assets Under Administration

AUA consists of client investments managed and administered by ATB's subsidiary entities operating under the umbrella of ATB Wealth. AUA increased from $25.9 billion to a record $28.6 billion this year. (See ATB Wealth in this MD&A.)

Derivative Financial Instruments

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

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

Credit Instruments

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

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

Contractual Obligations

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

Guarantees

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

Securitization

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

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Material Accounting Policies

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

Critical Accounting Estimates

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

Allowance for Loan Losses

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

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

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

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

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

Fair Value of Financial Instruments

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

Future Changes in Accounting Policies

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

RISK MANAGEMENT

The following discussion outlines ATB's approach to managing the key risks we face and includes a discussion of risk management policies and procedures relating to credit, market and liquidity risks as required by IFRS 7 *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Discussion of ATB's approach to managing key financial and other related risks forms an integral part of the audited financial statements for the year ended March 31, 2024.

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

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

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

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

Top and Emerging Risks

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

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

Below is a detailed discussion of the significant top and emerging risks we are facing:

Economic Uncertainty

As part of our mandate, ATB is required to operate and provide financial services predominantly in Alberta. The health of the Alberta economy affects our earnings and influences our ability to deliver on strategy and business plans. Near-term headwinds to Alberta's economic growth include high levels of inflation and elevated interest rates negatively weighing on consumer and business borrowing and spending in the economy. The path the Bank of Canada takes regarding when and how deeply it will cut interest rates is uncertain and, while Alberta is expected to remain one of Canada's growth leaders, economic growth is expected to slow compared to last year.

In addition to the near-term economic uncertainty described above, key Alberta economic sectors face long-term challenges stemming from the transition to a low-carbon economy, including the potential for a reallocation of capital related to a decreased global appetite for fossil fuels. Climate change concerns will impact how businesses in carbon-intensive sectors are able to access and invest funds to meet their objectives, and the escalation of climate policies and regulations may present economic challenges and significant costs. For details on how we are approaching environmental-related risk management, refer to the Environmental Risk section.

Economic uncertainty may adversely impact ATB's income, loan growth and performance and deposit levels. ATB closely monitors economic factors that could negatively impact our performance and relies on our risk management frameworks to manage risks related to economic uncertainty. For details on how we manage the associated risks, refer to the Credit Risk, Market Risk and Liquidity Risk sections.

Cybersecurity Risk

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

Competitive Disruption

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

Risk Management

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

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

Risk Culture

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

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

- Code of conduct and ethics.
- Enterprise risk appetite statement.
- Policies and procedures.
- Performance management and compensation practices.

ATB develops and fosters a risk-aware culture by:

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

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

Risk Governance

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

Risk governance and oversight	**Board of Directors**	
	Risk Committee	Audit Committee

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

Risk management and reporting	**Three lines of defence**		
	First line: Risk ownership and management	**Second line: Risk oversight and control**	**Third line: Independent assurance**
	• Everyday Financial Services • ATB Business • ATB Wealth • ATB Client Experience and Technology Office	• ATB Risk Management Office • ATB Finance Office • ATB People Office • ATB Legal and Sustainability Office	• ATB Internal Audit • External auditors

Risk Governance and Oversight

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

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

Risk Strategic Direction and Control

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

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

Risk Management and Reporting

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

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

- **First line of defence:** Risk ownership and management includes the groups that face risks directly. They are accountable for taking and managing risks within their respective areas of responsibility, in line with approved limits, policies and authorities.
- **Second line of defence:** Risk Management teams establish policies, practices, limits and authorities throughout ATB. They monitor and report on risk management activities, as appropriate, to senior management and the Board's Risk Committee. Risk Management is supported by other teams who conduct risk oversight activities.
- **Third line of defence:** Internal Assurance monitors the activities of management and provides independent assurance to the Board of Directors on the effectiveness of, and adherence to, risk management policies, procedures and internal controls.

Risk Appetite Statement

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

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

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

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

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

Enterprise Risk Management Framework

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

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

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

Risk Identification and Assessment

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

Risk Monitoring and Review

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

Scenario Analysis and Stress Testing

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

The shaded areas of this MD&A represent a discussion of risk management policies and procedures relating to credit, market and liquidity risks as required under IFRS 7 *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Therefore, the shaded areas, which include Credit Risk, Market Risk and Liquidity Risk, form an integral part of the audited financial statements for the years ended March 31, 2024 and 2023.

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.

Credit Risk Governance

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

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

Credit Risk Management

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

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

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

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

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

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

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

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

Counterparty Risk

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

Derivatives

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

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

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

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

Credit Risk Measurement

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

Table 23: Credit Risk Exposure

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

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Financial assets (1)	$ 59,514,203	$ 56,427,404
Other commitments and off-balance-sheet items (2)	24,393,968	22,210,668
Total credit risk	**$ 83,908,171**	**$ 78,638,072**

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

Table 24: Industry Concentration

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

		March 31 2024		**March 31 2023**
As at *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 7,325,781	15.4%	$ 6,694,144	14.1%
Mining and oil-and-gas extraction	6,548,369	13.8%	4,874,883	10.2%
Agriculture, forestry, fishing and hunting	4,763,852	10.0%	4,566,795	9.6%
Largest borrower	$ 1,143,833	2.4%	$ 290,628	0.5%

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

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)*			March 31 2024		March 31 2023
Residential mortgages	Insured (1)	$ 10,945,130	60.9%	$ 10,027,437	59.6%
	Uninsured	7,025,932	39.1%	6,803,283	40.4%
Total residential mortgages		**$ 17,971,062**	**100.0%**	**$ 16,830,720**	**100.0%**
Home equity lines of credit	Uninsured	$ 1,927,062	100.0%	$ 2,166,527	100.0%
Total home equity lines of credit		**$ 1,927,062**	**100.0%**	**$ 2,166,527**	**100.0%**
	Insured	**$ 10,945,130**	**55.0%**	**$ 10,027,437**	**52.8%**
Total	**Uninsured**	**8,952,994**	**45.0%**	**8,969,810**	**47.2%**

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

Table 26: Real Estate Secured Lending (Amortization Period)

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

As at	March 31 2024	March 31 2023
Less than 25 years	97.9%	96.0%
25 years and above	2.1%	4.0%
Total	**100.0%**	**100.0%**

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

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

As at	March 31 2024	March 31 2023
Residential mortgages	63.8%	68.1%
Home equity lines of credit	55.7%	58.0%

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

ATB has limited exposure to variable rate mortgages, which comprised 7.3% of total mortgages as at March 31, 2024, and 10.8% at March 31, 2023.

Market Risk

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

Market Risk Governance

ATB's market risks are managed in accordance with policies and frameworks that outline risk management requirements, program governance and monitoring and reporting standards across the three lines of defence. ATB does not engage in market making, arbitrage or proprietary trading of commodities, equities or fixed income markets. The focus remains on servicing our clients' needs and managing the risk that arises from our clients' activities. ATB takes minimal market risk and instead aims to minimize volatility in earnings through various hedging activities.

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

Interest Rate Risk Management

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

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

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

Asset and liability management encompasses the following tasks:

- Developing interest rate risk management policies and limits
- Developing methods to measure, monitor and report interest rate risk
- Managing interest rate risk versus approved limits
- Measuring, monitoring and reporting interest rate risk exposure to the ALCO monthly and the Board's Risk Committee quarterly

Interest Rate Risk Measurement

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

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

(See Note 22 to the financial statements.)

Foreign Exchange Risk

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

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

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

As at March 31, 2024, ATB is within our Board-approved minimum limits.

Commodity Price Risk

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

Liquidity Risk

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

Liquidity Risk Governance

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

Liquidity Risk Management

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

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

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

Liquidity Risk Measurement

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 OSFI LAR Guideline.

As at March 31, 2024, the LCR is 128.5% (2023: 134.6%), above the Board-approved minimum limit.

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

Table 28: Long-Term Funding Sources

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

	2024		2023	
As at March 31 *($ in thousands)*	**Long-term funding**	**Percentage of total**	**Long-term funding**	**Percentage of total**
Wholesale borrowings	$ 4,948,500	42.0%	$ 2,520,360	24.2%
Collateralized borrowings	6,839,797	58.0%	7,903,625	75.8%
Total long-term funding	**$ 11,788,297**	**100.0%**	**$ 10,423,985**	**100.0%**

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

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

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

As at ($ in thousands)	Term Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	No specific maturity	Total
March 31, 2023								
Assets								
Cash resources	$ 1,974,745	$ -	$ -	$ -	$ -	$ -	$ 384,712	$ 2,359,457
Securities	3,298,889	1,280,469	637,278	-	180,569	453,185	37,830	5,888,220
Loans	9,273,092	366,722	302,864	506,271	602,067	36,183,067	-	47,234,083
Derivative financial instruments	367,546	206,873	112,795	44,980	29,251	289,570	-	1,051,015
Other financial assets	-	-	-	-	-	-	377,601	377,601
Total financial assets	14,914,272	1,854,064	1,052,937	551,251	811,887	36,925,822	800,143	56,910,376
Other non-financial assets							560,481	560,481
Total assets	**$ 14,914,272**	**$ 1,854,064**	**$ 1,052,937**	**$ 551,251**	**$ 811,887**	**$ 36,925,822**	**$ 1,360,624**	**$ 57,470,857**
Liabilities and equity								
Deposits	$ 37,162,812	$ 1,456,885	$ 300,092	$ 108,479	$ 442,377	$ 2,848	$ -	$ 39,473,493
Wholesale borrowings	467,489	-	349,208	699,561	591,985	404,260	-	2,512,503
Collateralized borrowings	1,920,096	1,641,201	1,062,032	1,184,771	1,394,925	688,841	-	7,891,866
Derivative financial instruments	319,046	250,864	177,149	143,709	65,395	256,126	-	1,212,289
Securities sold under repurchase agreements	122,568	-	-	-	-	-	-	122,568
Other financial liabilities	-	-	-	-	-	-	1,254,176	1,254,176
Total financial liabilities	39,992,011	3,348,950	1,888,481	2,136,520	2,494,682	1,352,075	1,254,176	52,466,895
Other non-financial liabilities	-	-	-	-	-	-	187,042	187,042
Total liabilities	**$ 39,992,011**	**$ 3,348,950**	**$ 1,888,481**	**$ 2,136,520**	**$ 2,494,682**	**$ 1,352,075**	**$ 1,441,218**	**$ 52,653,937**
Total equity	**-**	**-**	**-**	**-**	**-**	**-**	**4,816,920**	**4,816,920**
Total liabilities and equity	**$ 39,992,011**	**$ 3,348,950**	**$ 1,888,481**	**$ 2,136,520**	**$ 2,494,682**	**$ 1,352,075**	**$ 6,258,138**	**$ 57,470,857**

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

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

As at ($ in thousands)	Term						
Off-balance-sheet financial instruments	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
March 31, 2024							
Guarantees and letters of credit (1)	$ 1,170,543	$ -	$ -	$ -	$ -	$ -	**$ 1,170,543**
Commitments to extend credit (2)	23,233,301	-	-	-	-	-	**23,233,301**
Purchase obligations	238,144	115,345	44,877	23,809	18,226	25,261	**465,662**
March 31, 2023							
Guarantees and letters of credit (1)	$ 1,288,861	$ -	$ -	$ -	$ -	$ -	**$ 1,288,861**
Commitments to extend credit (2)	20,921,808	-	-	-	-	-	**20,921,808**
Purchase obligations	171,261	62,627	37,861	22,666	7,025	32,614	**334,054**

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

Operational Risk

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

Operational Risk Governance

ATB's operational risk policy outlines the risk management standards, expectations, processes and practices to conduct our business activities in a manner that does not expose the institution to a level of operational risk that exceeds the Board-approved risk appetite. The policy also establishes appropriate accountability for operational risk management across the three-lines-of-defence model.

Operational Risk Management

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

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

Third-Party Risk

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

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

Model Risk

Model risk is "the risk of adverse financial (e.g., capital, losses, revenue) and reputational consequences arising from the design, development, implementation and/or use of a model" (OSFI). A model is defined as a quantitative method, system and/or approach that applies statistical, economic, financial or mathematical theories, techniques and assumptions to process input data into quantitative estimates. Model risk can originate from, among other things, inappropriate specification; incorrect parameter estimates; unwanted bias; flawed hypotheses and/or assumptions; mathematical computation errors; inaccurate, inappropriate or incomplete data; lack of controls in data lineage; inappropriate, improper or unintended usages; and inadequate monitoring and/or controls.

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

Fraud Risk

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

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

Strategy Risk

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

Strategy Risk Governance

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

Strategy Risk Management

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

Client Experience Risk

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

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

Cybersecurity Risk

Cybersecurity risk is the risk of loss or potential loss related to technical infrastructure or the use of technology by ATB or our third parties (including unauthorized access to our clients' data). Cybersecurity risk can arise from a lack of training/awareness, vendor/supply chain vulnerabilities, lack of or ineffective compliance with cybersecurity controls, concentration of data and associated analytics, lack of resources/investment, external dependency management, poor change management controls and ineffective cyber-incident management and resilience.

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

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

Regulatory Compliance Risk

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

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

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

Regulatory Risk Governance

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

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

Money Laundering and Terrorist Financing Risk

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

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

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

Privacy Risk

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

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

Environmental Risk

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

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

The regulatory environment concerned with environmental risks continues to evolve. OSFI has published Guideline B-15 — *Climate Risk Management*, which establishes expectations related to the disclosure of climate-related risks and opportunities. In addition, the International Sustainability Standards Board has released its first two standards for sustainability-related and climate-related disclosure requirements, and the Canadian Securities Administrators have proposed similar sustainability disclosures. ATB continues to monitor these developments and evolve our approach to the implementation of relevant standards and regulations.

Environmental Risk Governance

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

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

Environmental Risk Strategy

In a uniquely Alberta and ATB way, we are committed to ESG principles and creating long-term value through environmental, social and governance considerations. This approach will serve as a key enabler of ATB's enterprise strategy and sustainability commitment advancing to net zero by 2050. ATB incorporates sustainability into strategic planning and risk management activities by applying a stakeholder lens, including the incorporation of ESG considerations into our risk management governance documents. Ongoing monitoring of regulatory requirements, global standards, scenario analysis results and stakeholder perspectives and expectations will continue to inform strategic planning in the years to come.

Environmental Risk Management

ATB has been managing environmental and climate risk exposure for many years. Our ESG Governance Policy guides our practices to minimize negative environmental impacts, including:

- Ensuring ATB's ESG activities are aligned to our mandate and purpose.
- Supporting ATB's strategic objectives and risk mitigation process.
- Integrating ESG considerations into relevant ATB decision-making processes such that, over the long term, our activities are prioritized to have a net positive impact on the relationship with relevant identified ATB stakeholders.
- Reporting on ESG issues in a manner consistent with relevant reporting standards and frameworks and meeting applicable legal and regulatory requirements and accounting standards.

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

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

The results of ongoing scenario analysis, combined with a standardized climate change risk assessment for material sectors and borrowers, will continue to inform ATB's identification, assessment, management and disclosure of climate-related risks and further development of ATB's environmental risk management program.

Metrics and Targets

ATB has been measuring and disclosing the greenhouse gas emissions related to our own operational footprint annually since 2017, and rebaselined to 2019 in FY 2024. For more details regarding ATB's emissions measurement methodology and metrics, see the FY2024 Sustainability Report.

Our immediate focus is on the baselining of our data and the continued prioritization of key climate-related initiatives. This will inform the development of our environmental approach while keeping our stakeholders apprised of ATB's progress.

Social Risk

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

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

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

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

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Principles

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

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

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

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

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

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

Compensation Governance and Alignment to Corporate Strategy

Board of Directors

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

Human Resources Committee

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

Management

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

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

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

Compensation Risk Management

Alignment With Risk Appetite

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

Annual Compensation Risk Assessment

Annually, the CRO conducts a compensation risk assessment, providing highlights to the Risk Committee and HR Committee. This assessment gives consideration to compensation plans—focusing on incentives, performance objectives and results, and adequacy of governance practices relative to ATB's risk appetite, Financial Stability Board principles and industry practices. Based on this assessment, the CRO may recommend an adjustment to an executive's incentive compensation, for consideration by the CEO, HR Committee and Board of Directors, as applicable. The CRO's FY2024 assessment did not identify any material issues affecting the overall integrity of ATB's compensation system.

Variable Compensation Forfeiture and Clawback

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

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

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

Alignment With Shareholder Expectations

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

Independent Compensation Advice

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

	Billed in FY2024	Billed in FY2023
Executive compensation-related fees	$ 103,602	$ 31,433
Other fees	-	-
Total	**$103,602**	**$31,433**

Compensation Comparator Group and Market Positioning

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

Executive Compensation Comparator Group

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

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

Elements of Executive Total Direct Compensation

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

Executive Total Direct Compensation

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

Base Salary

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

Short-Term Incentive

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

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

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

To fund the plan, enterprise performance is measured using an enterprise scorecard with net income before provision for loan losses (NIBP) (for STI plan), Client-Obsessed Value (COV), two distinct risk modifiers and Board discretion. As the predominant driver of financial performance, NIBP (for STI plan) is weighted at 70%. COV is weighted at 30%, as a measure of the value generated from our clients, adjusted for how well we are meeting their needs. Each metric's result is assessed relative to the target in ATB's Board-approved business plan or budget and a threshold level of performance achieved to generate funding.

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

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

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

The target award for each executive reflects a percentage of base salary. AOE/SSU funding and individual performance—including delivery on their respective AOE/SSU Operating Plan—differentiate the STI award for each executive. The maximum payout for high performers is 200% of STI target.

The STI plan includes forfeiture provisions to adjust or rescind unpaid awards in the case of termination of employment for cause and to align with the corrected financial results due to a material accounting restatement. No adjustments were required in FY2024.

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

Long-Term Incentive

LTI rewards the successful execution of strategic performance and risk objectives over the longer term that create value and sustainability for the organization. LTI grant targets are expressed as a percentage of base salary, with strategic objectives set annually by the LTI participant and their leader. In the case of the CEO, the Board sets the strategic objectives. LTI grants, awarded annually, range from 0% to 150% of the grant target, based on the executive's success in achieving their strategic objectives. The resulting grant can then be adjusted upward or downward by up to an additional 20% (i.e., multiplied by 80% to 120%), representing discretion for any extraordinary or unforeseen situations. This creates an overall maximum of 180% of the target. Determinations to adjust a grant above or below target are made by the HR Committee (HRC) for the CEO. For other senior executives and designated officers, determinations of grants are reviewed with the HRC and approved by the CEO. LTI grants vest (i.e., mature) over three years and appreciate or depreciate prior to vesting.

In FY2023, ATB evolved our LTI plan to strengthen the alignment of LTI compensation to long-term outcomes. Grants for FY2023 and FY2024 will appreciate and depreciate at maturity, based on the average risk-adjusted return on capital (RAROC) performance over the entire three-year vesting period. This plan adjustment was approved by ATB's HRC. It emphasizes achieving long-term results and focuses LTI plan participants on behaviours that contribute to the organization's long-term success. The "at-risk capital target" is RAROC performance—at the sum of the minimum average market return for the three-year vesting period ("minimum market return")—and the RAROC estimated average hurdle rate for the three-year vesting period ("average hurdle rate"). The RAROC hurdle rate is a reasonable proxy for ATB's cost of equity. The HRC reviews the minimum market return and the average hurdle rate and approves the at-risk capital target, all in advance of the maturity period. When the three-year average RAROC exceeds the at-risk capital target, the previously awarded grant will appreciate by a maximum of 50%. The previously awarded grant can depreciate by up to 50% when the three-year average RAROC is less than the at-risk capital target. When the three-year average RAROC is equal to the at-risk capital target, the previously awarded grant does not change in value. When a grant matures, the current value, including appreciation or depreciation, is paid out.

LTI grants for FY2021 and FY2022 appreciate or depreciate annually based on actual RAROC performance measured against a RAROC target and an appropriate annual hurdle rate approved by the HRC in advance of each grant. When the fiscal-year-end RAROC meets or exceeds the target, previously awarded grants will appreciate by an amount equal to the actual RAROC attainment less the annual hurdle rate, to a maximum of 20% appreciation per year. Grants can depreciate by up to 30% each year when the fiscal-year-end RAROC is 50% or less of the target. When a grant matures, the current value, including appreciation or depreciation over the three-year grant term, is paid out.

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

For FY2025, ATB conducted a review and redesign of our enterprise LTI plan, in order to continue the momentum of enabling performance to be more tightly aligned to business strategy, as has been supported with other compensation components. As a result, ATB will be adopting a new LTI plan that motivates and focuses LTI plan participants on the strategies and behaviors that have the maximum impact on ATB's long-term success.

Key Performance Indicators Driving Incentive Results

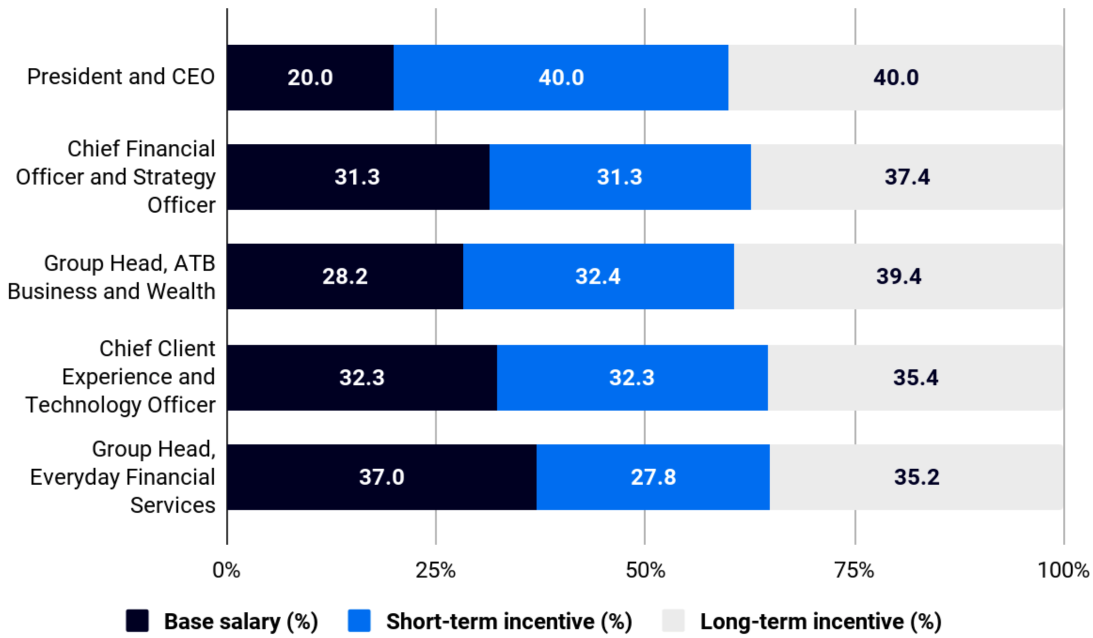
ATB's executive STI and LTI plans include annual objectives for the following performance metrics. In addition to these metrics, executives may also have individual performance objectives to enrich and embed ATB's ESG practices. ESG signals a different approach to our economy—one that includes social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

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

Target Total Direct Compensation Mix

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

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



The Total Rewards Perspective

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

Flexible Pension Plan

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

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

Benefits

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

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

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

Wellness

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

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

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

Leadership Development

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

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

Banking Products and Services

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

FY2024 Performance and Executive Compensation

Key Performance Indicators Driving Incentive Results

Metric	Threshold	Target	Maximum	Performance	Metric attainment
NIBP (for STI plan) *($ in millions)*	$ 511.3	$ 680.0	$764.3	$ 675.3	Near target
COV score *($ in millions)*	771.1	1,025.4	1,152.6	1,098.7	Above target
Management of LLP modifier (1)	(20.0)%	Neutral	20.0%	At target	Neutral
Other risks modifier (1)	(25.0)%	Neutral	Neutral	Above target	Neutral
RAROC	7.9%	15.8%	28.8%	15.6%	Near target

(1) With neutral metric attainment, STI funding is unchanged—neither positively or negatively impacted.

The first two financial and operational performance metrics above have a material weighting in determining STI awards for NEOs. ATB's FY2024 results include:

- Near-target NIBP (for STI plan)—attributed primarily to slightly lower than expected revenue due to higher than planned interest expense.
- Above-target COV—attributed to above-target ETR and above-target COI results. Record-setting total revenue yielded strong ETR. Strong COI is a positive development and represents a reversal of the trend seen in FY2022 and FY2023, where above-target COV was driven by strong ETR. COI results were above target, signaling improvement in fully meeting client needs by increasing functionality in our digital spaces, gains due to a service standards rollout, proactive business outreach, and strong practice management, particularly in financial planning.

The management of LLP and other risks modifiers were also performance measures impacting the STI awards for NEOs. LLP comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans saw a lower provision compared to target and is well below risk appetite. LLP is favourable to budget, reflecting better economic performance than expected, the effectiveness of early intervention strategies and the improved health of our loan portfolio—ATB's Business borrower risk rating in particular. In the face of economic challenges, ATB remained committed to delivering trusted financial advice to our clients and supporting Alberta's economic growth. Management of LLP also considers ATB's performance relative to peers. CET1 and LCR performance were strong and optimized to risk appetite, above the Board-approved minimum limits.

LTI awards for ATB executives are a direct result of the progress made on individualized strategic objectives that provide long-term value to our Shareholder. The value of LTI grants that are still maturing has increased based on our above-target performance against the RAROC target and annual hurdle rate. This appreciation signals both ATB's alignment to our risk appetite and appropriate levels of return relevant to risks taken.

Profiles, Performance and Compensation Awarded to Named Executive Officers

Curtis Stange
President and CEO

Curtis Stange was appointed President and Chief Executive Officer of ATB Financial on June 30, 2018. With courage, disciplined thought and precise action, he leads a team of more than 5,000 team members who are dedicated to ATB's purpose—to make it possible for over 800,000 clients and business owners.

With more than 35 years of experience in financial services in Canada, Curtis has led teams across diverse geographic markets and through various economic cycles—always with an inquisitive nature and a desire to get to know the people and places around him. Under his tenure, ATB Financial has grown to become the eighth largest financial institution in the country by assets, providing expert advice and capital to businesses to grow and prosper, with strong expertise and market share in energy, agriculture and real estate. Curtis has helped to shape ATB's client-focused culture—to become a financial partner that's proactive, collaborative and excited to share expertise and explore new ways to bring possibilities to life. Through this dedication, ATB is consistently named as one of the best workplaces in Canada and one of the top financial institutions in the country when it comes to differentiating on client experience through our people.

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

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

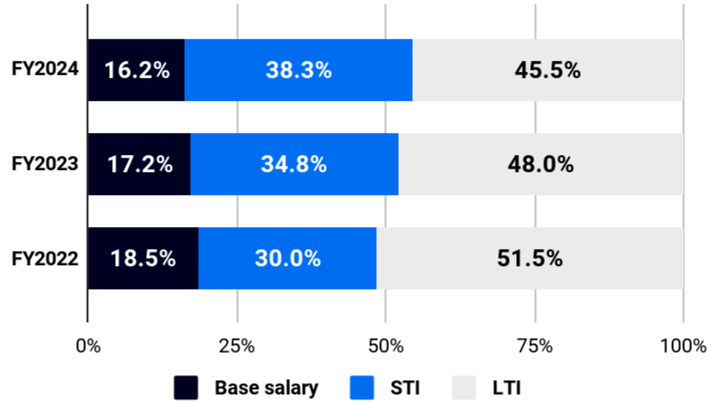
Fiscal-year performance highlights

- Strong commitment to delivering remarkable client experiences by providing expert advice and personalized solutions to more than 800,000 clients. In FY24, this included opening new advisory hubs for our clients to access advisory services, digital banking solutions, and innovative community spaces. We also unveiled W by ATB to power the growth of women-led and women-owned businesses throughout Alberta. And, we offered new solutions for our clients to achieve their goals like our First Home Savings Account—a unique savings plan for Canadians aiming to buy their first home, which our clients have already deposited $14 million into, in a matter of months.
- With one of the strongest balance sheets of any regional financial institution in North America, ATB Financial announced for the first time in its history that it is positioned to declare $100 million of dividends to its shareholder, the Alberta Government in FY2025. This significant milestone is the result of ATB growing alongside Alberta, its economy and its businesses. Additionally, in a year marked by economic volatility, ATB achieved its highest ever total revenue—over $2.0 billion, and prudently managed its expenses in a high-interest environment.
- As Albertans experienced impacts from wildfire and other natural disasters, as well as affordability challenges, ATB Financial contributed nearly $1.4 billion in shared value through its team members, involvement in local communities and payments to the Province to reinvest in Alberta.
- Maintained ATB's best-in-class standing globally by ranking in the 90th percentile for leadership excellence, learning and development, training, receiving feedback and work life balance. This contributed to ATB being recognized by Best Workplaces™ on their annual lists for Best Workplaces in Canada—1,000+ Employees, Financial Services & Insurance, Women, Inclusion, Giving Back, Mental Wellness and Most Trusted Executive Teams. Curtis was named as Canada's Most Admired Enterprise CEO by Waterstone Human Capital.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2024	**$ 500**	**$ 1,178**	**$ 1,400**	**$ 3,078**
FY2023	500	1,010	1,390	2,900
FY2022	500	810	1,390	2,700

Actual compensation mix



Dan Hugo

Chief Financial and Strategy Officer

Dan Hugo is an accomplished financial services executive and corporate officer with expertise in financial and commercial business operations, financial planning and reporting, forecasting, expense management, corporate development and strategy.

He was drawn to ATB by our balanced approach to social responsibility and profitability and to our relentless focus on purpose. He believes that ATB's "why" aligns with his own desire to genuinely affect positive change in the lives of Albertans.

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

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

He currently sits on the Board of Governors for NorQuest College and is a member of Edmonton's Downtown Recovery Coalition Steering Committee.

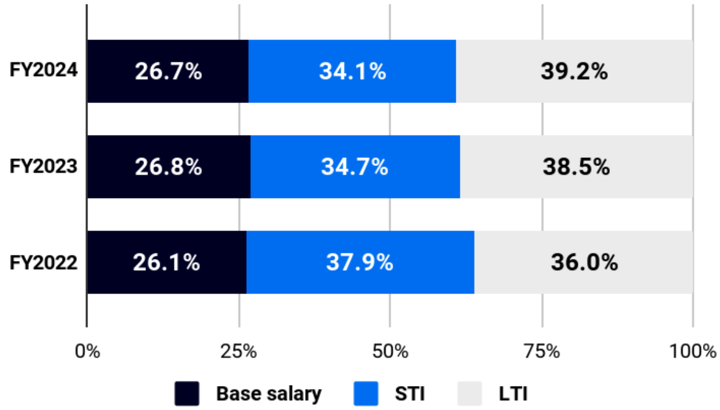
Fiscal-year performance highlights

- Provided guidance to help ATB increase total revenue to an all-time high, surpassing $2 billion, with a record breaking total of over $50 billion in net loans, and total assets exceeding $60 billion.
- Managed expenses prudently, within a very high inflationary environment, while maintaining strategic investments in our team members and technology.
- Achieved a strong tier 1 capital ratio of 13.0 per cent, which strengthened our balance sheet and positioned us to declare quarterly dividends totaling $100 million in FY2025, to our Shareholder, the Government of Alberta.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2024	**$ 383**	**$ 489**	**$ 564**	**$ 1,436**
FY2023	375	486	540	1,401
FY2022	375	545	518	1,438

Actual compensation mix



Chris Turchansky

Group Head, ATB Business and Wealth

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

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

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

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

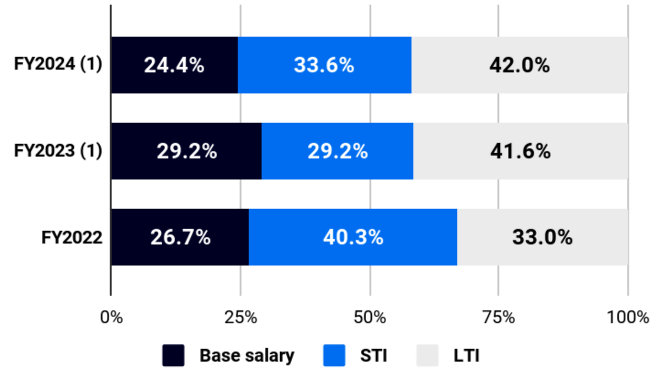
Fiscal-year performance highlights

- Led ATB Business to a 5.3% year-over-year increase in net interest income, highlighted by more than $3 billion in loan acquisition.
- Finalized strategy to ensure business clients are matched with advisors who possess deep expertise in their respective sectors, including the successful transition of nearly ten thousand small business clients to the Entrepreneurial Growth Team, to further enable their access to advisory support.
- In partnership with Client Experience & Technology, introduced Salesforce for ATB Business team members and championed additional online banking enhancements for business clients, both designed to improve the overall client experience we provide.
- Amalgamated ATB Capital Markets Inc. and ATB Securities Inc. under one dealer to bring our expertise together to better serve clients, build new offerings, optimize further investments and amplify growth opportunities.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2024 (1)	**$ 407**	**$ 559**	**$ 698**	**$ 1,664**
FY2023 (1)	386	387	550	1,323
FY2022	325	490	401	1,216

Actual compensation mix



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

John Tarnowski

Chief Client Experience and Technology Officer

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

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

As technology evolves to enable new and empowering client experiences, John believes it is important to prepare team members for the future so they are able to adapt to client needs and expectations, both in-person and digitally. To that end, John is committed to the continuous development of the more than 1,500 team members who are part of the team he leads. As a former competitive ski racing coach, John leads with a strong coaching philosophy, investing in the development of his teams to help them grow as leaders and high-performing collaborators to achieve results.

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

Fiscal-year performance highlights

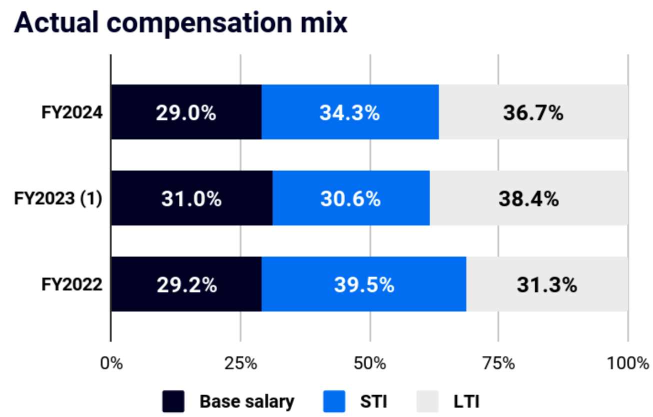
- Advanced ATB's client experience and technology capabilities across all strategic areas, demonstrating a robust delivery track record. This resulted in notable enhancements to both client and team member experiences. Key highlights included successfully deploying Salesforce for Business, advancing digital self-service capabilities, establishing a long-term partnership agreement with Google to enable data and AI strategic capabilities, and expanding money movement and payment capabilities—which now supports domestic and international business and consumer offerings.
- Implemented an integrated and centralized program operating model to optimize ATB's overall technology cost structure for long-term efficiency and sustainability. This created increased transparency and supported the retirement of legacy systems and the streamlining of core systems and services, resulting in a significant reduction in the total cost of technology delivery and ownership. Concurrently, the team continued to modernize the technology stack to align with ATB's long-term strategic objectives.
- Advanced ATB's core system and platform stability across an expanded delivery roadmap to further improve the client experience. This was evidenced by a reduction in client-facing system outages, rapid recovery times, and increased system design expertise. This marks substantial enterprise-wide

progress in enhancing system stability, availability, security and performance. Additionally, the ongoing commitment to cybersecurity and risk controls further strengthened ATB's trusted relationships with clients.

- Supported the advancement of ATB's AI and Gen AI capabilities, defining ethical guidelines and fostering continued community and industry partnerships with AMII and AltaML. By leveraging the focus on strong data and AI governance and ethical standards, ATB achieved industry recognition as the first financial institution in Canada to receive the Standards Council of Canada's ISO/IEC 42001 certification..

Actual total direct compensation

($ in thousands)	**Base salary**	**STI**	**LTI**	**Total direct compensation**
FY2024	**$ 377**	**$ 446**	**$ 477**	**$ 1,300**
FY2023 (1)	357	352	442	1,151
FY2022	275	373	295	943



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

Lisa McDonald

Group Head, Everyday Financial Services

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

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

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

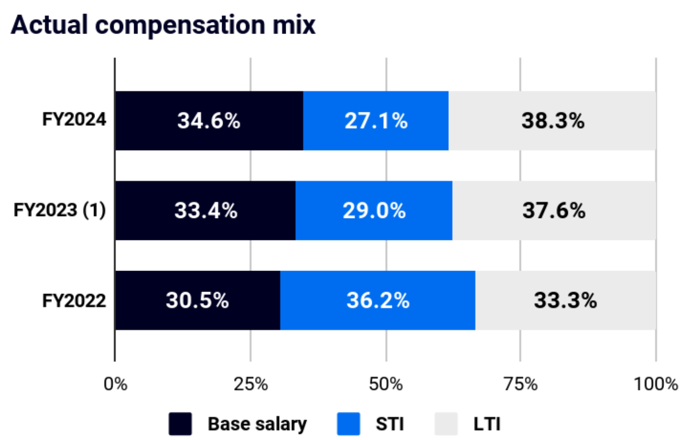
Fiscal-year performance highlights

- Maintained a highly engaged EFS team, as measured by a 79% Cultural Health Index (CHI) results in FY24 Q4.
- Progressed the EFS strategy, which prioritizes team member experience and capabilities in creating a differentiated client experience in retail banking. EFS front-line team members were recognized for the second year in a row by JD Power, for creating exceptional experiences in the branches and the Client Care Centre by offering expert advice and personalized solutions.
- Delivered strong results in the face of economic headwinds, by supporting Albertans and providing expert advice. EFS achieved a record $3.1 billion in new residential mortgages through FY2024 and reached a 88.4% retention rate for maturing mortgages.
- EFS continued to support ATB's overall financial results in FY2024 by delivering high-quality, low-cost deposit growth of $1.5 billion and strong loan growth of $1.4 billion, generating revenue of $728 million (up over 7% year over year). This translated to EFS achieving a record level of net income of $100 million—an increase of 5% over FY2023.

Actual total direct compensation

($ in thousands)	Base salary	STI	LTI	Total direct compensation
FY2024	**$ 356**	**$ 279**	**$ 394**	**$ 1,029**
FY2023 (1)	329	286	371	986
FY2022	275	327	301	903

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



Compensation Summary

(audited)

Name and position	Fiscal year	Base salary (1)	Non-equity incentive plan compensation: Annual incentive plan (2)	Non-equity incentive plan compensation: LTI plan (3)	Pension value (4)	All other compensation (5) (6)	Total compensation
Curtis Stange President and CEO	**2024**	**$ 500,000**	**$ 1,177,660**	**$ 1,400,000**	**-**	**$ 302,560**	**$ 3,380,220**
	2023	500,000	1,010,000	1,390,000	-	266,560	3,166,560
	2022	500,000	809,968	1,390,400	-	223,496	2,923,864
Dan Hugo Chief Financial and Strategy Officer	**2024**	**$ 383,077**	**$ 489,045**	**$ 563,640**	**$ 9,000**	**$ 108,836**	**$ 1,553,598**
	2023	375,000	545,490	540,000	9,000	110,836	1,520,421
	2022	375,000	545,490	517,500	7,000	96,488	1,541,478
Chris Turchansky (7) Group Head, ATB Business and Wealth	**2024**	**$ 406,923**	**$ 558,565**	**$ 698,320**	**$ 8,000**	**$ 96,560**	**$ 1,768,368**
	2023	386,154	386,920	550,000	9,000	99,560	1,431,634
	2022	325,000	490,465	401,375	7,000	85,496	1,309,336
John Tarnowski (8) Chief Client Experience and Technology Officer	**2024**	**$ 377,115**	**$ 446,455**	**$ 476,520**	**$ 7,000**	**$ 85,560**	**$ 1,392,650**
	2023	357,269	351,600	441,650	7,000	138,560	1,296,079
	2022	275,000	372,690	295,110	9,000	120,496	1,072,296
Lisa McDonald (9) Group Head, Everyday Financial Services	**2024**	**$ 356,154**	**$ 279,315**	**$ 393,300**	**$ 6,000**	**$ 87,560**	**$ 1,122,329**
	2023	328,846	286,120	371,450	7,000	86,560	1,079,976
	2022	274,711	326,930	300,955	9,000	90,996	1,002,592

(1) Actual base salary paid from April 1 to March 31 of each year.
(2) STI award earned for the year and paid as cash within the first 100 days of the end of the fiscal year.
(3) LTI grant earned for the year. Payment of the grant is deferred for up to three years, includes appreciation or depreciation based on ATB's average RAROC performance over the term of the grant and is contingent upon the NEO's continued employment with ATB. The following Outstanding Long-Term Incentives Awards table includes appreciation or depreciation changes in outstanding and unvested grants.
(4) Pension value includes the annual compensatory value from the FPP. Additional detail is provided in the Flexible Pension Plan section.
(5) Benefits included in all other compensation are the benefits NEOs receive in excess of the benefits all other ATB team members receive. All other compensation for Curtis Stange includes perquisite allowance, health-care spending account (HCSA) credits, an executive health benefit and employer contributions to an RRSP and the DC supplemental executive retirement plan (SERP) within the CEO Pension Plan (details below). All other compensation for Dan Hugo includes perquisite allowance, HCSA credits, personal tax advice, an executive health benefit and employer contributions to the NSP in FY2022, FY2023 and FY2024. All other compensation for Chris Turchansky, John Tarnowksi and Lisa McDonald includes perquisite allowance, HCSA credits, an executive health benefit and employer contributions to the NSP. John Tarnowski received a project bonus in FY2022 and FY2023. Lisa McDonald received a retention bonus in FY2022.
(6) ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act*. The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions. Additional detail is provided in the Notional Supplemental Plan section.
(7) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Chief Experience Officer.
(8) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Executive Vice President, Everyday Financial Services.
(9) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The amounts shown for FY2023 include compensation for her previous position as Chief Risk Officer.

Outstanding Long-Term Incentive Awards

LTI awards are granted after the close of a fiscal year and they vest (i.e., mature) at the end of a three-year term. The following table presents details of unvested LTI awards as at April 1, 2024. The current value of outstanding grants reflects the appreciation or depreciation based on RAROC during the term of the grant.

						Fiscal year-end that grant will vest		
Name	**Fiscal year of grant**	**Total grant awarded**	**Above-target portion of grant paid out (1)**	**Remaining portion of grant (2)**	**Current value of grant that has not vested (3)**	**2025**	**2026**	**2027**
Curtis Stange	**2024**	**$ 1,400,000**		**$ 1,400,000**	**$ 1,400,000**			**X**
	2023	1,390,000		1,390,000	1,390,000		X	
	2022	1,390,400	390,400	1,000,000	1,166,183	X		
Dan Hugo	**2024**	**$ 563,640**		**$ 563,640**	**$ 563,640**			**X**
	2023	540,000		540,000	540,000		X	
	2022	517,500	67,500	450,000	524,782	X		
Chris Turchansky (3)	**2024**	**$ 698,320**		**$ 698,320**	**$ 698,320**			**X**
	2023	550,000		550,000	550,000		X	
	2022	401,375	76,375	325,000	379,009	X		
John Tarnowski (4)	**2024**	**$ 476,520**		**$ 476,520**	**$ 476,520**			**X**
	2023	441,650		441,650	441,650		X	
	2022	295,110	61,360	233,750	272,595	X		
Lisa McDonald (5)	**2024**	**$ 393,300**		**$ 393,300**	**$ 393,300**			**X**
	2023	371,450		371,450	371,450		X	
	2022	300,955	67,205	233,750	272,595	X		

(1) For FY2022, executives awarded an LTI grant greater than 100% of target had the choice to receive payment of the above-target portion of the grant within 100 days of the end of the fiscal year in which it was granted. One exception is that a senior executive subject to United States taxation was paid the above-target portion of their grant within 100 days of the fiscal year-end in which it was granted—they did not have the option to leave the above-target portion of the grant in the program.
(2) This value is subject to three-year vesting and appreciation or depreciation based on RAROC results.
(3) The current value includes appreciation or depreciation based on RAROC results for the years in which the grants mature. In FY2024 and FY2023, appreciation or depreciation is based on average RAROC performance over the entire three-year vesting period, applied only upon maturity in the third fiscal year. For FY2022 appreciation or depreciation was applied each fiscal year based on ATB's annual RAROC performance.
(4) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Chief Experience Officer.
(5) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The amounts shown for FY2023 include compensation for his previous position as Executive Vice President, Everyday Financial Services.
(6) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The amounts shown for FY2023 include compensation for her previous position as Chief Risk Officer.

Incentive Plan Awards—Value Vested or Earned During the Year

The following table shows the total value of all LTI plan awards previously granted to NEOs that vested (i.e., matured) at the end of FY2024. It also shows the total amount earned from STI plan compensation in FY2024.

Name	LTI plan awards—value vested during the year (1)	STI plan compensation—value earned during the year (2)
Curtis Stange	1,253,997	1,177,660
Dan Hugo	564,299	489,045
Chris Turchansky (3)	407,549	558,565
John Tarnowski (4)	293,122	446,455
Lisa McDonald (5)	395,714	279,315

(1) This is the payout value of the FY2021 LTI plan awards.
(2) This is the STI plan cash award for FY2024 and is paid within the first 100 days of the end of the fiscal year. This amount is shown under "Annual incentive plan" in the Compensation Summary.
(3) Chris Turchansky was appointed Group Head, ATB Business and Wealth on January 1, 2024. The amounts shown for FY2024 include compensation for his previous position as Group Head, ATB Business. Chris Turchansky was appointed Group Head, ATB Business on July 4, 2022, and Chief Experience Officer on January 1, 2020. The LTI plan award includes compensation for his previous position as EVP and President, ATB Wealth. The STI plan award includes compensation for his previous position as Chief Experience Officer.
(4) John Tarnowski was appointed Chief Client Experience and Technology Officer on July 4, 2022. The LTI plan award shown is for his previous position as Executive Vice President, Everyday Financial Services. The STI plan award includes compensation for his previous position as Executive Vice President, Everyday Financial Services.
(5) Lisa McDonald was appointed Group Head, Everyday Financial Services on July 4, 2022. The LTI plan award shown is for her previous position as Chief Risk Officer. The STI plan award includes compensation for her previous position as Chief Risk Officer.

Retirement Benefits

The following table outlines the NEO retirement benefits for FY2024. Detailed descriptions of the benefits follow the table.

Name	FPP contribution (1)	NSP contribution (2)	NSP return (3)	RRSP contribution (4)	DC SERP contribution (5)	DC SERP return (6)	Total
Curtis Stange	$ -	$ -	$ 40,000	$ 31,000	$ 241,000	$ 102,000	**$ 414,000**
Dan Hugo	9,000	84,000	27,000	n/a	n/a	n/a	**120,000**
Chris Turchansky	8,000	79,000	70,000	n/a	n/a	n/a	**157,000**
John Tarnowski	7,000	68,000	39,000	n/a	n/a	n/a	**114,000**
Lisa McDonald	6,000	70,000	37,000	n/a	n/a	n/a	**113,000**

(1) Employer contribution to the FPP (DC plan) on behalf of the NEO. This amount is shown under the FY2024 "Pension value" in the Compensation Summary.
(2) Employer contribution to the NSP on behalf of the NEO. This amount is included under the FY2024 "All other compensation" in the Compensation Summary.
(3) Return on the NSP, based on the rate of return of a designated balanced fund applied to the beginning of the calendar-year balance and the interest credit on current calendar-year contributions based on a designated savings-deposit rate. Both are provided by the employer on behalf of the NEO.
(4) Employer contribution to the RRSP on behalf of the CEO. This amount is included under the FY2024 "All other compensation" in the Compensation Summary.
(5) Employer contribution to the DC SERP on behalf of the CEO. This amount is included under the FY2024 "All other compensation" in the Compensation Summary.
(6) Return on the DC SERP is the same rate as that earned on the assets of the CEO's RRSP. All RRSP investment decisions are made by the CEO.

Flexible Pension Plan

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

Notional Supplemental Plan

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

CEO Pension Plan

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

Termination and Change in Control Payments and Benefits

Employment Agreements

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

Curtis Stange

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Curtis Stange in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2024. The actual amount Curtis could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Curtis would be obliged to abide by three conditions:

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

Payment/ benefit (1)	Early termination (2)	Resignation without Good Reason, with notice (3)	Retirement (4)
Severance	Lump sum equivalent to 18 months' salary plus a lump sum in lieu of benefits (5), or salary continuance and benefits for 18 months. Lump sum equivalent to 18 months' STI—calculated at target or provided as salary continuance. Lump sum equivalent to 18 months' LTI—calculated at target or provided as salary continuance.	None	None
Short-term incentive	Prorated for fiscal year until early termination date, calculated at target.	None	Prorated for fiscal year until retirement date—pursuant to the eligibility criteria and based on fiscal-year-end results. (4)
Long-term incentive	Prorated for fiscal year until early termination date, calculated at target. All grants vest and are paid at current value.	Vested grants are paid at current value.	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan. (6) Unvested grants are paid at current value or left in the plan for payment on the scheduled date, based on participant's choice. Vested grants are paid at current value.
Relocation	Reimbursement of expenses, in accordance with ATB Relocation Policy, for relocation back to the previous municipality of residence.	None	None
Estimated total value	$ 7,948,794 (7) (8)	$ - (8)	$ 3,956,183 (7) (8)

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

(2) "Early termination" includes: (a) termination other than by Curtis Stange without Good Reason (as set forth in [3] below); (b) termination at the end of the term (or any extended term) and is not renewed; (c) termination by virtue of his death or permanent disability; (d) the Board recommending termination of Curtis Stange to the LGIC whether or not an Order in Council is issued by the LGIC terminating him as CEO or removing or suspending him as CEO; (e) without the recommendation of the Board, the LGIC issuing an Order in Council terminating Curtis Stange as CEO or removing or suspending him as CEO; and (f) termination by Curtis Stange for Good Reason, with prior written notice.

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

(4) Curtis Stange is eligible to retire at age 55 with at least 10 years of service, or at any age plus service years that together total at least 80 years, as per ATB's Senior Executive Compensation Plan.

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

(6) Eligibility criteria includes a satisfactory performance assessment, as per ATB's Senior Executive Compensation Plan.

(7) Curtis Stange's FY2024 STI payment is excluded from the total, as the payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is not incremental, based on a March 31, 2024, termination date.

(8) Curtis Stange's vested FY2021 LTI grant payment (shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2024, termination date.

Dan Hugo

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Dan Hugo in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2024, and assuming the contract does not have an expiry date within the fiscal year. The actual amount Dan could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Dan would be obliged to abide by three conditions:

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

Payment/ benefit (1)	Termination with cause	Termination without cause	Resignation with three months' notice	No longer legally able to work in Canada	Death or permanent disability
Severance	None	Lump sum equivalent to 12 months' salary or to end of term, whichever is less, plus a lump sum in lieu of benefits. (2) Lump sum equivalent to 12 months' STI or to end of term, whichever is less—calculated at target. Lump sum equivalent to 12 months' LTI or to end of term, whichever is less—calculated at target.	None	None	None
Short-term incentive	None	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results. (3)	None	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results. (3)	CEO determines award for fiscal year, until date of death or disability.
Long-term incentive	None	Prorated for fiscal year, until termination date—pursuant to the eligibility criteria and based on attainment as per plan. (4) All grants vest and are paid at current value.	Vested grants are paid at current value.	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan. (4) All grants vest and are paid at current value. (5)	CEO determines grant for fiscal year, until date of death or disability. (3) All grants vest and are paid at current value.
Estimated total value	$ 0	$ 2,925,872 (6) (7)	$ -	$ 1,628,422 (6) (7)	$ 1,628,422 (6) (7)

(1) The same as any salaried employee, in all termination scenarios, the NEO also receives payment of accrued vacation, FPP account balance transfer to a locked-in vehicle, payment of NSP account balance and, in accordance with the terms of the Achievement Notes Plan, payment of the current value of any achievement notes previously purchased.
(2) "Benefits" include perquisite allowance, health benefits, vacation, preferred banking rates and long-term disability.
(3) The CEO's determination is subject to HR Committee review.
(4) "Eligibility criteria" means a satisfactory performance assessment, as per ATB's Senior Executive Compensation Plan.
(5) All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted.
(6) Dan Hugo's FY2024 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2024, termination date.
(7) Dan Hugo's vested FY2021 LTI grant payment (shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2024, termination date.

Remaining Named Executive Officers

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

	Payment/benefit (1)		
	Termination with cause	Termination without cause (2)	Death or permanent disability (3)
Chris Turchansky	-	$ 3,885,609	$ 1,627,329
John Tarnowski	-	$ 2,175,945	$ 1,190,765
Lisa McDonald	-	$ 2,119,745	$ 1,015,495

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

(2) Includes lump sum equivalent to base salary for the severance period; lump sum in lieu of pension, benefits and perquisite allowance; lump sum in lieu of LTI for FY2024 (as shown in the Compensation Summary); STI and LTI at target for the severance period; and payment of unvested LTI grants, subject to appreciation/depreciation, as per ATB's Senior Executive Compensation Plan. All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted. FY2024 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2024, termination date. Vested FY2021 LTI grant payment (as shown in the Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2024, termination date.

(3) Includes lump sum in lieu of LTI for FY2024 (as shown in the Compensation Summary). Permanently disabled or retired participants in the LTI plan have the option to leave unvested LTI grants in ATB's Senior Executive Compensation Plan for payment on the scheduled date, or receive payment of unvested LTI grants, subject to appreciation/depreciation, as per the plan. The amount indicated assumes the NEO received payment of unvested grants. All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted. FY2024 STI payment (shown under "Annual incentive plan" in the Compensation Summary and shown in Incentive Plan Awards—Value Vested or Earned During the Year) is excluded from the total, as the payment is not incremental, based on a March 31, 2024, termination date. Vested FY2021 LTI grant payment (as shown in the Incentive Plan Awards—Value Vested or Earned During the Year table) is excluded from the total, as the payment is not incremental, based on a March 31, 2024, termination date.

Supplementary Financial Information

Five-Year Financial Review

Summarized Consolidated Statement of Financial Position

($ in thousands)	2024	2023	2022	2021	2020
Cash resources and securities	$ 7,332,799	$ 8,247,677	$ 8,352,866	$ 8,659,681	$ 6,045,098
Net loans	51,266,157	47,234,083	45,928,704	44,597,222	47,046,234
Other assets	1,783,324	1,989,097	2,770,465	2,498,132	2,774,190
Total assets	**$ 60,382,280**	**$ 57,470,857**	**$ 57,052,035**	**$ 55,755,035**	**$ 55,865,522**
Deposits	$ 40,582,817	$ 39,473,493	$ 37,319,482	$ 37,758,388	$ 35,373,367
Other liabilities	14,539,967	13,180,444	15,280,359	13,921,724	16,411,046
Equity	5,259,496	4,816,920	4,452,194	4,074,923	4,081,109
Total liabilities and equity	**$ 60,382,280**	**$ 57,470,857**	**$ 57,052,035**	**$ 55,755,035**	**$ 55,865,522**

Summarized Consolidated Statement of Income

($ in thousands)	2024	2023	2022	2021	2020
Interest income	$ 2,917,749	$ 2,281,678	$ 1,699,977	$ 1,793,052	$ 2,082,624
Interest expense	1,547,137	962,385	457,662	614,485	888,435
Net interest income	1,370,612	1,319,293	1,242,315	1,178,567	1,194,189
Other income	654,104	616,238	661,566	599,380	532,629
Total revenue	2,024,716	1,935,531	1,903,881	1,777,947	1,726,818
Provision for (recovery of) loan losses	131,472	24,633	(203,879)	271,085	385,980
Non-interest expense	1,455,781	1,354,493	1,346,228	1,233,453	1,208,255
Net income before payment in lieu of tax	437,463	556,405	761,532	273,409	132,583
Payment in lieu of tax	100,617	127,973	175,152	62,884	30,675
Net income	**$ 336,846**	**$ 428,432**	**$ 586,380**	**$ 210,525**	**$ 101,908**
Net income attributable to ATB	$ 336,846	$ 428,432	$ 586,380	$ 210,525	$ 103,350
Net income attributable to non-controlling interests	-	-	-	-	(1,442)

Summarized Key Performance Indicators

(%)	2024	2023	2022	2021	2020
Return on average assets	0.6	0.7	1.0	0.4	0.2
Return on average risk-weighted assets	0.8	1.1	1.6	0.6	0.3
Total revenue change	4.6	1.7	7.1	3.0	2.6
Efficiency ratio	71.9	70.0	70.7	69.4	70.0
Performing loan change	7.3	2.8	2.3	(3.1)	0.1
Deposit change	2.8	5.8	(1.2)	6.7	(1.5)
Change in assets under administration	10.2	(1.1)	5.3	25.3	(2.2)

Quarterly Financial Review

Summarized Consolidated Statement of Financial Position

For the three months ended ($ in thousands)	Q4 Mar 31/24	Q3 Dec 31/23	Q2 Sep 30/23	Q1 Jun 30/23	Q4 Mar 31/23	Q3 Dec 31/22	Q2 Sep 30/22	Q1 Jun 30/22
Cash resources and securities	$ 7,332,799	$ 7,339,072	$ 8,847,454	$ 8,099,919	$ 8,247,677	$ 8,856,113	$ 9,624,978	$ 9,554,144
Business loans	29,059,731	28,411,804	27,486,928	26,197,864	25,734,540	25,593,683	25,177,104	24,611,038
Residential mortgages	17,971,062	18,026,690	17,772,933	17,193,207	16,830,720	16,808,417	16,719,007	16,584,643
Personal loans	3,843,806	3,946,583	4,047,376	4,175,786	4,305,315	4,499,227	4,660,107	4,812,492
Credit card	757,574	773,441	755,767	757,933	719,313	746,001	743,036	731,225
Allowance for loan losses	(366,016)	(319,621)	(321,620)	(323,401)	(355,805)	(355,281)	(393,305)	(395,767)
Net loans	51,266,157	50,838,897	49,741,384	48,001,389	47,234,083	47,292,047	46,905,949	46,343,631
Other assets	1,783,324	2,015,770	2,329,727	2,229,002	1,989,097	2,340,259	2,585,432	3,073,464
Total assets	**$ 60,382,280**	**$ 60,193,739**	**$ 60,918,565**	**$ 58,330,310**	**$ 57,470,857**	**$ 58,488,419**	**$ 59,116,359**	**$ 58,971,239**
Transaction accounts	$ 12,644,253	$ 12,578,844	$ 13,284,584	$ 13,183,196	$ 13,106,160	$ 13,333,805	$ 13,602,576	$ 14,044,845
Savings accounts	9,981,121	10,003,752	10,447,118	10,543,467	10,086,677	10,456,025	11,168,755	11,627,488
Notice accounts	6,064,005	5,943,117	6,105,942	5,920,417	5,676,301	5,620,976	5,638,216	5,889,448
Non-redeemable fixed-date deposits	9,693,531	9,550,540	9,558,666	9,223,463	9,307,271	8,456,480	6,498,410	5,739,033
Redeemable fixed-date deposits	2,199,907	2,112,687	1,742,996	1,459,070	1,297,084	1,168,019	1,246,781	1,253,365
Deposits	40,582,817	40,188,940	41,139,306	40,329,613	39,473,493	39,035,305	38,154,738	38,554,179
Other liabilities	14,539,967	14,801,296	14,806,635	13,123,831	13,180,444	14,784,096	16,460,782	15,981,910
Equity	5,259,496	5,203,503	4,972,624	4,876,866	4,816,920	4,669,018	4,500,839	4,435,150
Total liabilities and equity	**$ 60,382,280**	**$ 60,193,739**	**$ 60,918,565**	**$ 58,330,310**	**$ 57,470,857**	**$ 58,488,419**	**$ 59,116,359**	**$ 58,971,239**

Consolidated Statement of Changes in Equity

For the three months ended ($ in thousands)	Q4 Mar 31/24	Q3 Dec 31/23	Q2 Sep 30/23	Q1 Jun 30/23	Q4 Mar 31/23	Q3 Dec 31/22	Q2 Sep 30/22	Q1 Jun 30/22
Retained earnings								
Balance at beginning of the period	$ 5,278,961	$ 5,183,912	$ 5,096,593	$ 4,976,622	$ 4,888,248	$ 4,762,842	$ 4,662,788	$ 4,548,190
Net income attributable to ATB	34,507	95,049	87,319	119,971	88,374	125,406	100,083	114,569
Other	-	-	-	-	-	-	(29)	29
Balance at end of the period	**5,313,468**	**5,278,961**	**5,183,912**	**5,096,593**	**4,976,622**	**4,888,248**	**4,762,842**	**4,662,788**
Accumulated other comprehensive income (loss)								
Securities measured at fair value through other comprehensive income								
Balance at beginning of the period	42,284	36,478	31,494	18,177	11,237	(6,852)	188	3,515
Other comprehensive income (loss)	23,031	5,806	4,984	13,317	6,940	18,089	(7,040)	(3,327)
Balance at end of the period	**65,315**	**42,284**	**36,478**	**31,494**	**18,177**	**11,237**	**(6,852)**	**188**
Derivative financial instruments designated as cash flow hedges								
Balance at beginning of the period	(173,873)	(338,932)	(329,142)	(249,310)	(329,373)	(339,432)	(291,751)	(176,246)
Other comprehensive income (loss)	(19,885)	165,059	(9,790)	(79,832)	80,063	10,059	(47,681)	(115,505)
Balance at end of the period	**(193,758)**	**(173,873)**	**(338,932)**	**(329,142)**	**(249,310)**	**(329,373)**	**(339,432)**	**(291,751)**
Defined-benefit-plan liabilities								
Balance at beginning of the period	56,131	91,166	77,921	71,431	98,906	84,281	63,925	76,735
Other comprehensive income (loss)	18,340	(35,035)	13,245	6,490	(27,475)	14,625	20,356	(12,810)
Balance at end of the period	**74,471**	**56,131**	**91,166**	**77,921**	**71,431**	**98,906**	**84,281**	**63,925**
Accumulated other comprehensive income (loss)	**(53,972)**	**(75,458)**	**(211,288)**	**(219,727)**	**(159,702)**	**(219,230)**	**(262,003)**	**(227,638)**
Equity at end of the period	**$ 5,259,496**	**$ 5,203,503**	**$ 4,972,624**	**$ 4,876,866**	**$ 4,816,920**	**$ 4,669,018**	**$ 4,500,839**	**$ 4,435,150**

Consolidated Statement of Cash Flows

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

For the three months ended *($ in thousands)*	**Q4 Mar 31/23**	**Q3 Dec 31/22**	**Q2 Sep 30/22**	**Q1 Jun 30/22**
Cash flows from operating activities				
Net income (loss)	$ 88,374	$ 125,406	$ 100,083	$ 114,569
Adjustments for non-cash items and others				
Provision for (recovery of) loan losses	16,092	(19,510)	27,284	767
Depreciation and amortization	31,111	28,592	30,014	28,981
Net (gains) losses on securities	3,987	5,810	(2,943)	(1,260)
(Gains) losses on foreign-denominated wholesale borrowings	(242)	(3,317)	16,628	7,678
Adjustments for net change in operating assets and liabilities				
Loans	41,872	(366,588)	(589,602)	(415,694)
Deposits	442,676	880,569	(399,440)	1,234,699
Derivative financial instruments	(10)	(3,885)	(5,944)	(4,780)
Prepayments and other receivables	17,237	8,964	76,928	(28,466)
Accounts receivable—financial market products	-	4,539	219,234	(221,470)
Due to (from) clients, brokers and dealers	(15,434)	(27,156)	23,105	(7,151)
Deposit guarantee fee payable	12,356	15,855	15,472	(43,845)
Accounts payable and accrued liabilities	1,142	44,245	(31,217)	148,635
Accounts payable—financial market products	-	1	(6,407)	(95,754)
Liability for payment in lieu of tax	26,397	37,459	29,895	(140,930)
Net interest receivable and payable	72,095	19,936	28,314	(29,647)
Change in accrued-pension-benefit liability	(1,815)	(29)	995	(1,729)
Other	(6,022)	9,752	(8,064)	(213)
Net cash (used in) provided by operating activities	**729,816**	**760,643**	**(475,665)**	**544,390**
Cash flows from investing activities				
Purchase of securities	(1,765,523)	(1,720,588)	(2,027,665)	(3,446,113)
Proceeds from sales and maturities of securities	1,742,554	2,309,572	1,422,729	2,125,589
Change in interest-bearing deposits with financial institutions	257,053	140,214	651,408	(105,532)
Purchases and disposals of property and equipment, and software and other intangibles	(24,832)	(14,300)	(19,202)	(31,342)
Net cash (used in) provided by investing activities	**209,252**	**714,898**	**27,270**	**(1,457,398)**
Cash flows from financing activities				
Issuance of wholesale borrowings	917,003	1,143,335	2,905,803	3,461,729
Repayment of wholesale borrowings	(2,171,964)	(2,375,000)	(2,655,906)	(3,175,000)
Issuance of collateralized borrowings	106,550	344,792	329,790	673,570
Repayment of collateralized borrowings	(204,393)	(412,663)	(61,693)	(483,561)
Change in securities sold under repurchase agreements	35,925	(209,963)	52,526	244,068
Repayment of lease liabilities	(8,175)	(8,223)	(8,214)	(8,222)
Net cash (used in) provided by financing activities	**(1,325,054)**	**(1,517,722)**	**562,306**	**712,584**
Net increase (decrease) in cash	(385,986)	(42,181)	113,911	(200,424)
Cash at beginning of the period	2,477,685	2,519,866	2,405,955	2,606,379
Cash at end of the period	**$ 2,091,699**	**$ 2,477,685**	**$ 2,519,866**	**$ 2,405,955**
Net cash (used in) provided by operating activities includes:				
Interest paid	$ (248,527)	$ (207,158)	$ (172,158)	$ (154,973)
Interest received	651,341	585,651	525,413	445,271

Quarterly Segmented Results

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

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

For the three months ended ($ in thousands)	**Net interest income**	**Other income (loss)**	**Total revenue**	**Provision for (recovery of) loan losses**	**Non-interest expenses (1)**	**Net (loss) income before payment in lieu of tax**	**Payment in lieu of tax**	**Net (loss) income**	**Total assets**	**Total liabilities**
March 31, 2023										
Everyday Financial Services	$ 141,124	$ 36,248	$ 177,372	$ 1,553	$ 138,203	$ 37,616	$ 8,651	$ 28,965	$ 29,690,377	$ 17,855,557
ATB Business	191,858	61,882	253,740	14,909	137,103	101,728	23,397	78,331	25,138,891	18,647,478
ATB Wealth	11,138	65,099	76,237	(72)	73,972	2,337	537	1,800	1,611,751	1,636,339
Strategic support units	(10,484)	(4,931)	(15,415)	(298)	11,793	(26,910)	(6,188)	(20,722)	1,029,838	14,514,563
Total	**$ 333,636**	**$ 158,298**	**$ 491,934**	**$ 16,092**	**$ 361,071**	**$ 114,771**	**$ 26,397**	**$ 88,374**	**$ 57,470,857**	**$ 52,653,937**
December 31, 2022										
Everyday Financial Services	$ 139,269	$ 36,694	$ 175,963	$ 7,113	$ 136,377	$ 32,473	$ 7,469	$ 25,004	$ 29,198,090	$ 17,515,930
ATB Business	197,993	70,857	268,850	(28,196)	124,721	172,325	39,635	132,690	24,956,038	18,732,642
ATB Wealth	11,471	64,713	76,184	(44)	69,938	6,290	1,447	4,843	1,460,661	1,472,675
Strategic support units	(17,523)	(19,794)	(37,317)	1,617	9,289	(48,223)	(11,092)	(37,131)	2,873,630	16,098,154
Total	**$ 331,210**	**$ 152,470**	**$ 483,680**	**$ (19,510)**	**$ 340,325**	**$ 162,865**	**$ 37,459**	**$ 125,406**	**$ 58,488,419**	**$ 53,819,401**
September 30, 2022										
Everyday Financial Services	$ 133,204	$ 31,655	$ 164,859	$ 2,700	$ 125,057	$ 37,102	$ 8,534	$ 28,568	$ 28,787,501	$ 17,265,216
ATB Business	195,330	53,787	249,117	26,067	120,703	102,347	23,540	78,807	24,392,187	18,614,575
ATB Wealth	10,150	65,401	75,551	(1,258)	67,162	9,647	2,219	7,428	1,349,303	1,362,451
Strategic support units	(8,270)	2,543	(5,727)	(225)	13,616	(19,118)	(4,398)	(14,720)	4,587,368	17,373,278
Total	**$ 330,414**	**$ 153,386**	**$ 483,800**	**$ 27,284**	**$ 326,538**	**$ 129,978**	**$ 29,895**	**$ 100,083**	**$ 59,116,359**	**$ 54,615,520**
June 30, 2022										
Everyday Financial Services	$ 128,941	$ 31,030	$ 159,971	$ 10,648	$ 133,178	$ 16,145	$ 3,713	$ 12,432	$ 28,658,056	$ 17,279,638
ATB Business	182,959	50,531	233,490	(4,057)	118,145	119,402	27,462	91,940	24,922,894	19,380,397
ATB Wealth	9,314	66,594	75,908	664	63,452	11,792	2,712	9,080	1,219,846	1,230,079
Strategic support units	2,819	3,929	6,748	(6,488)	11,784	1,452	335	1,117	4,170,443	16,645,975
Total	**$ 324,033**	**$ 152,084**	**$ 476,117**	**$ 767**	**$ 326,559**	**$ 148,791**	**$ 34,222**	**$ 114,569**	**$ 58,971,239**	**$ 54,536,089**
Year ended March 31, 2023	**$ 1,319,293**	**$ 616,238**	**$ 1,935,531**	**$ 24,633**	**$ 1,354,493**	**$ 556,405**	**$ 127,973**	**$ 428,432**	**$ 57,470,857**	**$ 52,653,937**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

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

Joan Hertz
Chair of the Board
Edmonton, Alberta
May 22, 2024

Curtis Stange
President and CEO
Edmonton, Alberta
May 22, 2024

Dan Hugo
Chief Financial Officer
Edmonton, Alberta
May 22, 2024

Auditor General
OF ALBERTA

Independent Auditor's Report

To the President of Treasury Board and Minister of Finance

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of ATB Financial (the Group), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the *ATB Annual Report 2024*, but does not include the consolidated financial statements and my auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

May 22, 2024
Edmonton, Alberta

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at *($ in thousands)*	Note	March 31 2024	March 31 2023
Cash	6	$ 1,492,755	$ 2,091,699
Interest-bearing deposits with financial institutions		182,371	267,758
Total cash resources		**1,675,126**	**2,359,457**
Securities measured at fair value through profit or loss		115,150	117,065
Securities measured at fair value through other comprehensive income		4,735,559	5,771,155
Securities purchased under reverse repurchase agreements		806,964	-
Total securities	7	**5,657,673**	**5,888,220**
Business		29,059,731	25,734,540
Residential mortgages		17,971,062	16,830,720
Personal		3,843,806	4,305,315
Credit card		757,574	719,313
Total gross loans		**51,632,173**	**47,589,888**
Allowance for loan losses	9	(366,016)	(355,805)
Total net loans	8	**51,266,157**	**47,234,083**
Derivative financial instruments	10	928,723	1,051,015
Property and equipment	11	208,371	205,466
Software and other intangibles	12	174,024	216,199
Other assets	13	472,206	516,417
Total other assets		**1,783,324**	**1,989,097**
Total assets		**$ 60,382,280**	**$ 57,470,857**
Transaction accounts		$ 12,644,253	$ 13,106,160
Savings accounts		9,981,121	10,086,677
Notice accounts		6,064,005	5,676,301
Non-redeemable fixed-date deposits		9,693,531	9,307,271
Redeemable fixed-date deposits		2,199,907	1,297,084
Total deposits	14	**40,582,817**	**39,473,493**
Collateralized borrowings	15	6,820,589	7,891,866
Wholesale borrowings	20	4,919,593	2,512,503
Derivative financial instruments	10	1,070,555	1,212,289
Securities sold under repurchase agreements		141,724	122,568
Other liabilities	16	1,587,506	1,441,218
Total other liabilities		**14,539,967**	**13,180,444**
Total liabilities		**55,122,784**	**52,653,937**
Retained earnings		5,313,468	4,976,622
Accumulated other comprehensive income (loss)		(53,972)	(159,702)
Total equity		**5,259,496**	**4,816,920**
Total liabilities and equity		**$ 60,382,280**	**$ 57,470,857**

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

Approved by the Board:

Joan Hertz
Chair of the Board

Barry James
Chair of the Audit Committee

CONSOLIDATED STATEMENT OF INCOME

For the year ended *($ in thousands)*	Note	March 31 2024	March 31 2023
Loans		$ 2,547,146	$ 2,032,315
Securities		257,119	170,595
Interest-bearing deposits with financial institutions		113,484	78,768
Interest income		**2,917,749**	**2,281,678**
Deposits		1,130,760	639,603
Wholesale borrowings		150,978	112,656
Collateralized borrowings		265,399	210,126
Interest expense		**1,547,137**	**962,385**
Net interest income		**1,370,612**	**1,319,293**
Wealth management		265,500	258,195
Service charges		94,750	90,821
Card fees		93,374	86,103
Credit fees		62,087	53,579
Financial markets		56,183	61,786
Capital markets		64,532	48,725
Foreign exchange		17,848	10,303
Insurance		24,215	18,639
Net gains (losses) on derivative financial instruments		(6,296)	10,789
Net gains (losses) on securities		2,779	(5,594)
Sundry		(20,868)	(17,108)
Other income		**654,104**	**616,238**
Total revenue		**2,024,716**	**1,935,531**
Provision for (recovery of) loan losses	9	**131,472**	**24,633**
Salaries and employee benefits	17, 18	830,850	747,402
Data processing		179,140	174,260
Premises and occupancy, including depreciation		76,426	74,384
Professional and consulting costs		80,677	78,484
Deposit guarantee fee	14	56,027	54,368
Equipment, including depreciation		11,206	11,914
Software and other intangibles amortization	12	88,118	77,457
General and administrative		82,758	82,550
ATB agencies		17,442	16,506
Other		33,137	37,168
Non-interest expense		**1,455,781**	**1,354,493**
Income before payment in lieu of tax		**437,463**	**556,405**
Payment in lieu of tax	19	100,617	127,973
Net income		**$ 336,846**	**$ 428,432**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended ($ in thousands)	March 31 2024	March 31 2023
Net income	$ 336,846	$ 428,432
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	59,314	473
Net losses (gains) reclassified to net income	(12,176)	14,189
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges		
Unrealized net gains (losses) arising during the period	(148,665)	(140,613)
Net losses (gains) reclassified to net income	204,217	67,549
Items that will not be reclassified to profit or loss		
Remeasurement of defined-benefit plan liabilities	3,040	(5,304)
Other comprehensive income (loss)	**105,730**	**(63,706)**
Comprehensive income (loss)	**$ 442,576**	**$ 364,726**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended ($ in thousands)	March 31 2024	March 31 2023
Retained earnings		
Balance at beginning of the period	$ 4,976,622	$ 4,548,190
Net income	336,846	428,432
Balance at end of the period	**5,313,468**	**4,976,622**
Accumulated other comprehensive income (loss)		
Securities measured at fair value through other comprehensive income		
Balance at beginning of the period	18,177	3,515
Other comprehensive income (loss)	47,138	14,662
Balance at end of the period	**65,315**	**18,177**
Derivative financial instruments designated as cash flow hedges		
Balance at beginning of the period	(249,310)	(176,246)
Other comprehensive income (loss)	55,552	(73,064)
Balance at end of the period	**(193,758)**	**(249,310)**
Defined-benefit-plan liabilities		
Balance at beginning of the period	71,431	76,735
Other comprehensive income (loss)	3,040	(5,304)
Balance at end of the period	**74,471**	**71,431**
Accumulated other comprehensive income (loss)	**(53,972)**	**(159,702)**
Equity	**$ 5,259,496**	**$ 4,816,920**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended *($ in thousands)*	March 31 2024	March 31 2023
Cash flows from operating activities		
Net income	$ 336,846	$ 428,432
Adjustments for non-cash items and other items		
Provision for (recovery of) loan losses	131,472	24,633
Depreciation and amortization	129,778	118,698
Net losses (gains) on securities	2,779	5,594
Losses (gains) on foreign-denominated wholesale borrowings	29,070	20,747
Adjustments for net changes in operating assets and liabilities		
Loans	(4,184,930)	(1,330,012)
Deposits	1,109,324	2,158,504
Derivative financial instruments	36,111	(14,619)
Prepayments and other receivables	54,857	74,663
Accounts receivable—financial market products	(8)	2,303
Due to (from) clients, brokers and dealers	1,618	(26,636)
Deposit guarantee fee payable	5,504	(162)
Accounts payable and accrued liabilities	113,411	162,805
Accounts payable—financial market products	(65)	(102,160)
Liability for payment in lieu of tax	(27,356)	(47,179)
Net interest receivable and payable	66,870	90,698
Change in accrued-pension-benefit liability	898	(2,578)
Other	17,778	(4,547)
Net cash provided by (used in) operating activities	**(2,176,043)**	**1,559,184**
Cash flows from investing activities		
Purchase of securities	(8,324,851)	(8,959,889)
Proceeds from sales and maturities of securities	8,640,871	7,600,444
Change in interest-bearing deposits with financial institutions	85,387	943,143
Purchases and disposals of property and equipment, software and other intangibles	(90,508)	(89,676)
Net cash provided by (used in) investing activities	**310,899**	**(505,978)**
Cash flows from financing activities		
Issuance of wholesale borrowings	8,448,676	8,427,870
Repayment of wholesale borrowings	(6,131,990)	(10,377,870)
Issuance of collateralized borrowings	783,786	1,454,702
Repayment of collateralized borrowings	(1,819,649)	(1,162,310)
Change in securities sold under repurchase agreements	19,156	122,556
Repayment of lease liabilities	(33,780)	(32,834)
Net cash provided by (used in) financing activities	**1,266,200**	**(1,567,886)**
Net increase (decrease) in cash	(598,944)	(514,680)
Cash at beginning of the period	2,091,699	2,606,379
Cash at end of the period	**$ 1,492,755**	**$ 2,091,699**
Net cash provided by (used in) operating activities includes:		
Interest paid	$ (1,459,038)	$ (782,816)
Interest received	2,906,678	2,207,676

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

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 19.)

2 Material Accounting Policies

a. General Information

Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), and the accounting requirements of the Alberta Superintendent of Financial Institutions. These consolidated financial statements were approved by the Board on May 22, 2024.

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

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

Consolidation—Subsidiaries

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

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

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

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

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

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

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

A series of consolidated structured entities were incorporated on November 19, 2020, under the *Business Corporations Act* (Alberta). There was no significant activity in these entities as of March 31, 2024, resulting in no impact on the consolidated statements of financial position, income or cash flow.

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.

The consolidated financial statements for the year ended March 31, 2024, provide additional information in the following notes:

2(b): Impairment of financial assets—for establishing the allowance for loan losses
2(b): Financial instruments—for establishing the fair value
7: Securities—for establishing the fair value of investments made by ATB and subsidiaries in a broad range of mainly private Alberta companies
18: Employee benefits—for establishing the assumptions used

Translation of Foreign Currencies

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

b. Financial Instruments

Classification and Measurement of Financial Assets

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

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

Business Model Assessment

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

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

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

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

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

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

Financial Assets Measured at Amortized Cost

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

The Solely Payments of Principal and Interest Test

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

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

Fair Value Through Other Comprehensive Income

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

Fair Value Through Profit or Loss

Financial assets in this category are not held for trading and are either irrevocably designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9 *Financial Instruments*. Management designates an instrument at FVTPL only upon initial recognition, on an instrument-by-instrument basis, when the designation eliminates or significantly reduces the inconsistent treatment that would result from measuring the assets or recognizing gains or losses differently.

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

Equity Instruments

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

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

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

Classification of Financial Liabilities

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

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities in this category are those not held for trading and either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL only upon initial recognition, instrument by instrument, when one of the following criteria is met:

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

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

Financial Liabilities Measured at Amortized Cost

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

Reclassification of Financial Assets and Liabilities

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

Impairment of Financial Assets

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

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

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

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

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

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

- Established thresholds are based on both a percentage and absolute change in lifetime probabilities of default relative to initial recognition.
- Loans 30 days past due are typically considered to have experienced a significant increase in credit risk, except, all else being equal, for payment deferrals granted under ATB's relief programs.
- All non-retail loans with a borrower risk rating (BRR) between 10 and 13 are generally considered high risk, as described in Note 8.

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

Measurement of Expected Credit Losses

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

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

Forward-Looking Information

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

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

- Gross Domestic Product (GDP)
- Unemployment rate
- Housing starts
- 3-month T-bill yield
- Oil prices

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

Expected Life

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

Exceptions can apply if:

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

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

Significant Increase in Credit Risk

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

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

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

Definition of Default

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

Write-Offs

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

Modifications and Derecognitions

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

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

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

Estimated Fair Value

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

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

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

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

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

Financial Instruments Whose Carrying Value Equals Fair Value

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

Securities and Interest-Bearing Deposits With Financial Institutions

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

Derivative Instruments

Fair value of over-the-counter (OTC) and embedded derivative financial instruments is estimated using pricing models that take into account credit valuation adjustments, current market and contractual prices for the underlying instruments, time value and yield curve or volatility factors underlying the positions. The fair value of exchange-traded contracts is based on quoted market prices in an active market.

Hybrid instruments are contracts that contain an embedded derivative. If the contract is a financial asset in scope of the standard, IFRS 9's classification and measurement criteria are applied to the entire hybrid instrument. If the contract is either a financial liability or an asset not in scope of IFRS 9, the embedded derivative is separately recognized if it is not closely related to the contract, unless the fair-value option has been elected. The contract is then accounted for in accordance with its relevant accounting standard.

Loans and Deposits

For floating-rate financial instruments, fair value is equal to carrying value as the interest rates reprice when market rates change. For fixed-rate loans, fair value is estimated by discounting the expected future cash flows at market rates. For fixed-rate deposits, fair value is estimated by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms.

Due to the use of subjective assumptions and measurement uncertainty, the fair-value amounts should not be interpreted as being realizable in an immediate settlement of these instruments.

Wholesale Borrowings and Collateralized Borrowings

The fair values of wholesale borrowings and collateralized borrowings are estimated by discounting contractual cash flows, using market reference rates currently offered for debt instruments, with similar terms and credit risk ratings.

Derecognition of Financial Assets and Liabilities

ATB derecognizes a financial asset when the contractual right to receive cash flows from the asset has expired or when all risks and rewards of ownership are substantially transferred. For funding transactions, all financial assets that cannot be derecognized continue to be held on ATB's consolidated statement of financial position, and a secured liability is recognized for the proceeds received. ATB derecognizes a financial liability when our contractual obligations are discharged or cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and consideration paid is recognized as sundry income in the consolidated statement of income.

Securities Purchased Under Reverse Repurchase Agreements and Securities Sold Under Repurchase Agreements

Securities purchased under reverse repurchase agreements represent a purchase of Government of Canada securities by ATB, with a simultaneous agreement to sell them back at a specified price on a future date. The difference between the cost of the purchase and the predetermined proceeds to be received, based on the repurchase agreement, is recorded as securities interest income in the consolidated statement of income. Securities purchased under reverse repurchase agreements are fully collateralized—minimizing credit risk—and have been classified and measured at amortized cost.

Securities sold under repurchase agreements represent a sale of Government of Canada securities by ATB with a simultaneous agreement to buy them back at a specified price on a future date. The difference between the proceeds of the sale and the predetermined cost to be paid based on the repurchase agreement is recorded as interest expense in the consolidated statement of income.

Derivative Financial Instruments

Derivative financial instruments are financial contracts whose value is derived from an underlying reference rate such as an interest rate, a currency exchange rate, the price of an equity or debt security, or an equity or commodity index.

In the normal course of business, ATB enters into various over-the-counter and exchange-traded derivatives, including interest rate swaps, futures and FX and commodity contracts. ATB uses such instruments for two purposes: for our risk management program and to meet the needs of ATB clients.

ATB's corporate derivative portfolio is not intended for speculative income generation but for asset/liability management purposes—that is, to manage ATB's interest rate, FX and equity-related exposures arising from our portfolio of investments, loan assets, deposits, Canada Mortgage Bonds (CMB) and wholesale borrowings.

ATB's client derivative portfolio is not used to generate trading income through active assumption of market risk, but rather to meet the risk management requirements of ATB clients. ATB accepts no net exposure to such derivative contracts (except for credit risk), as we either enter into offsetting contracts with other financial institution counterparties or incorporate them into our own risk management programs.

Derivative financial instruments are measured at fair value in the consolidated statement of financial position. Derivatives with positive fair value are presented as derivative assets, and those with negative fair value are presented as derivative liabilities. Changes in the fair value of derivative financial instruments are recorded to the relevant category in OI in the consolidated statement of income, unless the derivative is designated for hedge accounting as a cash flow hedge, in which case the effective portion of changes in fair value is reflected in OCI.

Hedge Accounting

For a derivative instrument to qualify for hedge accounting, the hedging relationship between the derivative (hedging) instrument and the hedged item(s) must be designated and formally documented at inception. ATB must also document, both at the inception of the hedging relationship and on an ongoing basis, an assessment of the effectiveness of the derivative instrument in offsetting changes in cash flows or fair value of the hedged item. When ATB designates a derivative as a hedge, it is classified as either a cash flow or fair-value hedge. ATB has elected to continue applying the hedge accounting principles under International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement* instead of those under IFRS 9.

ATB discontinues hedge accounting when one of the following conditions occurs:

- Hedge accounting criteria are no longer met (e.g., the hedging relationship is no longer highly effective or its effectiveness is no longer measurable).
- The hedging instrument expires or is sold, terminated or exercised.
- The hedged item matures or is sold or repaid.
- The hedged forecast transaction is no longer highly probable or no longer expected to occur.
- The entity de-designates the hedge relationship.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in equity and is recognized when the hedged item is ultimately recognized in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is immediately transferred to OI as net gains on derivatives in the consolidated statement of income.

Cash Flow Hedge

ATB's derivative instruments in cash flow hedges are intended to generate cash flows that offset the variability in expected and/or anticipated cash flows from the hedged item(s). ATB uses various interest rate and cross-currency derivatives to manage risk relating to the variability of cash flows from certain loans and deposits. In a qualifying cash flow hedge relationship, the effective portion of the change in fair value of the hedging derivative instrument is recognized in OCI and the ineffective portion to net gains/losses on derivatives in the consolidated statement of income. Amounts are reclassified from OCI into NII in the consolidated statement of income in the same period that the underlying hedged item affects NII.

Fair-Value Hedge

Changes in fair value of derivatives that are designated as fair-value hedges are recorded to net gains on derivatives in OI in the consolidated statement of income, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk recorded in OI in the consolidated statement of income. ATB uses interest rate swaps to manage our exposure to fair-value changes of certain fixed-interest-rate loans and deposits and alternative funding sources caused by interest rate changes. If the hedge relationship no longer meets the criteria for hedge accounting, it is discontinued. For fair-value hedges of interest rate risk, the fair-value adjustment to the hedged item is amortized to the consolidated statement of income over the period to maturity of the previously designated hedge relationship. If the hedged item is sold or repaid, the unamortized fair-value adjustment is recognized immediately in the consolidated statement of income.

Financial Guarantees

Liabilities under financial guarantee contracts are initially recorded at their fair value, which is generally the fee received or receivable. Subsequently, the financial guarantee liabilities are measured at the higher of the initial fair value, less cumulative amortization, or the best estimate of the expenditure required to settle the obligation.

Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments are recognized in the consolidated statement of income using the EIR method. When calculating the EIR, ATB estimates cash flows by considering all contractual terms of the financial instrument (e.g., prepayment options). The calculation includes all fees integral to the EIR that are paid or received between parties to the contract, transaction costs and all other premiums or discounts.

Financial Markets

Income comprises various OTC and exchange-traded derivatives, including interest rate swaps, FX and commodity contracts. These are used to meet the risk management requirements of ATB clients, and ATB either enters into offsetting contracts with other financial institution counterparties or incorporates them into our own risk management programs, thereby resulting in no net exposure. Changes in the fair value of derivative financial instruments are recorded as part of financial markets in OI in the consolidated statement of income.

c. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, except for land, which is carried at cost. Buildings, computer equipment, furniture and fixtures, other equipment and leasehold improvements are depreciated on a straight-line basis over their estimated useful lives. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets, considering expected usage and expected physical wear and tear. The depreciable amount is the gross carrying amount less the estimated residual value at the end of the asset's useful economic life. Property and equipment acquired under a finance lease are capitalized, and the depreciation period for a finance lease corresponds to the lesser of the useful life or lease term. No depreciation is recorded on property and equipment under construction or development until the assets are available for use. The estimated useful life for each asset class is as follows:

- Buildings: Up to 20 years
- Right-of-use assets: Up to 30 years, with renewals assessed case by case
- Computer equipment: Up to 5 years
- Furniture and fixtures: Up to 10 years
- Other equipment: Up to 5 years
- Leasehold improvements:
  - Branch properties: Lease term, plus one renewal period if reasonably assured
  - Corporate properties: Lease term

Depreciation rates, calculation methods and the residual values underlying the calculation of depreciation of property and equipment are reviewed to account for any change in circumstances. Gains and losses on the disposal of property and equipment are recorded to other expenses in the consolidated statement of income in the year of disposal.

d. Software, Goodwill and Other Intangibles

Software and other intangibles are carried at cost less accumulated amortization and amortized on a straight-line basis over their estimated useful lives. Goodwill refers to any sum paid above the fair value of the net identifiable assets obtained on the date the business is acquired. No amortization is recorded on software under construction or development until the assets are available for use. The estimated useful life for software and other intangibles is 3 to 5 years, with certain software having a useful life of 15 years.

Costs related to software developed or obtained for internal use are capitalized if it is probable that future economic benefits will flow to ATB and that the cost can be measured reliably. Eligible costs include external direct costs for materials and services, as well as payroll and payroll-related costs for employees directly associated with an internally developed software project.

e. Impairment of Property and Equipment, Software, Goodwill and Other Intangibles

The carrying amount of non-financial assets—which include property and equipment, software, goodwill and other intangibles—is reviewed for impairment whenever events, changes in circumstances or technical or commercial obsolescence indicates the carrying amount may not be recoverable. Goodwill and software under development are tested annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest level, where there are separately identifiable cash inflows or cash-generating units (CGU).

If there is any indication of impairment, the asset's recoverable amount is estimated. The recoverable amount is the greater of an asset's fair value, less cost to sell, or its value in use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Impairment losses are recorded to the appropriate line under non-interest expenses (NIE) in the consolidated statement of income.

Goodwill is tested for impairment annually, or more frequently if there are objective indications of impairment, by comparing the recoverable amount of a CGU with its carrying amount. The recoverable amount of a CGU is the higher of its fair value, less costs of disposal, or its value in use. The recoverable amount is determined using a discounted cash flow model that projects future cash flows based on forecasted revenue. The discount rate is based on an implied internal rate of return using a combination of working capital, cash flow growth, annual capital expenditures and ATB's payment in lieu of tax. Both estimates involve significant judgment when determining the inputs. If the carrying amount of a CGU exceeds its recoverable amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other identifiable assets proportionately, based on the carrying amount of each asset. Subsequent reversals of goodwill impairment are prohibited. No goodwill impairment was recorded for the year ended March 31, 2024, or the year ended March 31, 2023.

f. Leases

IFRS 16 *Leases* provides a single lessee accounting model, requiring all leases to be included in the consolidated statement of financial position.

The interest rate for lease liabilities has been calculated using the weighted-average approach. ATB did not hold any short-term or low-value asset leases as at March 31, 2024, or at March 31, 2023.

Lessee Accounting

Classification

At the start of a contract, ATB assesses if the contract is a lease or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, a right-of-use asset and a lease liability are recognized. The right-of-use asset is presented under property and equipment, and the lease liability is presented under other liabilities in the consolidated statement of financial position.

Measurement

Measuring the lease liability includes the following components:

- Fixed lease payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts ATB expects to pay for residual-value guarantees
- The amount paid for a purchase option if ATB is reasonably certain we will exercise the option
- Penalties for terminating the lease, if the term includes the option to terminate and that option is exercised

The lease liability is measured at amortized cost using the EIR method and remeasured when:

- Future lease payments change due to an index or rate change.
- The amount ATB expects to collect for a residual-value guarantee changes.
- The likelihood of exercising a purchase, extension or termination option changes.

Remeasurements are recorded to the carrying amount of the right-of-use asset or, if that carrying amount is zero, to the appropriate line in the consolidated statement of income.

Lease payments are discounted over the non-cancellable term using the interest rate implicit in the lease. However, if the interest rate cannot be readily determined, the incremental borrowing rate is used. For ATB, the incremental borrowing rate is based on our wholesale borrowing costs.

The right-of-use asset is initially measured to be equal to the right-of-use liability and is depreciated using the straight-line method until the earlier of the end of the useful life of the right-of-use asset or the lease term. In addition, right-of-use assets may be reduced by impairment losses, if any, or for certain remeasurements made to the lease liability.

If the contract does not contain a lease, no asset or liability is recorded in the consolidated statement of financial position. Instead, payments are recognized to NIE as equipment, including depreciation, in the consolidated statement of income on a straight-line basis over the term of the contract.

Lessor Accounting

Classification

A lease is classified as a "finance lease" if it transfers substantially all risks and rewards related to the underlying asset. A lease is classified as "operating" if it does not transfer substantially all risks and rewards related to the underlying asset.

The classification is done at inception and is reassessed only if a lease modification occurs. Changes in estimates (e.g., of the economic life or residual value of the underlying asset) or changes in circumstances (e.g., by default by the lessee) do not change a lease's classification.

Measurement

Finance leases are recognized in the consolidated statement of financial position (presented as a receivable at an amount equal to the net investment in the lease). The lease receivable includes:

- Fixed payments (including in-substance fixed payments) less any lease incentives payable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts ATB expects to receive for residual-value guarantees.
- The amount received for a purchase option if the lessee is reasonably certain to exercise it.
- Penalties for terminating the lease if the term includes the option to terminate and the lessee is expected to exercise the option.

Subleases

A sublease is a transaction where a lessee ("intermediate lessor") leases an underlying asset to a third party. The lease ("head lease") between the head lessor and lessee remains unchanged.

If a transaction fits this criteria, the sublease is classified as either a finance or operating lease based on the right-of-use asset arising from the head lease. However, if the recognition exemption is applied to the head lease, the sublease shall be classified as an operating lease.

g. Salaries and Employee Benefits

ATB provides benefits to current and past employees through a combination of defined-benefit (DB) and defined-contribution (DC) plans.

Non-management employees currently participate in the Public Service Pension Plan (PSPP) with other Alberta public-sector employees. The PSPP is a DB pension plan that provides benefits based on members' years of service and earnings. ATB provides our management employees with a registered pension plan (the ATB Plan) with either DB or DC provisions. ATB also provides a non-registered DB supplemental retirement plan (SRP) and other post-employment benefits (OPEB) for designated management employees. Where employees have annual contributions over the allowed maximum under the *Income Tax Act,* ATB provides the employees with a notional supplemental plan in which excess amounts are allocated. This non-registered plan gives employees notional DC benefits that cannot be provided with the ATB Plan due to contribution limitations.

All expenses related to employee benefits are recorded in the consolidated statement of income as salaries and employee benefits in NIE.

The cost of the DB plan is determined using an actuarial valuation. The valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Details of the salaries and benefits of ATB's key management personnel included in Note 17 are presented in the audited Compensation Summary table of this report.

Accounting for Defined-Benefit Plans—Registered, Supplemental and Other

The PSPP and the DB portion of the ATB Plan, SRP and OPEB obligations provides employee benefits based on members' years of service and highest average salary. The net liability recognized in other liabilities, or the net asset recognized in other assets in the consolidated statement of financial position, in respect of DB pension plans, is the present value of the DB obligation at the date of the consolidated statement of financial position, less the fair value of plan assets. The DB obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the DB obligation is determined by discounting the estimated future cash outflows. Actuarial gains and losses are recognized in OCI. Past-service costs are recognized immediately in salaries and employee benefits in the consolidated statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Accounting for Defined-Contribution Plans

Contributions are expensed as they become due and recorded in salaries and employee benefits in the consolidated statement of income.

Plan Valuations, Asset Allocation and Funding

On March 31 each year, ATB measures our accrued-benefit obligations and the fair values of plan assets for accounting purposes for the PSPP, ATB Plan, SRP and OPEB obligations. ATB makes regular funding contributions to the DB plan according to the most recent valuation for funding purposes. The SRP and OPEB obligations are not pre-funded, and such benefits are paid from ATB's assets as they become due. The most recent actuarial valuation of the DB provisions of the ATB Plan was performed on December 31, 2022. The DB plan's investment policy sets targets for an acceptable range for the allocation of plan assets between equity, debt and other assets. (See Note 18.)

h. Provisions

Provisions are recognized when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate of the amount of the obligation can be made.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are:

- Possible obligations that arise from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ATB, or
- Present obligations that have arisen from past events but are not recognized because settlements will not require an outflow of economic benefits or the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognized in the financial statements but are disclosed in Note 21, unless the probability of settlement is remote.

i. Securitization

To provide ATB with additional sources of liquidity, we periodically securitize and guarantee certain securities and residential mortgage loans through the Canada Mortgage Housing Corporation CMB program or third-party investors. Credit card and equipment financing receivables may also be secured by ATB. All of our securitization activities are recorded in our consolidated statement of financial position and carried at amortized cost, as the derecognition criteria are not met due to retaining substantially all risks and rewards of ownership. ATB recognizes a liability for cash proceeds received from securitization. This liability is presented under collateralized borrowings in the consolidated statement of financial position.

j. Segmented Information

An area of expertise (AOE) is a distinguishable component of ATB that provides products or services and is subject to risks and returns that are different from those of other AOEs. The Strategic Leadership Team (SLT) regularly reviews operating activity by AOE. All transactions between AOEs are conducted at arm's length, with intra-segment revenue and expenses being eliminated in ATB's strategic support unit. Income and expenses associated with each AOE are included in determining that AOE's performance.

k. Revenue Recognition

ATB had no material contract assets or liabilities or remaining performance obligations longer than one year as at March 31, 2024, or at March 31, 2023.

Fees and Commission Income

Wealth Management

Wealth management income includes revenue earned from trailer fees and mutual fund commissions, fund management, financial planning servicing and account servicing fees. Except for certain one-time account fees and commissions that are recognized when the services are completed, revenues are deferred and recognized over time for management and advisory services provided evenly throughout the month—assuming that a significant reversal of revenue will likely not occur.

Most commission revenue for insurance services is recognized immediately. A portion is deferred and recorded as a contract liability in other liabilities in the consolidated statement of financial position. The liability is then recognized as revenue in future years as performance obligations are fulfilled by managing policyholder relationships.

Service Charges

Service charges generate revenue from offering services to clients. Transaction-based fees are recognized when the transaction occurs or the service is completed.

Card Fees

Revenue is generated from issuing Mastercard® and Visa[3] Debit cards, from merchant credit card terminals and associated services and from interchange fees. All three types of fees are recognized when the transaction has taken place, except for certain recurring merchant fees that are recognized over time. Credit card reward program expenses are recorded as a reduction to card fee revenue, as the program is managed by a third party, with ATB acting as an agent.

Credit Fees

Fees are earned on various services related to a client's loan, letters of credit and guarantees, syndication and standby fees. When a fee is charged for a one-time service, revenue is recorded immediately. If the fee relates to an ongoing service, revenue is recorded over time. Fees associated with letters of credit and guarantees are deferred and recorded to revenue monthly over the term of the letter.

Insurance

This refers to revenue generated from insurance plans offered with loans. There are two fees: variable fees based on the plan's surplus, which are deferred and recognized over the loan, and commission earned from each successful referral, which is recognized when the transaction takes place.

Capital Markets Revenue

These fees include underwriting services, mergers and acquisitions (M&A) and Project Finance advisory services. Underwriting services are earned and recognized upon completion by an agent/underwriter distributing the securities of issuers. M&A fees are deferred and recognized over the period of the engagement as the services are provided, and the remaining fees are recognized when the transactions and services provided are completed or certain milestones have been achieved.

[3] Trademark of Visa International Service Association and used under license.

3 Summary of Accounting Policy Changes

Changes in Accounting Policies and Disclosures

Interest Rate Benchmark Reform Phase 2

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

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

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

On June 30, 2023, the United States Dollar (USD) London Interbank Offered Rate (LIBOR) benchmark rate was discontinued. ATB has ceased offering new LIBOR-based products and has transitioned agreements referencing the benchmark to alternative rates.

In December 2021, the Canadian Alternative Reference Rate (CARR) Working Group recommended that the Canadian Dollar Offered Rate (CDOR) should cease being calculated and published after June 28, 2024, with the Canadian Overnight Repo Rate Average (CORRA) suggested as the replacement benchmark rate. On May 16, 2022, the CDOR administrator announced the cessation of CDOR consistent with the recommendations outlined by CARR. Term CORRA was launched in September 2023, and we are following the recommended target dates for cessation of CDOR-based products with no new CDOR or bankers' acceptance (BA) loan contracts or material amendments to existing loan contracts that create additional CDOR or BA exposure after November 1, 2023. The deadline for CDOR-based derivatives and securities was June 28, 2023, with limited exceptions, and for CDOR-based loans, this will be June 28, 2024.

Hedging Relationships Impacted by the Interest Rate Benchmark Reform

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

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Interest rate swaps		
USD LIBOR	**$ -**	$ 427,491
CDOR	**24,827,849**	24,803,780

Non-Derivative Financial Assets and Undrawn Commitments

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

As at	**March 31, 2024**		**March 31, 2023**	
($ in thousands)	**LIBOR**	**CDOR**	**LIBOR**	**CDOR**
Non-derivative financial assets (1)	**$ -**	**$ 3,372,818**	$ 223,219	$ 1,336,173
Non-derivative financial liabilities (2)	**-**	**249,351**	1,144	1,474,246
Authorized and committed undrawn commitments	**-**	**182,185**	-	54,315

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

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

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

During the first quarter of FY2024, ATB adopted the amendments, which had no impact on our financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2)

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

During the first quarter of FY2024, ATB adopted the amendments, which did not have a significant impact on our financial statements.

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

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

During the first quarter of FY2024, ATB adopted the amendments, which had no impact on our financial statements.

IFRS 17 *Insurance Contracts*

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

During the first quarter of FY2024, ATB adopted the standard, which had no impact on our financial statements.

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

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

During the first quarter of FY2024, ATB adopted the amendments, which had no impact on our financial statements.

Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17 Insurance Contracts)

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

During the first quarter of FY2024, ATB adopted the amendment, which had no impact on our financial statements.

Future Accounting Policy Changes

The following standards have been issued but are not yet effective on the date of issuance of ATB's consolidated financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

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

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

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

In August 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*. The amendments specify when a currency is exchangeable into another currency and when it is not, how an entity determines the exchange rate to apply when a currency is not exchangeable and additional disclosures required when a currency is not exchangeable.

ATB has assessed the impact of the amendments, which are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments to IAS 21 are applied prospectively with an initial opening adjustment in retained earnings. There are no significant changes anticipated upon adopting the amendments to IAS 21 on April 1, 2025—the start of ATB's FY2026.

IFRS S1 *General Requirements for Disclosure of Sustainability-Related Financial Information* and IFRS S2 *Climate-Related Disclosures*

In June 2023, the International Sustainability Standards Board (ISSB) published its inaugural sustainability-related standards—IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*—with the objective of creating a global baseline for sustainability reporting to meet the needs of users of general purpose financial reporting. IFRS S1 establishes the core foundation for reporting on material sustainability-related risks and opportunities an entity faces over the short, medium and long term across the four pillars of governance, strategy, risk management and metrics and targets. IFRS S2 is the first thematic ISSB standard that builds on the four pillars of IFRS S1, specifically for climate-related disclosures. IFRS S2 includes disclosure requirements related to physical and transition risks; climate-related opportunities; climate transition plans; Scope 1, 2 and 3 greenhouse gas emissions; scenario analysis and general and industry-specific metrics and targets.

The ISSB standards are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. However, the specific application date will depend on endorsement by local jurisdictions. In Canada, the Canadian Sustainability Standards Board has been established to work with the ISSB to support uptake. ATB is carefully monitoring developments related to the ISSB standards to prepare for adoption of the disclosure requirements.

Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

In May 2023, the IASB issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*. The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements.

ATB has assessed the impact of the amendments, which are effective for annual reporting periods beginning on or after January 1, 2024, and are applied prospectively, with earlier application permitted. There are no significant changes anticipated upon adopting the amendments to IAS 7 and IFRS 7 on April 1, 2024—the start of ATB's FY2025.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)

In September 2022, the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*. The amendments clarify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability arising from a sale and leaseback transaction that qualifies under IFRS 15 *Revenue from Contracts with Customers*. Specifically, this prevents a seller-lessee from recognizing any gain or loss that relates to the right of use it retains over an asset.

ATB has assessed the impact of the amendments, which are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively, with earlier application permitted. There are no significant changes anticipated upon adopting the amendments to IFRS 16 on April 1, 2024—the start of ATB's FY2025.

Non-Current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. The purpose of the amendment is to clarify the classification of liabilities with covenants as current or non-current and improve the disclosures of these covenants in the notes to the financial statements.

ATB has assessed the impact of the amendments, which are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively, with earlier application permitted. There are no significant changes anticipated upon adopting the amendments to IAS 1 on April 1, 2024—the start of ATB's FY2025.

4 Financial Instruments

Classification and Carrying Value

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

As at 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
Collateralized borrowings (4)	-	-	-	-	6,820,589	6,820,589
Wholesale borrowings (5)	-	-	-	-	4,919,593	4,919,593
Derivative financial instruments (1)	1,070,555	-	-	-	-	1,070,555
Securities sold under repurchase agreements (1)	-	-	-	-	141,724	141,724
Other liabilities (1) (6)	-	-	-	-	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.

As at March 31, 2023 ($ in thousands)	Carrying value: Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 2,091,699	$ 2,091,699
Interest-bearing deposits with financial institutions (1)	-	267,758	-	-	-	267,758
Total cash resources	-	267,758	-	-	2,091,699	2,359,457
Securities	83,112	33,953	5,717,014	54,141	-	5,888,220
Securities purchased under reverse repurchase agreements	-	-	-	-	-	-
Total securities (1)	83,112	33,953	5,717,014	54,141	-	5,888,220
Total net loans (2)	-	-	-	-	47,234,083	47,234,083
Derivative financial instruments	1,051,015	-	-	-	-	1,051,015
Other assets (1) (6)	-	-	-	-	377,601	377,601
Total other assets	1,051,015	-	-	-	377,601	1,428,616
Total financial assets	**$ 1,134,127**	**$ 301,711**	**$ 5,717,014**	**$ 54,141**	**$ 49,703,383**	**$ 56,910,376**
Financial liabilities						
Total deposits (3)	-	-	-	-	39,473,493	39,473,493
Collateralized borrowings (4)	-	-	-	-	7,891,866	7,891,866
Wholesale borrowings (5)	-	267,959	-	-	2,244,544	2,512,503
Derivative financial instruments (1)	1,212,289	-	-	-	-	1,212,289
Securities sold under repurchase agreements (1)	-	-	-	-	122,568	122,568
Other liabilities (1) (6)	-	-	-	-	1,254,176	1,254,176
Total other liabilities	1,212,289	267,959	-	-	11,513,154	12,993,402
Total financial liabilities	**$ 1,212,289**	**$ 267,959**	**$ -**	**$ -**	**$ 50,986,647**	**$ 52,466,895**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $47,810,374.
(3) The fair value of deposits is estimated at $38,872,151.
(4) The fair value of collateralized borrowings is estimated at $7,743,224.
(5) The fair value of wholesale borrowings is estimated at $2,451,396.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

Fair-Value Hierarchy

Financial instruments recorded at fair value in the consolidated statement of financial position are classified using a fair-value hierarchy based on the quality and reliability of the information used to estimate the fair value. The fair-value hierarchy has the following levels:

- **Level 1**: Fair value based on quoted prices in active markets
- **Level 2**: Fair value estimated using valuation techniques with market-observable inputs other than quoted market prices
- **Level 3**: Fair value estimated using inputs not based on observable market data

The fair-value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For the years ended March 31, 2024, and March 31, 2023, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

The categories of financial instruments whose fair values are classified as Level 3 consist of investments made by ATB and our subsidiaries in a broad range of private Alberta companies and funds. Valuation techniques are disclosed in Note 7.

The following tables present the level within the fair-value hierarchy of ATB's financial assets and liabilities measured at fair value:

As at ($ in thousands)	Level 1	Level 2	Level 3	Total
March 31, 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				
Derivative financial instruments	-	1,070,555	-	1,070,555
Total financial liabilities	**$ -**	**$ 1,070,555**	**$ -**	**$ 1,070,555**
March 31, 2023				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 267,758	$ -	$ 267,758
Securities				
Securities measured at FVTPL	34,152	-	82,913	117,065
Securities measured at FVOCI	5,717,014	-	54,141	5,771,155
Other assets				
Derivative financial instruments	-	1,051,015	-	1,051,015
Total financial assets	**$ 5,751,166**	**$ 1,318,773**	**$ 137,054**	**$ 7,206,993**
Financial liabilities				
Wholesale borrowings	$ 267,959	$ -	$ -	$ 267,959
Other liabilities				
Derivative financial instruments	-	1,212,289	-	1,212,289
Total financial liabilities	**$ 267,959**	**$ 1,212,289**	**$ -**	**$ 1,480,248**

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:

Product	Valuation technique	Significant unobservable inputs	March 31, 2024 Range of input values		March 31, 2023 Range of input values	
			Low	High	Low	High
Equity	Valuation multiple	Enterprise value/EBITDA multiple	3.1	6.0	4.0	6.4
		Enterprise value/revenue multiple	5.5	5.7	6.1	9.6
	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 $8.7 million increase and $3.5 million decrease in fair value (March 2023: $7.6 million increase and $6.8 million decrease in fair value). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2.

The following tables present the changes in fair value of Level 3 financial instruments:

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

Fair value as at March 31, 2022	$ 47,682	$ 84,421
Total realized and unrealized gains (losses) included in net income	-	(143)
Total realized and unrealized gains (losses) included in other comprehensive income	(333)	-
Purchases and issuances	6,792	4,461
Sales and settlements	-	(5,826)
Fair value as at March 31, 2023	**$ 54,141**	**$ 82,913**
Change in unrealized gains included in income regarding financial instruments held as at March 31, 2023	$ -	$ (143)

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

Offsetting Financial Assets and Financial Liabilities

A financial asset or liability, or securities purchased under reverse repurchase agreements, or derivative assets and liabilities, must be offset in the consolidated statement of financial position, when and only when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis or realize the asset and settle the liability simultaneously. A legally enforceable right exists when the right is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy.

A financial asset or liability is not offset in the consolidated statement of financial position only if it is not subject to master netting arrangements (which include those by the International Swaps and Derivatives Association [ISDA]) or similar arrangements that permit offsetting outstanding transactions with the same counterparty in the event of default, insolvency or bankruptcy.

ATB receives and pledges collateral in the form of cash and marketable securities relating to our derivative assets and liabilities to manage credit risk in accordance with the terms and conditions of the ISDA credit support annex.

The following tables present information about financial assets and liabilities that are set off and not set off in the consolidated statement of financial position and are subject to a master netting agreement or similar arrangement:

				Related amounts not offset in the consolidated statement of financial position		
As at *($ in thousands)*	**Gross recognized amounts**	**Set-off amounts**	**Net amounts recognized in the consolidated statement of financial position**	**Financial instruments (1)**	**Financial collateral received/ pledged**	**Net amount**
March 31, 2024						
Financial assets						
Securities purchased under reverse repurchase agreements	$ 806,964	$ -	$ 806,964	$ -	$ -	$ 806,964
Derivative financial instruments	960,185	31,462	928,723	511,943	272,844	143,936
Amounts receivable from clients and financial institutions	8	-	8	-	-	8
Total financial assets	**$ 1,767,157**	**$ 31,462**	**$ 1,735,695**	**$ 511,943**	**$ 272,844**	**$ 950,908**
Financial liabilities						
Securities sold under repurchase agreements	$ 141,724	$ -	$ 141,724	$ -	$ -	$ 141,724
Derivative financial instruments	1,102,017	31,462	1,070,555	511,943	175,353	383,259
Amounts payable to clients and financial institutions	70	-	70	-	-	70
Total financial liabilities	**$ 1,243,811**	**$ 31,462**	**$ 1,212,349**	**$ 511,943**	**$ 175,353**	**$ 525,053**
March 31, 2023						
Financial assets						
Securities purchased under reverse repurchase agreements	$ -	$ -	$ -	$ -	$ -	$ -
Derivative financial instruments	1,100,402	49,387	1,051,015	689,887	197,241	163,887
Amounts receivable from clients and financial institutions	-	-	-	-	-	-
Total financial assets	**$ 1,100,402**	**$ 49,387**	**$ 1,051,015**	**$ 689,887**	**$ 197,241**	**$ 163,887**
Financial liabilities						
Securities sold under repurchase agreements	$ 122,568	$ -	$ 122,568	$ -	$ -	$ 122,568
Derivative financial instruments	1,261,676	49,387	1,212,289	689,887	150,361	372,041
Amounts payable to clients and financial institutions	135	-	135	-	-	135
Total financial liabilities	**$ 1,384,379**	**$ 49,387**	**$ 1,334,992**	**$ 689,887**	**$ 150,361**	**$ 494,744**

(1) This is the carrying amount of financial assets and liabilities that are subject to a master netting agreement or similar arrangement but do not meet the offsetting criteria.

5 Financial Instruments—Risk Management

ATB has included in the Risk Management section of the MD&A certain disclosures required by IFRS 7 relating to credit, market, foreign exchange and liquidity risks. These risks are shaded in blue and form an integral part of the 2024 consolidated financial statements.

6 Cash Resources

Cash consists of cash on hand, bank notes and coins, non-interest-bearing deposits and cash held at the Bank of Canada through the Large Value Transfer System. Interest-bearing deposits with financial institutions have been designated at FVTPL and are recorded at fair value. Interest income on interest-bearing deposits with financial institutions is recorded on an accrual basis. Cash has been classified as financial instruments measured at amortized cost, as disclosed in Note 4.

As at March 31, 2024, the carrying value of interest-bearing deposits with financial institutions consists of $0.2 billion (2023: $0.3 billion) designated at FVTPL.

ATB has restricted cash that represents deposits held in trust, in connection with securitization activities. These deposits include cash accounts that hold principal and interest payments collected from mortgages securitized through the *National Housing Act* Mortgage-Backed Security Program. The deposits are awaiting payment to their respective investors and are held in interest reinvestment accounts, in connection with ATB's participation in the CMB program. ATB also reserves cash that is related to the securitization of equipment financing loans. As at March 31, 2024, the amount of restricted cash is $77.0 million (2023: $124.3 million).

7 Securities

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

As at *($ in thousands)*	Within 1 year	1 to 5 years	Over 5 years	No maturity	Total carrying value
March 31, 2024					
Securities measured at FVTPL					
Issued or guaranteed by the federal or provincial government	$ 30,911	$ -	$ -	$ -	$ 30,911
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					
Issued or guaranteed by the federal or provincial 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					
Issued or guaranteed by the federal or provincial governments	806,964	-	-	-	806,964
Total securities purchased under reverse repurchase agreements	**$ 806,964**	**$ -**	**$ -**	**$ -**	**$ 806,964**
March 31, 2023					
Securities measured at FVTPL					
Issued or guaranteed by the federal or provincial government	$ 33,894	$ -	$ -	$ -	$ 33,894
Other securities (1)	145	55	45,141	37,830	83,171
Total securities measured at FVTPL	**$ 34,039**	**$ 55**	**$ 45,141**	**$ 37,830**	**$ 117,065**
Securities measured at FVOCI					
Issued or guaranteed by the federal or provincial government	$ 3,264,849	$ 2,098,262	$ 353,903	$ -	$ 5,717,014
Other securities (1)	-	-	54,141	-	54,141
Total securities measured at FVOCI	**$ 3,264,849**	**$ 2,098,262**	**$ 408,044**	**$ -**	**$ 5,771,155**
Securities purchased under reverse repurchase agreements					
Issued or guaranteed by the federal or provincial governments	-	-	-	-	-
Total securities purchased under reverse repurchase agreements	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

(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 March 31, 2024, and at March 31, 2023, we had no securities classified as held-to-maturity.

8 Loans

In the retail portfolio, each borrower is assessed based on its Fair Isaac Corporation (FICO) score. The following table outlines the borrower-risk-assessment level assigned to each FICO score range:

Risk assessment	FICO score range
Very low risk	800–900
Low risk	700–799
Medium risk	620–699
High risk	619 or lower

For non-retail loans, each borrower is assigned a borrower risk rating (BRR). The following table outlines the borrower-risk-assessment level assigned to each range:

Risk assessment	BRR range
Very low risk	1–4
Low risk	5–7
Medium risk	8–9
High risk	10–13

Credit Quality

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

As at ($ in thousands)				March 31 2024				March 31 2023
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 7,243,651	$ 100,289	$ -	$ 7,343,940	$ 5,429,095	$ 59,371	$ -	$ 5,488,466
Low risk	17,745,074	447,654	-	18,192,728	15,774,426	371,695	-	16,146,121
Medium risk	2,442,178	203,991	-	2,646,169	2,825,132	235,659	-	3,060,791
High risk	-	328,887	-	328,887	-	556,730	-	556,730
Not rated (1)	32,505	5,123	-	37,628	24,681	4,997	-	29,678
Impaired	-	-	510,379	510,379	-	-	452,754	452,754
Total business	**27,463,408**	**1,085,944**	**510,379**	**29,059,731**	**24,053,334**	**1,228,452**	**452,754**	**25,734,540**
Very low risk	8,951,589	6,689	-	8,958,278	8,167,679	10,021	-	8,177,700
Low risk	6,017,445	14,431	-	6,031,876	5,667,978	32,253	-	5,700,231
Medium risk	2,265,991	40,611	-	2,306,602	2,240,368	57,144	-	2,297,512
High risk	525,446	103,669	-	629,115	474,982	123,127	-	598,109
Not rated (1)	5,086	-	-	5,086	11,337	467	-	11,804
Impaired	-	-	40,105	40,105	-	-	45,364	45,364
Total residential mortgages	**17,765,557**	**165,400**	**40,105**	**17,971,062**	**16,562,344**	**223,012**	**45,364**	**16,830,720**
Very low risk	1,698,375	7,135	-	1,705,510	1,899,780	6,739	-	1,906,519
Low risk	1,294,964	16,954	-	1,311,918	1,475,912	15,073	-	1,490,985
Medium risk	583,065	22,939	-	606,004	643,102	26,941	-	670,043
High risk	135,232	44,249	-	179,481	143,559	47,988	-	191,547
Not rated (1)	8,692	241	-	8,933	14,321	64	-	14,385
Impaired	-	-	31,960	31,960	-	-	31,836	31,836
Total personal	**3,720,328**	**91,518**	**31,960**	**3,843,806**	**4,176,674**	**96,805**	**31,836**	**4,305,315**
Very low risk	116,342	2,290	-	118,632	106,326	2,256	-	108,582
Low risk	318,135	16,564	-	334,699	294,087	18,173	-	312,260
Medium risk	187,156	19,055	-	206,211	163,064	40,900	-	203,964
High risk	28,651	11,758	-	40,409	12,348	25,411	-	37,759
Not rated (1)	46,243	6,689	-	52,932	47,375	5,840	-	53,215
Impaired	-	-	4,691	4,691	-	-	3,533	3,533
Total credit card	**696,527**	**56,356**	**4,691**	**757,574**	**623,200**	**92,580**	**3,533**	**719,313**
Total loans	**49,645,820**	**1,399,218**	**587,135**	**51,632,173**	**45,415,552**	**1,640,849**	**533,487**	**47,589,888**
Total allowance for loan losses	(87,446)	(89,104)	(189,466)	(366,016)	(76,159)	(93,072)	(186,574)	(355,805)
Total net loans	**$ 49,558,374**	**$ 1,310,114**	**$ 397,669**	**$ 51,266,157**	**$ 45,339,393**	**$ 1,547,777**	**$ 346,913**	**$ 47,234,083**

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

As at ($ in thousands)				March 31 2024				March 31 2023
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 5,078,519	$ 8,295	$ -	$ 5,086,814	$ 4,909,358	$ 9,021	$ -	$ 4,918,379
Low risk	1,206,935	11,162	-	1,218,097	1,251,200	11,479	-	1,262,679
Medium risk	191,775	3,499	-	195,274	172,579	14,463	-	187,042
High risk	20,220	3,912	-	24,132	13,406	7,850	-	21,256
Not rated (1)	12,136	79	-	12,215	12,447	160	-	12,607
Total undrawn loan commitments—retail	**6,509,585**	**26,947**	**-**	**6,536,532**	**6,358,990**	**42,973**	**-**	**6,401,963**
Total allowance for loan losses (2)	(15,064)	(2,621)	-	(17,685)	(15,344)	(4,471)	-	(19,815)
Total net undrawn—retail	**$ 6,494,521**	**$ 24,326**	**$ -**	**$ 6,518,847**	**$ 6,343,646**	**$ 38,502**	**$ -**	**$ 6,382,148**
Very low risk	$ 6,854,423	$ 106,888	$ -	$ 6,961,311	$ 5,736,885	$ 37,382	$ -	$ 5,774,267
Low risk	9,269,635	168,616	-	9,438,251	8,437,598	163,799	-	8,601,397
Medium risk	617,706	33,956	-	651,662	650,221	32,042	-	682,263
High risk	3,191	86,812	-	90,003	3,617	94,559	-	98,176
Not rated (1)	144,716	4,051	-	148,767	146,839	4,263	-	151,102
Total undrawn loan commitments—non retail	**16,889,671**	**400,322**	**-**	**17,289,993**	**14,975,160**	**332,045**	**-**	**15,307,205**
Total allowance for loan losses (2)	(20,343)	(12,422)	-	(32,765)	(13,194)	(9,182)	-	(22,376)
Total net undrawn—non-retail	**$ 16,869,328**	**$ 387,900**	**$ -**	**$ 17,257,228**	**$ 14,961,966**	**$ 322,863**	**$ -**	**$ 15,284,829**

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

The total net carrying value of the above loans includes those denominated in US dollars but are translated to Canadian dollars, totalling $1.6 billion as at March 31, 2024 (2023: $1.6 billion). As at March 31, 2024, the amount of foreclosed assets held for resale is $7.1 million (2023: $15.9 million).

Loans Past Due

The following loans are past due but not impaired because they are less than 90 days past due or because it is otherwise reasonable to expect timely collection of principal and interest:

As at *($ in thousands)*	Business	Residential mortgages	Personal	Credit card	Total	Percentage of total gross loans
March 31, 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%**
March 31, 2023						
Up to 1 month (1)	$ 28,734	$ 131,818	$ 18,772	$ 27,160	$ 206,484	0.4%
Over 1 month up to 2 months	118,995	113,578	54,960	7,990	295,523	0.6%
Over 2 months up to 3 months	3,059	7,758	2,001	3,176	15,994	0.1%
Over 3 months	4,712	1,000	236	3,521	9,469	0.0%
Total past due but not impaired	**$ 155,500**	**$ 254,154**	**$ 75,969**	**$ 41,847**	**$ 527,470**	**1.1%**

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

9 Allowance for Loan Losses

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

	2023	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**
March 31, 2023									
GDP *(%)*	2.6	2.3	2.3	4.8	3.3	2.9	0.3	1.3	1.6
Unemployment rate *(%)*	5.9	5.8	5.7	4.8	4.4	4.3	7.0	7.3	7.1
Housing starts	32,833	31,496	31,212	37,994	37,548	38,427	27,402	25,494	23,880
Oil prices *(WTI, USD/bbl)*	79	77	78	99	96	97	60	58	58
3m T-bill yield *(%)*	4.5	3.8	3.2	5.6	4.7	3.9	3.3	2.8	2.4

Sensitivity of Allowance for Loan Losses

The Stage 1 and 2 allowance for loan losses is sensitive to the inputs used in the model, as described in Note 2. Changes to these inputs and assumptions would have an impact when assessing for a significant increase in credit risk and the measurement of ECL.

The following tables present a comparison between the reported allowance for loan losses for Stage 1 and 2 loans and the allowance under the baseline, optimistic and pessimistic scenarios:

	March 31, 2024				March 31, 2023			
As at *($ in thousands)*	Reported under IFRS 9	Baseline scenario	Optimistic scenario	Pessimistic scenario	Reported under IFRS 9	Baseline scenario	Optimistic scenario	Pessimistic scenario
Allowance for loan losses (Stage 1 and 2)	$ 227,000	$ 217,580	$ 188,274	$ 309,651	$ 211,422	$ 206,242	$ 184,212	$ 243,178

The following tables present the estimated impact of staging on the allowance for loan losses for loans and off-balance-sheet commitments if they were fully calculated under Stage 1 compared to the actual allowance recorded:

	March 31, 2024			March 31, 2023		
As at *($ in thousands)*	Stage 1 and 2 allowance under IFRS 9	Allowance—100% in Stage 1	Impact of staging	Stage 1 and 2 allowance under IFRS 9	Allowance—100% in Stage 1	Impact of staging
Loans	$ 227,000	$ 207,342	$ (19,658)	$ 211,422	$ 185,798	$ (25,624)

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

						Comprises	
For the year ended *($ in thousands)*	Balance at beginning of period	Provision for (recovery of) loan losses	Net write-offs	Discounted cash flows on impaired loans and other	Balance at end of period	Loans	Other credit instruments (1)
March 31, 2024							
Business	$ 309,589	$ 106,543	$ (70,653)	$ (9,516)	$ 335,963	$ 304,126	$ 31,837
Residential mortgages	8,815	2,048	(1,692)	786	9,957	8,642	1,315
Personal	39,935	21,434	(21,737)	1,098	40,730	31,080	9,650
Credit card	39,657	1,447	(11,401)	113	29,816	22,168	7,648
Total	**$ 397,996**	**$ 131,472**	**$ (105,483)**	**$ (7,519)**	**$ 416,466**	**$ 366,016**	**$ 50,450**
March 31, 2023							
Business	$ 347,800	$ 10,797	$ (53,060)	$ 4,052	$ 309,589	$ 287,879	$ 21,710
Residential mortgages	9,197	4,731	(5,290)	177	8,815	7,978	837
Personal	57,202	2,801	(20,814)	746	39,935	33,038	6,897
Credit card	39,057	6,304	(5,781)	77	39,657	26,910	12,747
Total	**$ 453,256**	**$ 24,633**	**$ (84,945)**	**$ 5,052**	**$ 397,996**	**$ 355,805**	**$ 42,191**

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

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

For the year ended ($ in thousands)	March 31, 2024				March 31, 2023			
	Performing		Impaired		Performing		Impaired	
	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	$ 57,462	$ 77,943	$ 174,184	$ 309,589	$ 61,708	$ 85,846	$ 200,246	$ 347,800
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	10,204	(9,717)	(487)	-	27,550	(12,209)	(15,341)	-
Transfers into (out of) Stage 2 (1)	(7,941)	16,693	(8,752)	-	(11,653)	13,254	(1,601)	-
Transfers into (out of) Stage 3 (1)	(3,094)	(6,556)	9,650	-	(3,505)	(11,012)	14,517	-
New originations (2)	16,274	-	-	16,274	14,863	-	-	14,863
Repayments (3)	(8,906)	(15,878)	(3,601)	(28,385)	(6,361)	(20,900)	(11,799)	(39,060)
Remeasurements (4)	15,022	20,248	83,384	118,654	(25,396)	22,545	37,845	34,994
Total provision for (recovery of) loan losses	**21,559**	**4,790**	**80,194**	**106,543**	**(4,502)**	**(8,322)**	**23,621**	**10,797**
Write-offs	-	-	(71,717)	(71,717)	-	-	(61,594)	(61,594)
Recoveries	-	-	1,064	1,064	-	-	8,534	8,534
Discounted cash flows on impaired loans and other	15	8	(9,539)	(9,516)	256	419	3,377	4,052
Balance at end of period	**$ 79,036**	**$ 82,741**	**$ 174,186**	**$ 335,963**	**$ 57,462**	**$ 77,943**	**$ 174,184**	**$ 309,589**
Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 4,997	$ 2,711	$ 1,107	$ 8,815	$ 4,269	$ 2,146	$ 2,782	$ 9,197
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	2,171	(1,886)	(285)	-	1,382	(1,053)	(329)	-
Transfers into (out of) Stage 2 (1)	(299)	830	(531)	-	(212)	481	(269)	-
Transfers into (out of) Stage 3 (1)	(9)	(531)	540	-	(7)	(373)	380	-
New originations (2)	273	-	-	273	148	-	-	148
Repayments (3)	(166)	(133)	(181)	(480)	(116)	(112)	29	(199)
Remeasurements (4)	(1,080)	1,720	1,615	2,255	(467)	1,622	3,627	4,782
Total provision for (recovery of) loan losses	**890**	**-**	**1,158**	**2,048**	**728**	**565**	**3,438**	**4,731**
Write-offs	-	-	(1,775)	(1,775)	-	-	(5,388)	(5,388)
Recoveries	-	-	83	83	-	-	98	98
Discounted cash flows on impaired loans and other	-	-	786	786	-	-	177	177
Balance at end of period	**$ 5,887**	**$ 2,711**	**$ 1,359**	**$ 9,957**	**$ 4,997**	**$ 2,711**	**$ 1,107**	**$ 8,815**

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

For the year ended ($ in thousands)	March 31, 2024 Performing Stage 1	March 31, 2024 Performing Stage 2	March 31, 2024 Impaired Stage 3	March 31, 2024 Total	March 31, 2023 Performing Stage 1	March 31, 2023 Performing Stage 2	March 31, 2023 Impaired Stage 3	March 31, 2023 Total
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 23,065	$ 7,856	$ 9,014	$ 39,935	$ 32,048	$ 16,157	$ 8,997	$ 57,202
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	11,208	(10,345)	(863)	-	15,689	(14,549)	(1,140)	-
Transfers into (out of) Stage 2 (1)	(1,972)	3,343	(1,371)	-	(2,232)	3,332	(1,100)	-
Transfers into (out of) Stage 3 (1)	(1,072)	(2,679)	3,751	-	(835)	(2,587)	3,422	-
New originations (2)	3,885	-	-	3,885	3,413	-	-	3,413
Repayments (3)	(1,463)	(929)	(798)	(3,190)	(1,786)	(1,038)	(627)	(3,451)
Remeasurements (4)	(11,168)	9,779	22,128	20,739	(23,232)	6,541	19,530	2,839
Total provision for (recovery of) loan losses	**(582)**	**(831)**	**22,847**	**21,434**	**(8,983)**	**(8,301)**	**20,085**	**2,801**
Write-offs	-	-	(21,830)	(21,830)	-	-	(20,905)	(20,905)
Recoveries	-	-	93	93	-	-	91	91
Discounted cash flows on impaired loans and other	-	-	1,098	1,098	-	-	746	746
Balance at end of period	**$ 22,483**	**$ 7,025**	**$ 11,222**	**$ 40,730**	**$ 23,065**	**$ 7,856**	**$ 9,014**	**$ 39,935**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 19,173	$ 18,215	$ 2,269	$ 39,657	$ 21,969	$ 13,880	$ 3,208	$ 39,057
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	25,927	(25,927)	-	-	38,235	(38,235)	-	-
Transfers into (out of) Stage 2 (1)	(2,285)	2,285	-	-	(5,980)	5,980	-	-
Transfers into (out of) Stage 3 (1)	(168)	(2,491)	2,659	-	(75)	(2,058)	2,133	-
New originations (2)	859	-	-	859	1,327	-	-	1,327
Repayments (3)	(755)	(3,714)	-	(4,469)	(520)	(4,135)	(23)	(4,678)
Remeasurements (4)	(27,309)	23,300	9,066	5,057	(35,824)	42,742	2,737	9,655
Total provision for (recovery of) loan losses	**(3,731)**	**(6,547)**	**11,725**	**1,447**	**(2,837)**	**4,294**	**4,847**	**6,304**
Write-offs	-	-	(21,791)	(21,791)	-	-	(13,214)	(13,214)
Recoveries	-	-	10,390	10,390	-	-	7,433	7,433
Discounted cash flows on impaired loans and other	5	2	106	113	41	41	(5)	77
Balance at end of period	**$ 15,447**	**$ 11,670**	**$ 2,699**	**$ 29,816**	**$ 19,173**	**$ 18,215**	**$ 2,269**	**$ 39,657**
Total balance as at end of period	**$ 122,853**	**$ 104,147**	**$ 189,466**	**$ 416,466**	**$ 104,697**	**$ 106,725**	**$ 186,574**	**$ 397,996**
Comprises: Loans	$ 87,446	$ 89,104	$ 189,466	$ 366,016	$ 76,159	$ 93,072	$ 186,574	$ 355,805
Comprises: Other credit instruments (5)	35,407	15,043	-	50,450	28,538	13,653	-	42,191

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

10 Derivative Financial Instruments

Most of ATB's derivative contracts are OTC transactions that are privately negotiated between ATB and the counterparty to the contract. The remainder are exchange-traded contracts transacted through organized and regulated exchanges and consist primarily of futures. Fair-value changes in our corporate derivative portfolios are recorded to the relevant category in OI in the consolidated statement of income, and fair-value changes in our client derivative portfolios are recorded as part of financial markets in OI in the consolidated statement of income. ATB uses the following derivative financial instruments.

Swaps

Swaps are transactions in which two parties agree to exchange defined cash flows. ATB uses the following types of swap contracts:

- Interest rate swaps are OTC contracts in which ATB exchanges fixed- and floating-rate interest payments with a counterparty, based on an agreed notional principal amount denominated in a single currency. These are used in the corporate derivative portfolio to manage exposure to interest rate fluctuations primarily arising from the investment, loan and deposit portfolios. Interest rate swaps are also used in the client derivative portfolio to help our corporate clients in managing risks associated with interest rate fluctuations.
- Cross-currency swaps are FX transactions in which ATB exchanges interest and principal payments in different currencies. These are used in both the corporate and client portfolios to manage ATB's and our corporate clients' FX risk.

Forwards and Futures

FX and commodity forwards are OTC transactions in which two parties agree to either buy or sell a specified amount of a currency or commodity at a specific price and on a predetermined future date. ATB uses FX forward contracts in both our corporate and client derivative portfolios to manage currency exposure either arising from our own foreign currency–denominated loans and deposits or for our clients. Commodity forward contracts are used only in the client derivative portfolio.

Futures are contractual obligations to buy or sell an interest-rate-sensitive financial instrument on a predetermined future date at a specified price. Futures contracts are transacted in standardized amounts on regulated exchanges that are subject to daily cash margining, and they are used only in the corporate derivative portfolio.

Options

An options contract is an agreement between two parties to facilitate a potential transaction involving an asset at a preset price and date. It allows the holder the right but not the obligation to buy or sell an underlying asset at a specified strike price on or before a specified date. ATB uses commodity options and FX options in our client derivative portfolios to manage clients' commodity price and currency risk exposure.

The fair value of derivative financial instruments segregated between contracts in a favourable position (i.e., having positive fair value) and contracts in an unfavourable position (i.e., having negative fair value) consists of the following:

As at March 31 *($ in thousands)*	2024 Favourable position	2024 Unfavourable position	2023 Favourable position	2023 Unfavourable position
Contracts not designated for hedge accounting				
Interest rate contracts				
Swaps	$ 301,505	$ (256,645)	$ 260,243	$ (226,028)
Total interest rate contracts	**301,505**	**(256,645)**	**260,243**	**(226,028)**
Foreign-exchange contracts				
Forwards	66,459	(64,149)	132,812	(101,091)
Cross-currency swaps	40,170	(39,723)	49,698	(38,615)
Total foreign-exchange contracts	**106,629**	**(103,872)**	**182,510**	**(139,706)**
Commodity contracts				
Forwards	290,285	(215,347)	342,159	(301,461)
Total commodity contracts	**290,285**	**(215,347)**	**342,159**	**(301,461)**
Total fair value of contracts not designated for hedge accounting	**698,419**	**(575,864)**	**784,912**	**(667,195)**
Contracts designated for hedge accounting				
Interest rate contracts				
Swaps	230,304	(494,691)	266,103	(545,094)
Total interest rate contracts	**230,304**	**(494,691)**	**266,103**	**(545,094)**
Total fair value of contracts designated for hedge accounting	**230,304**	**(494,691)**	**266,103**	**(545,094)**
Total fair value	**$ 928,723**	**$ (1,070,555)**	**$ 1,051,015**	**$ (1,212,289)**
Less: impact of master netting agreements	(511,943)	511,943	(689,887)	689,887
Less: impact of financial institution counterparty collateral held/posted	(272,844)	175,353	(197,241)	150,361
Residual credit exposure on derivatives to ATB	**$ 143,936**	**$ (383,259)**	**$ 163,887**	**$ (372,041)**

Fair-Value Hedges

The following tables present the effects of fair-value hedges on the consolidated statement of financial position and the consolidated statement of income:

For the year ended ($ in thousands)	Change in value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Hedge ineffectiveness gains (losses)	Carrying amounts for hedged items	Accumulated amount of fair-value hedge adjustments on hedged items
March 31, 2024					
Assets					
Interest rate risk					
Financial assets at FVOCI	$ 9,002	$ (8,070)	$ 932	$ 2,421,742	$ (10,274)
Loans	(21,384)	19,387	(1,997)	1,553,107	(31,349)
Total assets	**$ (12,382)**	**$ 11,317**	**$ (1,065)**	**$ 3,974,849**	**$ (41,623)**
Liabilities					
Interest rate risk					
Deposit	$ 763	$ (1,209)	$ (446)	$ 203,723	$ (3,723)
Securitization liabilities at amortized cost	27,126	(26,587)	539	1,989,883	36,744
Total liabilities	**$ 27,889**	**$ (27,796)**	**$ 93**	**$ 2,193,606**	**$ 33,021**
Total	**$ 15,508**	**$ (16,479)**	**$ (971)**		

March 31, 2023					
Assets					
Interest rate risk					
Financial assets at FVOCI	$ (9,284)	$ 15,280	$ 5,996	$ 3,261,006	$ (19,276)
Loans	(5,033)	6,498	1,465	1,396,491	(9,965)
Total assets	**$ (14,317)**	**$ 21,778**	**$ 7,461**	**$ 4,657,497**	**$ (29,241)**
Liabilities					
Interest rate risk					
Deposit	$ (4,486)	$ 4,205	$ (281)	$ 104,486	$ (4,486)
Securitization liabilities at amortized cost	19	(2,435)	(2,416)	1,372,008	9,618
Total liabilities	**$ (4,467)**	**$ 1,770**	**$ (2,697)**	**$ 1,476,494**	**$ 5,132**
Total	**$ (18,784)**	**$ 23,548**	**$ 4,764**		

Cash Flow Hedges

The following tables present the effects of cash flow hedges on the consolidated statement of income and consolidated statement of comprehensive income:

For the year ended ($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Hedging gains (losses) recognized in other comprehensive income**	**Amount reclassified from accumulated other comprehensive income (loss) to earnings**	**Net change in other comprehensive income (loss)**
March 31, 2024						
Cash flow hedges						
Interest rate risk	$ (62,404)	$ 58,937	$ (3,467)	$ (149,087)	$ (204,639)	$ 55,552
Foreign exchange risk	(7)	-	(7)	422	422	-
Total cash flow hedges	**$ (62,411)**	**$ 58,937**	**$ (3,474)**	**$ (148,665)**	**$ (204,217)**	**$ 55,552**
March 31, 2023						
Cash flow hedges						
Interest rate risk	$ 53,241	$ (66,778)	$ (13,537)	$ (161,025)	$ (90,702)	$ (70,323)
Foreign exchange risk	(20,175)	20,175	-	20,412	23,153	(2,741)
Total cash flow hedges	**$ 33,066**	**$ (46,603)**	**$ (13,537)**	**$ (140,613)**	**$ (67,549)**	**$ (73,064)**

Reconciliation of Accumulated Other Comprehensive Income (Loss)

The following tables present the effects of cash flow hedges on the consolidated statement of comprehensive income:

For the year ended ($ in thousands)	**Accumulated other comprehensive income (loss) at beginning of year**	**Net changes in other comprehensive income (loss)**	**Accumulated other comprehensive income (loss) at end of year**	**Accumulated other comprehensive income (loss) on designated hedges**	**Accumulated comprehensive income (loss) on de-designated hedges**
March 31, 2024					
Cash flow hedges					
Interest rate risk	$ (249,310)	$ 55,552	$ (193,758)	$ (225,879)	$ 32,122
Foreign exchange risk	-	-	-	-	-
Total cash flow hedges	**$ (249,310)**	**$ 55,552**	**$ (193,758)**	**$ (225,879)**	**$ 32,122**
March 31, 2023					
Cash flow hedges					
Interest rate risk	$ (178,987)	$ (70,323)	$ (249,310)	$ (289,799)	$ 40,489
Foreign exchange risk	2,741	(2,741)	-	-	-
Total cash flow hedges	**$ (176,246)**	**$ (73,064)**	**$ (249,310)**	**$ (289,799)**	**$ 40,489**

Term to Maturity

The notional amounts of derivative instruments represent the underlying principal amount, to which the specified rate or price is applied in order to calculate the amount of cash flows to be exchanged, and have varying maturity dates. Notional amounts do not represent assets or liabilities and are not recorded in the consolidated statement of financial position. The remaining contractual terms to maturity for the notional amounts of all derivative instruments are as follows:

As at March 31, 2024 *($ in thousands)*	Not designated for hedge accounting	Designated for hedge accounting	Residual term of contract: Within 1 year	1 to 5 years	Over 5 years	Total
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 14,643,275	$ 28,695,493	$ 10,894,304	$ 25,080,661	$ 7,363,803	$ 43,338,768
Total interest rate contracts	**14,643,275**	**28,695,493**	**10,894,304**	**25,080,661**	**7,363,803**	**43,338,768**
Foreign exchange contracts						
Forwards	16,044,362	-	13,540,552	2,503,810	-	16,044,362
Cross-currency swaps	905,736	-	526,385	379,351	-	905,736
Total foreign exchange contracts	**16,950,098**	**-**	**14,066,937**	**2,883,161**	**-**	**16,950,098**
Commodity contracts						
Forwards	7,136,375	-	5,578,515	1,536,259	21,601	7,136,375
Total commodity contracts	**7,136,375**	**-**	**5,578,515**	**1,536,259**	**21,601**	**7,136,375**
Total over-the-counter contracts	**38,729,748**	**28,695,493**	**30,539,756**	**29,500,081**	**7,385,404**	**67,425,241**
Total	**$ 38,729,748**	**$ 28,695,493**	**$ 30,539,756**	**$ 29,500,081**	**$ 7,385,404**	**$ 67,425,241**

As at March 31, 2023 *($ in thousands)*	Not designated for hedge accounting	Designated for hedge accounting	Residual term of contract: Within 1 year	1 to 5 years	Over 5 years	Total
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 14,312,105	$ 27,011,700	$ 12,980,689	$ 20,557,693	$ 7,785,423	$ 41,323,805
Total interest rate contracts	**14,312,105**	**27,011,700**	**12,980,689**	**20,557,693**	**7,785,423**	**41,323,805**
Foreign-exchange contracts						
Forwards	15,238,023	-	12,941,548	2,220,572	75,903	15,238,023
Cross-currency swaps	1,321,912	-	620,360	579,890	121,662	1,321,912
Total foreign-exchange contracts	**16,559,935**	**-**	**13,561,908**	**2,800,462**	**197,565**	**16,559,935**
Commodity contracts						
Forwards	9,414,700	-	5,219,722	4,185,355	9,623	9,414,700
Total commodity contracts	**9,414,700**	**-**	**5,219,722**	**4,185,355**	**9,623**	**9,414,700**
Total over-the-counter contracts	**40,286,740**	**27,011,700**	**31,762,319**	**27,543,510**	**7,992,611**	**67,298,440**
Total	**$ 40,286,740**	**$ 27,011,700**	**$ 31,762,319**	**$ 27,543,510**	**$ 7,992,611**	**$ 67,298,440**

Hedging Instruments by Remaining Term-to-Maturity

The following tables disclose the notional amount and average price of derivative instruments designated in qualifying hedge accounting relationships:

	For the year ended March 31, 2024			
($ in thousands)	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate risk				
Interest rate swaps				
Notional—pay fixed	$ 3,074,233	$ 7,168,900	$ 1,192,360	$ 11,435,493
Average fixed interest rate *(%)*	4.1	3.6	3.1	
Notional—receive fixed	$ 5,470,000	$ 9,838,000	$ 1,952,000	$ 17,260,000
Average fixed interest rate *(%)*	3.9	2.8	3.2	
Total notional—interest rate risk	**$ 8,544,233**	**$ 17,006,900**	**$ 3,144,360**	**$ 28,695,493**

	For the year ended March 31, 2023			
($ in thousands)	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Interest rate risk				
Interest rate swaps				
Notional—pay fixed	$ 3,260,000	$ 5,671,600	$ 1,392,000	$ 10,323,600
Average fixed interest rate *(%)*	3.3	3.3	2.2	
Notional—receive fixed	$ 4,934,100	$ 9,677,000	$ 2,077,000	$ 16,688,100
Average fixed interest rate *(%)*	3.6	2.4	2.6	
Total notional—interest rate risk	**$ 8,194,100**	**$ 15,348,600**	**$ 3,469,000**	**$ 27,011,700**

Derivative-Related Credit Risk

Derivative financial instruments traded in the OTC market could incur financial loss if a counterparty defaults on its contractual obligation. ATB's maximum credit risk in respect of such derivatives is the fair value of all derivatives where ATB is in a favourable position.

ATB endeavours to limit our credit risk by dealing only with counterparties assessed to be creditworthy, and we manage the credit risk for derivatives using the same credit-risk process applied to loans and other credit assets. Financial institution counterparties must have a minimum long-term public credit rating of A-low / A3 / A- or better. The exposure to credit risk on derivatives is also reduced by entering into master netting agreements and collateral agreements with counterparties. To the extent that unfavourable contracts with the counterparty are not settled, they reduce ATB's net exposure in respect of favourable contracts with the same counterparty.

The current replacement cost represents the cost of replacing, at current market rates, all contracts with a positive fair value to ATB. The credit equivalent amount is the sum of the current replacement cost and the potential future exposure, which is defined in a President of Treasury Board and Minister of Finance (Minister) authorized guideline that was modelled after guidelines governing other Canadian deposit-taking institutions. The risk-weighted amount is determined by applying standard measures of counterparty credit risk to the credit equivalent amount. The derivative-related credit risks for derivative instruments are as follows:

	2024			2023		
As at *($ in thousands)*	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**
Contracts not designated for hedge accounting						
Interest rate contracts						
Swaps	$ 301,505	$ 355,119	$ 79,991	$ 255,391	$ 305,338	$ 72,922
Total interest rate contracts	**301,505**	**355,119**	**79,991**	**255,391**	**305,338**	**72,922**

Foreign exchange contracts						
Forwards	66,459	206,034	64,323	132,812	260,612	96,289
Cross-currency swaps	40,170	50,528	14,176	49,698	74,961	22,324
Total foreign exchange contracts	**106,629**	**256,562**	**78,499**	**182,510**	**335,573**	**118,613**
Commodity contracts						
Forwards	290,285	665,372	234,547	342,159	867,076	223,680
Total commodity contracts	**290,285**	**665,372**	**234,547**	**342,159**	**867,076**	**223,680**
Total contracts not designated for hedge accounting	**698,419**	**1,277,053**	**393,037**	**780,060**	**1,507,987**	**415,215**
Contracts designated for hedge accounting						
Interest rate contracts						
Swaps	230,304	283,884	56,777	270,955	328,233	65,647
Total interest rate contracts	**230,304**	**283,884**	**56,777**	**270,955**	**328,233**	**65,647**
Total contracts designated for hedge accounting	**230,304**	**283,884**	**56,777**	**270,955**	**328,233**	**65,647**
Total	**$ 928,723**	**$ 1,560,937**	**$ 449,814**	**$ 1,051,015**	**$ 1,836,220**	**$ 480,862**

11 Property and Equipment

For the year ended ($ in thousands)	Owned by ATB						Right-of-use lease assets		
	Leasehold improvements	Computer equipment	Buildings	Furniture and fixtures and other equipment	Land	Work in progress	Buildings under finance lease	Equipment under finance lease	Total
March 31, 2024									
Cost									
Balance at beginning of period	$ 205,195	$ 49,170	$ 115,380	$ 70,459	$ 7,328	$ 11,677	$ 257,837	$ 8,077	$ 725,123
Additions	12,295	3,580	1,688	6,187	-	28,673	20,822	-	73,245
Disposals	(2,867)	-	(779)	(412)	(15)	(23,748)	(15,362)	-	(43,183)
Balance at end of period	**$ 214,623**	**$ 52,750**	**$ 116,289**	**$ 76,234**	**$ 7,313**	**$ 16,602**	**$ 263,297**	**$ 8,077**	**$ 755,185**
Depreciation									
Balance at beginning of period	$ 157,633	$ 42,333	$ 83,526	$ 62,254	$ -	$ -	$ 169,894	$ 4,017	$ 519,657
Depreciation	7,832	4,484	2,431	4,098	-	-	20,116	3,248	42,209
Disposals	(2,748)	-	(636)	(395)	-	-	(11,273)	-	(15,052)
Balance at end of period	**$ 162,717**	**$ 46,817**	**$ 85,321**	**$ 65,957**	**$ -**	**$ -**	**$ 178,737**	**$ 7,265**	**$ 546,814**
Carrying amounts									
Balance at end of period	**$ 51,906**	**$ 5,933**	**$ 30,968**	**$ 10,277**	**$ 7,313**	**$ 16,602**	**$ 84,560**	**$ 812**	**$ 208,371**
March 31, 2023									
Cost									
Balance at beginning of period	$ 206,849	$ 44,443	$ 113,866	$ 85,336	$ 7,328	$ 10,171	$ 258,066	$ 14,268	$ 740,327
Additions	848	5,439	1,544	3,814	-	13,196	9,032	4,671	38,544
Disposals	(2,502)	(712)	(30)	(18,691)	-	(11,690)	(9,261)	(10,862)	(53,748)
Balance at end of period	**$ 205,195**	**$ 49,170**	**$ 115,380**	**$ 70,459**	**$ 7,328**	**$ 11,677**	**$ 257,837**	**$ 8,077**	**$ 725,123**
Depreciation									
Balance at beginning of period	$ 152,222	$ 37,572	$ 81,203	$ 76,945	$ -	$ -	$ 157,735	$ 11,666	$ 517,343
Depreciation	7,177	5,171	2,335	3,924	-	-	19,402	3,183	41,192
Disposals	(1,766)	(410)	(12)	(18,615)	-	-	(7,243)	(10,832)	(38,878)
Balance at end of period	**$ 157,633**	**$ 42,333**	**$ 83,526**	**$ 62,254**	**$ -**	**$ -**	**$ 169,894**	**$ 4,017**	**$ 519,657**
Carrying amounts									
Balance at end of period	**$ 47,562**	**$ 6,837**	**$ 31,854**	**$ 8,205**	**$ 7,328**	**$ 11,677**	**$ 87,943**	**$ 4,060**	**$ 205,466**

A loss of $2.0 million (2023: $1.2 million loss) was recognized in the consolidated statement of income for the disposal and write-offs of property and equipment. Income of $2.7 million (2023: $2.6 million) was recorded in the consolidated statement of income from our sublease arrangements.

12 Software and Other Intangibles

For the year ended *($ in thousands)*	Computer software	Software under development	Other intangibles	Goodwill	Total
March 31, 2024					
Cost					
Balance at beginning of period	$ 761,129	$ 35,669	$ 282	$ 6,845	$ 803,925
Transfers and additions	52,818	45,385	-	-	98,203
Transfers and disposals	(6,048)	(52,133)	(282)	-	(58,463)
Impairment losses					
Balance at end of period	**$ 807,899**	**$ 28,921**	**$ -**	**$ 6,845**	**$ 843,665**
Depreciation					
Balance at beginning of period	$ 587,551	$ -	$ 175	$ -	$ 587,726
Depreciation	88,106	-	12	-	88,118
Disposals	(6,016)	-	(187)	-	(6,203)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 669,641**	**$ -**	**$ -**	**$ -**	**$ 669,641**
Carrying amounts					
Balance at end of period	**$ 138,258**	**$ 28,921**	**$ -**	**$ 6,845**	**$ 174,024**
March 31, 2023					
Cost					
Balance at beginning of period	$ 680,577	$ 50,143	$ 279	$ 6,845	$ 737,844
Transfers and additions	81,511	67,677	3	-	149,191
Transfers and disposals	(959)	(82,151)	-	-	(83,110)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 761,129**	**$ 35,669**	**$ 282**	**$ 6,845**	**$ 803,925**
Depreciation					
Balance at beginning of period	$ 510,125	$ -	$ 144	$ -	$ 510,269
Depreciation	77,426	-	31	-	77,457
Disposals	-	-	-	-	-
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 587,551**	**$ -**	**$ 175**	**$ -**	**$ 587,726**
Carrying amounts					
Balance at end of period	**$ 173,578**	**$ 35,669**	**$ 107**	**$ 6,845**	**$ 216,199**

No loss (2023: $1.0 million loss) was recognized in NIE in the consolidated statement of income during the year for the disposal and write-offs of software and other intangibles.

The goodwill associated with our purchase of Grow Technologies Inc. (Grow) is $6.8 million. ATB performs an impairment test annually on March 31 by assessing for any indications of impairment and comparing Grow's carrying value to its recoverable amount. As at March 31, 2024, and at March 31, 2023, there were no indicators of impairment or amounts recorded.

13 Other Assets

As at *($ in thousands)*	Note	March 31 2024	March 31 2023
Prepaid expenses and other receivables		$ 236,752	$ 291,610
Accrued interest receivable		127,615	89,987
Net pension asset	18	53,766	51,624
Other		54,073	83,196
Total		**$ 472,206**	**$ 516,417**

14 Deposits

All of ATB's deposits are 100% guaranteed by the Government of Alberta.

	Payable on demand	Payable on a fixed date					Total
As at *($ in thousands)*		Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	
March 31, 2024							
Transaction accounts	$ 12,644,253	$ -	$ -	$ -	$ -	$ -	$ 12,644,253
Savings accounts	9,981,121	-	-	-	-	-	9,981,121
Notice accounts	6,064,005	-	-	-	-	-	6,064,005
Non-redeemable fixed-date deposits	-	7,248,898	1,331,447	309,271	481,341	322,574	9,693,531
Redeemable fixed-date deposits	-	2,078,280	62,957	12,656	22,390	23,624	2,199,907
Total	**$ 28,689,379**	**$ 9,327,178**	**$ 1,394,404**	**$ 321,927**	**$ 503,731**	**$ 346,198**	**$ 40,582,817**
March 31, 2023							
Transaction accounts	$ 13,106,160	$ -	$ -	$ -	$ -	$ -	$ 13,106,160
Savings accounts	10,086,677	-	-	-	-	-	10,086,677
Notice accounts	5,676,301	-	-	-	-	-	5,676,301
Non-redeemable fixed-date deposits	-	7,099,569	1,396,751	288,112	102,259	420,580	9,307,271
Redeemable fixed-date deposits	-	1,194,105	60,134	11,980	6,220	24,645	1,297,084
Total	**$ 28,869,138**	**$ 8,293,674**	**$ 1,456,885**	**$ 300,092**	**$ 108,479**	**$ 445,225**	**$ 39,473,493**

The total deposits presented above include $1.0 billion (2023: $1.3 billion) denominated in USD but are translated to CAD in the table above.

As at March 31, 2024, deposits by various departments and agencies of the GoA included in the preceding schedule total $251.8 million (2023: $297.2 million).

The repayment of all deposits and wholesale borrowings, without limit, including accrued interest, is guaranteed by the Crown in right of Alberta in respect of which the Crown assesses an annual deposit-guarantee fee payable by ATB. For the year ended March 31, 2024, the fee is $64.4 million (2023: $58.9 million), with $56.0 million (2023: $54.4 million) recorded to NIE for deposits and the remainder to NII for wholesale borrowings and collateralized borrowings relating to credit cards.

15 Collateralized Borrowings

Canada Mortgage Bonds Program

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 Canada Housing Trust (CHT) uses the proceeds of its bond issuance to finance the purchase of MBSs issued by ATB. As an issuer of the MBSs, ATB is responsible for advancing all scheduled principal and interest payments to Canada Mortgage Housing Corporation (CMHC), whether or not the amounts have been collected on the underlying transferred mortgages. Amounts advanced but not recovered are ultimately recovered from the insurer.

The sale of mortgage pools and certain securities that comprise the MBSs does not qualify for derecognition as outlined in IFRS 9 *Financial Instruments*, as ATB retains the prepayment, credit and interest rate risks, which represent substantially all of the risks and rewards. Therefore, it is accounted for as a collateralized borrowing. Also included in the collateralized borrowing liabilities are deferred transaction costs and premiums and discounts, representing the difference between cash proceeds and the notional amount of the liability issued. Accrued interest on the collateralized borrowing liability is based on the CMB coupon for each respective series. At the time of the CMB coupon settlement, any excess or shortfall between the CMB coupon payment and interest accumulated with swap counterparties is received or paid by ATB.

There are no ECLs on the securitized mortgage assets, as the mortgages are insured against default. Further, the investors and CMHC have no recourse to other assets of ATB in the event of failure of debtors to pay when due.

As part of a CMB transaction, ATB must enter into a total return swap with highly rated counterparties, exchanging cash flows of the CMB for those of the MBSs transferred to CHT. Any excess or shortfall in these cash flows is absorbed by ATB. These swaps are not recognized on ATB's consolidated statement of financial position as the underlying cash flows of these derivatives are captured through the continued recognition of the mortgages, certain securities and associated CMB collateralized borrowing liabilities. Accordingly, these swaps are recognized on an accrual basis and not fair-valued through ATB's consolidated statement of income. The notional amount of these swaps as at March 31, 2024, is $6.7 billion (2023: $7.7 billion).

Collateralized borrowing liabilities are non-amortizing liabilities with fixed maturity dates. Principal payments collected from the mortgages underlying the MBSs sold to the CHT are transferred to the CHT monthly, where they are either reinvested in new MBSs or invested in eligible investments.

Credit Card Securitization

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

Equipment Finance Securitization

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

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

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Principal value of mortgages pledged as collateral	$ 5,865,807	$ 6,093,429
ATB mortgage-backed securities (MBSs) pledged as collateral through repurchase agreements	1,004,258	1,721,022
Externally purchased MBSs	32,568	99,829
Principal value of credit card receivables pledged as collateral	689,770	651,923
Principal value of equipment finance receivables pledged as collateral	26,756	-
Total	**$ 7,619,159**	**$ 8,566,203**
Associated liabilities	**$ 6,820,589**	**$ 7,891,866**

16 Other Liabilities

As at *($ in thousands)*	Note	March 31 2024	March 31 2023
Accounts payable and accrued liabilities (1)		$ 945,731	$ 862,174
Accrued interest payable		300,204	195,706
Payment in lieu of tax	19	100,617	127,973
Due to clients, brokers and dealers		119,949	135,873
Achievement notes	23	56,578	60,569
Deposit guarantee fee payable		64,427	58,923
Total		**$ 1,587,506**	**$ 1,441,218**

(1) Includes lease liabilities of $131,683 (2023: $141,947). (See Note 21.)

17 Salaries and Benefits

ATB has included certain disclosures required in the Director Compensation section of the MD&A relating to the Board of Directors' compensation and an audited Compensation Summary section of the MD&A relating to key management personnel compensation.

18 Employee Benefits

Public Service Pension Plan

The PSPP is a multi-employer pension plan for eligible employees of the Province of Alberta, approved provincial agencies and public bodies.

The plan provides a pension of 1.4% for each year of pensionable service, based on average salary of the highest five consecutive years, up to the year's maximum pensionable earnings and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act*.

As a participant in this plan, ATB and our participating employees are responsible for making current-service contributions sufficient to provide for the accruing service of members and the amortization of any unfunded liability. ATB's share of the current-service contributions (employer and employee) is based on the current pensionable earnings of active ATB participants (prorated against the total current pensionable earnings of all active PSPP members). The employer and employee share the required contributions 50/50.

Although the PSPP pools all assets and liabilities of participating employers, and there is no allocation of assets and liabilities to participating employers, ATB has applied DB accounting in order to recognize an estimate of our current liability under this plan. ATB has estimated our share of the fair value of assets, the DB obligation and the net pension liability as at March 31, 2024, based on our prorated share of plan contributions adjusted for our prorated contribution rate (split 50/50 between employer and employee). ATB reassesses and discloses the estimated value of this liability annually.

Registered Pension Plan

ATB provides our management employees with a registered pension plan (the ATB Plan) with either DB or DC provisions. The DB component provides benefits based on members' years of service and earnings. The DC component provides annual contributions based on members' earnings.

ATB amended the ATB Plan to change the annual contributions in the DC component effective January 1, 2015, and to close the DB component to service accruals effective July 7, 2016. Current members in the DB component will continue to accrue earnings for their highest average earnings calculations and service for early retirement subsidies but, effective July 8, 2016, accrue future benefits under the DC component. Since July 8, 2016, all new entrants into the ATB Plan automatically go into the DC component.

Effective July 15, 2006, ATB finalized arrangements with the GoA to assume pension obligations relating to current ATB employees who participated in the PSPP prior to joining the ATB Plan (the PSPP take-on). The arrangements formalized ATB's commitment to providing combined pensionable service (CPS) benefits for qualifying members whose CPS benefits were affected by the withdrawal of ATB from the Management Employees Pension Plan.

Since June 27, 2014, any employee promoted to a management position has joined the plan under the DC provision. Any pension benefit earned in the PSPP is deferred at Alberta Pension Services, or, if eligible, the employee may choose to withdraw their pension benefit.

Non-Registered Plans

ATB also provides a non-registered DB SRP and OPEB for designated management employees. The SRP and OPEB provide benefits based on members' years of service and earnings over the Canada Revenue Agency maximum pension limits.

Notional Supplemental Plan

For any team member whose annual pension contributions exceed the allowable maximum under the *Income Tax Act*, excess amounts are allocated to the notional supplemental plan (NSP)—a non-registered plan that provides notional DC benefits that cannot be provided within the Flexible Pension Plan (FPP) due to income tax restrictions.

Plan Risks

The DB plans expose ATB to actuarial risks such as longevity, currency, interest rate and market risks. ATB, in conjunction with the Human Resource (HR) and Retirement committees, manages risk through the plan's statement of investment policies and procedures, which:

- Establishes allowable and prohibited investment types.
- Sets diversification requirements.
- Limits portfolio mismatch risk through an asset allocation policy.
- Limits market risks associated with the underlying fund assets.

Breakdown of Defined-Benefit Obligation

The following tables present a breakdown of ATB's obligation for the ATB Plan and PSPP plan:

As at *($ in thousands)*	**Registered plan**	**Supplemental and other**	**ATB's share of PSPP**
March 31, 2024			
Active	$ 77,611	$ 392	$ 100,471
Deferred	17,398	334	29,897
Pensioners and beneficiaries	262,656	5,839	140,347
Total defined-benefit obligation	**$ 357,665**	**$ 6,565**	**$ 270,715**
March 31, 2023			
Active	$ 97,384	$ 493	$ 94,323
Deferred	20,033	343	28,068
Pensioners and beneficiaries	242,031	5,977	131,760
Total defined-benefit obligation	**$ 359,448**	**$ 6,813**	**$ 254,151**

Breakdown of ATB Plan Assets

The following table presents a breakdown of the assets held under the ATB Plan:

	2024	**2023**
As at March 31 *($ in thousands)*	**Quoted on an active market**	**Quoted on an active market**
Bonds	$ 321,301	$ 306,245
Shares	66,982	83,966
Cash and money-market securities	824	297
Total fair value of plan assets	**$ 389,107**	**$ 390,508**

Asset/Liability Matching Strategy

ATB's pension plan investment policy is reviewed each year. The current policy is to match those assets in respect of inactive members with a matching fixed-income portfolio. For active members who have liabilities with other variables, such as salary growth, assets are not matched, but a bond-centric portfolio is held (84% benchmark in bonds). A more in-depth asset/liability study, which involves a detailed risk assessment, is conducted every three to five years.

Cash Payments

For the year ended March 31, 2024, total cash paid or payable for employee benefits—cash contributed by ATB for the DB and DC provisions of the ATB Plan—made directly to beneficiaries for the unfunded SRP and cash contributed to the PSPP is $54.5 million (2023: $52.7 million).

Contributions during the year totalled $1.0 million (2023: $0.8 million) for the DB portion of the ATB Plan, $0.4 million (2023: $0.4 million) for the unfunded SRP and CPS and $8.1 million (2023: $9.3 million) for the PSPP.

Pension Plan Obligation Maturity Profile

For 2024, the weighted-average financial duration of the main group plans was approximately 12.8 years (2023: 14.4 years).

Net Accrued-Benefit Liability

The funded status and net accrued-pension-benefit liability for the DB provisions of the ATB Plan and the other pension obligations—which include the PSPP, SRP, obligations recognized in respect of the CPS benefit obligation to inactive plan members, OPEB and the NSP—consist of the following:

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Registered plan		
Fair value of plan assets	$ 389,107	$ 390,508
Projected benefit obligation	(356,819)	(349,947)
Net pension-benefit asset (liability) (1)	**$ 32,288**	**$ 40,561**
Supplemental and other		
Unfunded projected benefit obligation, representing the plan funding deficit	$ (6,565)	$ (6,813)
Net pension-benefit liability (1)	**$ (6,565)**	**$ (6,813)**
ATB's share of PSPP		
Fair value of plan assets	$ 315,569	$ 284,162
Projected benefit obligation	(270,715)	(254,151)
Net pension-benefit asset (liability) (1)	**$ 44,854**	**$ 30,011**
Notional supplemental plan liability	$ (16,811)	$ (12,135)
Total net pension-benefit asset (liability) (1) (2)	**$ 53,766**	**$ 51,624**

(1) The effect of asset limitation and IAS minimum funding requirements is nil.
(2) There are no unrecognized actuarial gains/losses and past-service costs.

The net accrued-benefit asset or liability is included in other assets or liabilities in the consolidated statement of financial position as appropriate. (See Notes 13 and 16.)

Other Comprehensive Income

As at March 31 *($ in thousands)*	Registered plan 2024	Registered plan 2023	Supplemental and other 2024	Supplemental and other 2023	ATB's share of PSPP 2024	ATB's share of PSPP 2023
Actuarial loss (gain) on plan assets	$ 2,122	$ 34,568	$ -	$ -	$ (20,803)	$ 7,869
Effect of changes in financial assumptions	1,371	(15,632)	-	(361)	-	(18,345)
Experience loss (gain) on plan liabilities	6,946	29	(125)	37	7,449	(2,861)
Amount recognized in other comprehensive loss (income)	**$ 10,439**	**$ 18,965**	**$ (125)**	**$ (324)**	**$ (13,354)**	**$ (13,337)**
Beginning balance, accumulated other comprehensive loss (income)	44,355	25,390	3,916	4,240	(119,702)	(106,365)
Ending balance, accumulated other comprehensive loss (income)	**$ 54,794**	**$ 44,355**	**$ 3,791**	**$ 3,916**	**$ (133,056)**	**$ (119,702)**

Change in Plan Assets and Benefit Obligations

Changes in the estimated financial position of the DB provisions of the ATB Plan, the PSPP, and the SRP and OPEB obligations are as follows:

As at March 31 *($ in thousands)*	Registered plan 2024	Registered plan 2023	Supplemental and other 2024	Supplemental and other 2023	ATB's share of PSPP 2024	ATB's share of PSPP 2023
Change in fair value of plan assets						
Fair value of plan assets at beginning of the year	$ 390,508	$ 424,351	$ -	$ -	$ 284,162	$ 280,851
Contributions from ATB	1,021	843	446	446	8,141	9,375
Interest income	18,663	18,265	-	-	13,891	12,304
Actuarial gain (loss) on plan assets	(2,065)	(34,402)	-	-	20,803	(7,869)
Benefits paid	(18,120)	(17,540)	(446)	(446)	(11,428)	(10,499)
Actual plan expenses	(900)	(1,009)	-	-	-	-
Fair value of plan assets at end of the year	**$ 389,107**	**$ 390,508**	**$ -**	**$ -**	**$ 315,569**	**$ 284,162**
Change in defined-benefit obligation						
Projected benefit obligation at beginning of the year	$ 349,947	$ 367,334	$ 6,813	$ 7,273	$ 254,151	$ 264,686
Effect of changes in financial assumptions	1,371	(15,632)	-	(361)	-	(18,345)
Experience loss (gain) on plan liabilities	6,946	29	(125)	37	7,449	(2,861)
Current-service costs	-	-	-	-	7,960	9,349
Interest expense	16,675	15,756	323	310	12,583	11,821
Benefits paid	(18,120)	(17,540)	(446)	(446)	(11,428)	(10,499)
Less: defined-benefit obligation at end of the year	**$ 356,819**	**$ 349,947**	**$ 6,565**	**$ 6,813**	**$ 270,715**	**$ 254,151**
Net pension-benefit asset (liability)	**$ 32,288**	**$ 40,561**	**$ (6,565)**	**$ (6,813)**	**$ 44,854**	**$ 30,011**

Defined-Benefit Pension Expense

Benefit expense for DB provisions of the ATB Plan and for PSPP, SRP and OPEB consists of the following:

As at March 31 *($ in thousands)*	Registered plan 2024	Registered plan 2023	Supplemental and other 2024	Supplemental and other 2023	ATB's share of PSPP 2024	ATB's share of PSPP 2023
Current-service costs	$ -	$ -	$ -	$ -	$ 7,960	$ 9,349
Interest expense	16,675	15,756	323	310	12,583	11,821
Interest income	(18,663)	(18,265)	-	-	(13,891)	(12,304)
Administrative expenses	843	843	-	-	-	-
Net pension-benefit expense (income) recognized	**$ (1,145)**	**$ (1,666)**	**$ 323**	**$ 310**	**$ 6,652**	**$ 8,866**

Key Assumptions and Sensitivities

The significant assumptions used in the actuarial determination of projected benefit obligations and the related net benefit expense are, on a weighted-average basis, as follows:

	Registered plan 2024	Registered plan 2023	Supplemental and other 2024	Supplemental and other 2023	ATB's share of PSPP 2024	ATB's share of PSPP 2023
Accrued-benefit obligation as at March 31						
Discount rate at end of the year *(%)*	4.9	4.9	4.9	4.9	4.9	4.9
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	4.5	4.5	4.5	4.5	3.0	3.0
Defined-benefit expense for the year ended March 31						
Discount rate at beginning of the year *(%)*	4.9	4.4	4.9	4.4	4.9	4.4
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	n/a	n/a	n/a	n/a	3.0	3.0
ATB's share of PSPP contributions *(%)*	n/a	n/a	n/a	n/a	3.3	3.2

(1) This refers to the long-term weighted-average rate of compensation increase, including merit and promotion.

Mortality assumptions are significant in measuring the accrued-pension-benefit obligation. The following table outlines the assumptions used:

	2024	2023
Registered plan and supplemental and other	Canadian Pensioner Mortality (CPM) 2014 public sector mortality table with generational projection, improvement scale CPM-B, no adjustment	Canadian Pensioner Mortality (CPM) 2014 public sector mortality table with generational projection, improvement scale CPM-B, no adjustment
ATB's share of PSPP	Canadian Pensioner Mortality (CPM) 2014 private sector mortality table, improvement scale MI-2017, no adjustment	Canadian Pensioner Mortality (CPM) 2014 private sector mortality table, improvement scale MI-2017, no adjustment

The following table outlines the possible impact of changes in certain key weighted-average economic assumptions used to measure the accrued-pension-benefit obligations as at March 31, 2024, and the related expense for the year then ended:

As at March 31, 2024 *($ in thousands)*		Registered plan Benefit obligation	Registered plan Benefit expense	Supplemental and other Benefit obligation	Supplemental and other Benefit expense	ATB's share of the PSPP Benefit obligation	ATB's share of the PSPP Benefit expense
Discount rate							
Impact of:	1.0% increase	$ (38,713)	$ (2,607)	$ (588)	$ 28	$ (35,224)	$ (4,356)
	1.0% decrease	47,425	2,172	693	(36)	40,492	4,285
Inflation rate							
Impact of:	1.0% increase	27,124	1,329	2	-	18,256	1,560
	1.0% decrease	(24,605)	(1,205)	(2)	-	(17,102)	(1,460)
Rate of compensation increase							
Impact of:	0.25% increase	698	34	-	-	1,760	290
	0.25% decrease	(688)	(33)	-	-	(1,755)	(288)
Mortality							
Impact of:	10.0% increase	(6,510)	(319)	(112)	(6)	n/a (1)	n/a (1)
	10.0% decrease	7,114	349	122	6	n/a (1)	n/a (1)

(1) Mortality sensitivity information for the PSPP is not available.

This sensitivity analysis should be used with caution as it is hypothetical and the effect of changes in each significant assumption may not be linear. Also, the sensitivities in each key variable have been calculated independently of changes in other key variables, and actual experience may result in simultaneous changes to a number of key assumptions. Changes in one factor could result in changes to another that may serve to amplify or reduce certain sensitivities.

19 Payment in Lieu of Tax

Pursuant to the *ATB Act*, the GoA may assess a charge to ATB as prescribed by the *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.

As at March 31, 2024, ATB has accrued a total of $100.6 million (2023: $128.0 million) for PILOT.

20 Related-Party Transactions

In the ordinary course of business, ATB provides normal banking services to various departments and agencies of the GoA on terms similar to those offered to non-related parties. (See Note 14.) These services also include OTC FX forwards to manage currency exposure. (See Note 10.) The fair values of the asset and liability associated with these derivative contracts as at March 31, 2024, are nil (2023: nil) and $0.5 million (2023: $0.8 million), respectively.

During the year, ATB leased certain premises from the GoA. For the year ended March 31, 2024, the total of these payments was $0.3 million (2023: $0.4 million). ATB recognized a deposit guarantee fee payable to the Crown in right of Alberta, in return for a guarantee on all client deposits and a PILOT. (See Notes 14 and 19.)

ATB entered into a wholesale borrowing agreement with the Minister on November 24, 2003 (amended November 9, 2007). The agreement was amended again in December 2015 to increase the available limit of borrowings to $7.0 billion from $5.5 billion. Effective March 31, 2020, the limit was increased by $2.0 billion to $9.0 billion. Under this agreement, the Minister acts as fiscal agent of ATB under the *Financial Administration Act* and is involved in raising wholesale borrowings in the marketplace. As at March 31, 2024, wholesale borrowings are $4.9 billion (2023: $2.5 billion), payable to the Minister.

On November 8, 2022, the Province of Alberta announced a $500 million reopening of its 2.95% Series DY Bonds due to mature on June 1, 2052. ATB Capital Markets acted as a co-manager on the offering.

ATB provides loans to key management personnel, defined as those having authority and responsibility for planning, directing and controlling the activities of ATB; their close family members and their related entities on market conditions, except for banking products and services that are subject to approved guidelines governing all employees. As at March 31, 2024, $25.1 million (2023: $26.8million) in loans is outstanding. Key management personnel have deposits provided at standard market rates. As at March 31, 2024, $0.9 million (2023: $0.8 million) in deposits is outstanding.

No impairment losses were recorded against balances outstanding from key management personnel, and no specific allowances for impairment were recognized on balances with these personnel and their close family members. Key management personnel's compensation is disclosed in the audited Compensation Summary in the Executive Compensation Discussion and Analysis in the MD&A.

Key management personnel, excluding the President and Chief Executive Officer (CEO), may also purchase achievement notes based on their role within ATB. As at March 31, 2024, $4.0 million (2023: $4.2 million) in achievement notes is outstanding to this group.

ATB's key management personnel include our named executive officers (NEOs): the President and CEO; the Chief Financial Officer (CFO); the Group Head, ATB Business and Wealth; the Chief Client Experience and Technology Officer and the Group Head, Everyday Financial Services. The following table presents the compensation of ATB's Board and NEOs:

For the year ended *($ in thousands)*	**March 31 2024**	**March 31 2023**
Salaries and short-term incentives (1)	$ 6,500	$ 5,041
Pension (2)	30	32
Long-term incentives (3)	3,532	3,293
All other compensation and benefits (4)	681	702
Total	**$ 10,742**	**$ 9,068**

(1) Salaries and STIs consist of all regular base pay earned by NEOs and Board of Directors' compensation and other direct cash remuneration. STI plan pay for NEOs is also included and is accrued based on goal attainment for the fiscal year but is paid after the fiscal year-end.
(2) Pension includes the annual compensatory value from the FPP for NEOs, based on employer contributions.
(3) LTIs include the grants awarded to NEOs for the fiscal year. Payment of the grants is deferred for up to three years and will include appreciation or depreciation based on ATB's risk-adjusted return on capital performance over the term of the grant and is contingent upon the NEO's continued employment with ATB.
(4) All other compensation may include the following for NEOs: perquisites, health-care spending account credits, executive health benefits, personal tax advice, employer contributions to an RRSP and to an unfunded supplementary pension plan operating on a defined-contribution basis (DC supplemental executive retirement plan) within the CEO Pension Plan and employer contributions to the NSP. ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act*. The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions.

21 Commitments, Guarantees and Contingent Liabilities

Credit Instruments

In the normal course of business, ATB enters into various off-balance-sheet commitments to provide clients with sources of credit. These may include letters of credit, letters of guarantee and loan guarantees and commitments to extend credit.

All these arrangements are subject to ATB's normal credit standards, and collateral may be obtained where appropriate. The contract amounts represent the maximum credit risk exposure to ATB should the contracts be fully drawn and any collateral held proves to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts do not necessarily represent future cash requirements.

Letters of Credit

Standby letters of credit represent an irrevocable obligation to make payments to a third party if the client cannot meet its financial or contractual performance obligations. In the event of a call on such commitments, ATB has recourse against the client.

Documentary and commercial letters of credit require ATB to honour drafts presented by third parties upon completion of specific activities.

Guarantees

Guarantees also represent an irrevocable obligation to make payments to a third party in certain situations. Guarantees include contracts or indemnities that contingently require ATB to make payments (either as some asset or service) to another party based on changes in an asset, liability or equity the other party holds, and when a third party either fails to perform under an obligating agreement or to pay its indebtedness when due. The term of these guarantees varies according to the contracts and normally does not exceed one year. In the event of a call on such commitments, ATB has recourse against the client.

Commitments to Extend Credit

Commitments to extend credit represent undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis.

The amounts presented in the current and comparative year for commitments to extend credit include demand facilities of $13.8 billion (2023: $12.8 billion). For demand facilities, ATB considers the undrawn portion to represent a commitment to the client. However, the terms of the commitment allow ATB to adjust the credit exposure if circumstances warrant doing so. Accordingly, these demand facilities are considered to represent a lesser exposure than facilities with extended commitment terms. Credit facilities are contracted for a limited period of usually less than one year and may expire or terminate without being drawn upon. The contractual amounts of all such credit instruments are outlined in the following table:

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Loan guarantees and standby letters of credit	$ 1,170,543	$ 1,288,861
Commitments to extend credit	23,233,301	20,921,808
Total	**$ 24,403,844**	**$ 22,210,669**

Pledged Assets

In the ordinary course of business, ATB grants a security interest in certain collateral (including securities, interest-bearing deposits with financial institutions and loans and accounts) to the Bank of Canada in order to participate in clearing and payment systems and to have access to its facilities. ATB also pledges securities to Clearing and Depository Services Inc. in order to participate in a settlement-agent credit ring, which is outlined in the following table:

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Assets pledged to:		
Bank of Canada	$ 237,794	$ 255,353
Clearing and Depository Services Inc.	24,000	17,000
Merrill Lynch	4,000	4,000
Bank of New York	-	5,000
Total	**$ 265,794**	**$ 281,353**

In addition to the amounts above, ATB has pledged assets relating to certain derivative contracts and collateralized borrowing. (See Notes 10 and 15.)

Indemnification Agreements

In the normal course of operations, ATB enters into various agreements that provide general indemnification to the other party. Examples include service agreements, leasing agreements, clearing arrangements and service contracts. These indemnifications may require ATB, in certain circumstances, to compensate the other party for costs incurred as a result of various contingencies.

ATB also indemnifies directors and officers, to the extent permitted by law, against certain claims that may be made against them as a result of their services to the company. The terms of these indemnifications vary based on the contract, the nature of which prevents ATB from making a reasonable estimate of the maximum potential amount we could be required to pay to other parties. Historically, any such amounts have not been significant. No amount has been accrued in the consolidated statement of financial position in respect of such indemnifications.

Contingent Liabilities

Various actions and legal proceedings arising from the normal course of business are pending against ATB. Management does not consider the aggregate liability of these actions and proceedings to be material.

Contractual Obligations

ATB has various obligations under long-term non-cancellable contracts, which include service contracts and finance leases for buildings and equipment. The expected payments for such obligations for each of the next five fiscal years and thereafter are outlined in the following table:

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
2024	$ -	$ 171,261
2025	238,144	62,627
2026	115,345	37,861
2027	44,877	22,666
2028	23,809	7,025
2029	18,226	5,744
Thereafter	25,261	26,870
Total	**$ 465,662**	**$ 334,054**

Lease Commitments

The lease payments required under ATB's leases are as follows:

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Lease payments		
Not later than 1 year	$ 32,549	$ 33,718
Later than 1 year but not later than 5 years	87,570	93,978
Later than 5 years	36,199	45,290
Total lease payments	**$ 156,318**	**$ 172,986**
Less: charges not yet due	24,635	31,039
Total lease commitments	**$ 131,683**	**$ 141,947**

In FY2024, $8.0 million (2023: $9.2 million) was recorded for interest expense to equipment, including depreciation, in the consolidated statement of income for our lease liabilities. The total cash outflow for leases this year is $33.8 million (2023: $32.8 million).

22 Interest Rate Risk

Interest Rate Gap Analysis

Gap analysis involves the allocation of interest-rate-sensitive assets and interest-rate-sensitive liabilities into categories according to their maturity or repricing date. Gaps can change significantly within a short period of time. The impact of changes in interest rates on NII will depend on the size and rate of change in interest rates, the size and maturity of the total gap position and the management of these positions over time. ATB actively manages our interest rate gap position to protect NII while minimizing risk. The following table shows ATB's interest rate gap position:

	Term to maturity/repricing							
As at *($ in thousands)*	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-interest-rate-sensitive	Total
March 31, 2024								
Assets								
Cash resources and securities	$ 6,272,365	$ 200,000	$ 100,000	$ 300,000	$ 100,000	$ -	$ 360,434	$ 7,332,799
Loans	33,819,382	7,265,541	5,594,147	2,310,806	1,449,952	854,008	(27,679)	51,266,157
Other assets	-	-	-	-	-	-	1,783,324	1,783,324
Derivative financial instruments (1)	17,920,493	2,777,000	1,977,400	2,885,600	2,498,000	2,002,000	n/a	30,060,493
Total	**$ 58,012,240**	**$ 10,242,541**	**$ 7,671,547**	**$ 5,496,406**	**$ 4,047,952**	**$ 2,856,008**	**$ 2,116,079**	**$ 90,442,773**
Liabilities and equity								
Deposits	$ 29,243,238	$ 1,387,835	$ 326,561	$ 379,894	$ 213,637	$ 199,841	$ 8,831,811	$ 40,582,817
Securities sold under repurchase agreements (1)	141,654	-	-	-	-	-	70	141,724
Wholesale borrowings	2,698,500	350,000	700,000	600,000	-	600,000	(28,907)	4,919,593
Collateralized borrowings	2,507,544	795,280	1,090,176	1,103,023	645,217	721,032	(41,683)	6,820,589
Other liabilities	342,754	-	-	-	-	-	2,315,307	2,658,061
Equity	-	-	-	-	-	-	5,259,496	5,259,496
Derivative financial instruments (1)	21,374,233	3,785,000	1,802,700	645,000	1,211,200	1,242,360	n/a	30,060,493
Total	**$ 56,307,923**	**$ 6,318,115**	**$ 3,919,437**	**$ 2,727,917**	**$ 2,070,054**	**$ 2,763,233**	**$ 16,336,094**	**$ 90,442,773**
Interest-rate-sensitive	$ 1,704,317	$ 3,924,426	$ 3,752,110	$ 2,768,489	$ 1,977,898	$ 92,775	$ (14,220,015)	
gap as percentage of assets	1.9%	4.3%	4.1%	3.1%	2.2%	0.1%	(15.7%)	
March 31, 2023								
Assets								
Cash resources and securities	$ 7,603,835	$ 362,852	$ 50,000	$ -	$ -	$ -	$ 230,990	$ 8,247,677
Loans	30,140,743	4,947,355	5,702,016	4,422,148	1,407,558	668,136	(53,873)	47,234,083
Other assets	-	-	-	-	-	-	1,989,097	1,989,097
Derivative financial instruments (1)	17,154,200	3,050,000	2,052,000	1,857,400	2,747,600	2,077,000	n/a	28,938,200
Total	**$ 54,898,778**	**$ 8,360,207**	**$ 7,804,016**	**$ 6,279,548**	**$ 4,155,158**	**$ 2,745,136**	**$ 2,166,214**	**$ 86,409,057**
Liabilities and equity								
Deposits	$ 28,087,182	$ 1,297,375	$ 305,419	$ 111,225	$ 311,193	$ 86,610	$ 9,274,489	$ 39,473,493
Securities sold under repurchase agreements	122,568	-	-	-	-	-	-	122,568
Wholesale borrowings	470,360	-	350,000	700,000	600,000	400,000	(7,857)	2,512,503
Collateralized borrowings	2,804,195	1,420,118	795,280	1,090,176	1,103,023	690,832	(11,758)	7,891,866
Other liabilities	-	-	-	-	-	-	2,653,507	2,653,507
Equity	-	-	-	-	-	-	4,816,920	4,816,920
Derivative financial instruments (1)	21,912,100	1,743,900	2,640,000	1,027,700	260,000	1,354,500	n/a	28,938,200
Total	**$ 53,396,405**	**$ 4,461,393**	**$ 4,090,699**	**$ 2,929,101**	**$ 2,274,216**	**$ 2,531,942**	**$ 16,725,301**	**$ 86,409,057**
Interest-rate-sensitive	$ 1,502,373	$ 3,898,814	$ 3,713,317	$ 3,350,447	$ 1,880,942	$ 213,194	$ (14,559,087)	
gap as percentage of assets	1.7%	4.5%	4.3%	3.9%	2.2%	0.2%	(16.8%)	

(1) Derivative financial instruments are included in this table at the notional amount.

The effective yield represents the weighted-average effective yield based on the earlier of contractual repricing or maturity dates. The weighted-average effective yield for each class of financial asset and liability is shown below:

As at	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
March 31, 2024							
Total assets *(%)*	6.2	2.9	3.0	3.7	4.1	3.4	5.2
Total liabilities and equity *(%)*	3.6	2.8	2.2	2.2	2.6	3.0	3.3
Interest-rate-sensitive gap *(%)*	**2.6**	**0.1**	**0.8**	**1.5**	**1.5**	**0.4**	**1.9**
March 31, 2023							
Total assets *(%)*	5.4	3.0	2.4	2.4	3.4	2.9	4.5
Total liabilities and equity *(%)*	3.4	2.6	2.2	1.7	2.4	2.8	3.1
Interest-rate-sensitive gap *(%)*	**2.0**	**0.4**	**0.2**	**0.7**	**1.0**	**0.1**	**1.4**

Interest Rate Sensitivity

The following table provides the potential impact of an immediate and sustained 100- and 200-basis-point increase and decrease, respectively, in interest rates on ATB's NI:

As at *($ in thousands)*	March 31 2024	March 31 2023
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 54,015	$ 51,304
200 basis points	108,251	101,604
Decrease in interest rates of:		
100 basis points (1)	(59,022)	(48,089)
200 basis points (1)	(128,985)	(105,994)

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

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

23 Achievement Notes

As an incentive for promoting the growth of ATB subsidiaries, ATB sells principal-at-risk achievement notes to certain eligible team members. Under this plan, eligible team members could purchase a 25-year note with a value linked to the fair market value of certain ATB subsidiaries—namely ATB Investment Management Inc., ATB Securities Inc. and ATB Insurance Advisors Inc. Holders of these notes do not have an ownership interest in ATB or our subsidiaries, nor do they have the rights of a direct holder of an interest in ATB or our subsidiaries.

Each note-holder is entitled to:

- Receive a cash payment at maturity representing the then-current value of the note.
- Submit a request to sell notes during the annual transaction window (subject to a three-year vesting period with additional restrictions on ATB Wealth executives).
- Receive cash distributions, if any, based on the formula set out in the note.

Upon an employee's termination, a designated affiliate of ATB has the right, but not the obligation, to acquire notes from the employee at the price applicable at the termination date.

The notes are not guaranteed under the deposit guarantee provided by the Crown in right of Alberta, and there is a risk—if the fair market value of the ATB subsidiaries specified above decreases—that the note-holder will lose some or all of the original investment. There is no public market for these notes, and the valuation of the ATB subsidiaries specified above is based on a model prepared by an external consultant.

During the year, ATB issued $2.8 million (2023: $6.0 million) of these notes, which are recorded in other liabilities in the consolidated statement of financial position. During the year, $4.0 million (2023: $5.3 million) of the notes were redeemed. As at March 31, 2024, the liability for these notes is $56.6 million (2023: $60.6 million). An expense of $1.5 million (2023: $0.8 million recovery) was recorded to the consolidated statement of income.

24 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the year ended March 31, 2024, ATB declared and paid dividends of nil (2023: nil).

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

25 Capital Management

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

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

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. As a result of an amendment to the capital requirements guideline, wholesale borrowings became eligible as Tier 2 capital as of December 2015. Effective March 31, 2020, the limit was increased by $2.0 billion to $9.0 billion. Effective April 1, 2017, software and other intangibles were deducted from total capital.

As at March 31, 2024, and at March 31, 2023, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	**March 31 2024**	**March 31 2023**
Tier 1 capital		
Retained earnings	$ 5,313,468	$ 4,976,622
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,304,469	1,437,268
Collective allowance for loan losses	227,000	211,422
Total Tier 2 capital	**$ 1,531,469**	**$ 1,648,690**
Deductions from capital		
Software and other intangibles	174,024	216,199
Total capital	**$ 6,670,913**	**$ 6,409,113**
Total risk-weighted assets	$ 40,769,954	$ 38,526,125
Risk-weighted capital ratios		
Tier 1 capital ratio	13.0%	12.9%
Total capital ratio	16.3%	16.6%

26 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 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.

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

For the year ended ($ in thousands)	**Everyday Financial Services**	**ATB Business**	**ATB Wealth**	**Strategic support units**	**Total**
March 31, 2024					
Net interest income (loss)	$ 575,597	$ 809,114	$ 43,716	$ (57,815)	$ 1,370,612
Other income (loss)	152,862	263,263	270,058	(32,079)	654,104
Total revenue (loss)	728,459	1,072,377	313,774	(89,894)	2,024,716
Provision for (recovery of) loan losses	30,023	100,331	381	737	131,472
Non-interest expense (1)	568,413	532,212	296,655	58,501	1,455,781
Income (loss) before payment in lieu of tax	130,023	439,834	16,738	(149,132)	437,463
Payment in lieu of (recovery of) tax	29,905	101,162	2,947	(33,397)	100,617
Net income (loss)	**$ 100,118**	**$ 338,672**	**$ 13,791**	**$ (115,735)**	**$ 336,846**
Total assets	$ 31,703,318	$ 25,970,322	$ 1,714,136	$ 994,504	$ 60,382,280
Total liabilities	19,272,793	18,287,055	1,800,673	15,762,263	55,122,784
March 31, 2023					
Net interest income (loss)	$ 542,538	$ 768,140	$ 42,073	$ (33,458)	$ 1,319,293
Other income (loss)	135,627	237,057	261,807	(18,253)	616,238
Total revenue (loss)	678,165	1,005,197	303,880	(51,711)	1,935,531
Provision for (recovery of) loan losses	22,014	8,723	(710)	(5,394)	24,633
Non-interest expense (1)	532,815	500,672	274,524	46,482	1,354,493
Income (loss) before payment in lieu of tax	123,336	495,802	30,066	(92,799)	556,405
Payment in lieu of (recovery of) tax	28,367	114,034	6,915	(21,343)	127,973
Net income (loss)	**$ 94,969**	**$ 381,768**	**$ 23,151**	**$ (71,456)**	**$ 428,432**
Total assets	$ 29,690,377	$ 25,138,891	$ 1,611,751	$ 1,029,838	$ 57,470,857
Total liabilities	17,855,557	18,647,478	1,636,339	14,514,563	52,653,937

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

27 Comparative Amounts

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

GLOSSARY

(unaudited)

Achievement note	A long-term investment note whose return is directly tied to the increasing or decreasing value of ATB Wealth.
Allowance for loan losses	A total allowance that represents management's best estimate of expected losses for both performing and impaired loans that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month and lifetime horizon or on the discounted contractual cash shortfall expected over the remaining lifetime.
Assets-to-capital multiple	Total assets divided by total capital.
Assets under administration	Assets that are beneficially owned by clients for which ATB provides management and custodial services. These assets are not reported on ATB's consolidated statement of financial position.
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.
Client Advocacy Index (CAI)	The standard metric ATB uses to measure a client's willingness to continue to bank with ATB and to recommend ATB to others, allowing us to benchmark ourselves against other financial institutions in Alberta.
Collateral	Assets pledged as security for a loan or other obligation.
Compass penetration	Market value of investments in Compass Mutual Fund Series as a percentage of total market value of all client investment (i.e., assets under administration).
Credit risk	The risk of financial loss resulting from failure of a debtor, for whatever reason, to fully honour its financial or contractual obligations to ATB.
Derivative or derivative contract	A contract whose value changes by reference to a specified underlying variable, such as interest rates, foreign exchange rates or equity or commodity prices. Use of derivatives allows for the mitigation of current or expected risks relating to these variables. Derivatives typically require little or no initial net investment and are settled at a future date. The most common types of derivatives ATB uses include interest rate swaps, foreign exchange and commodity forwards and futures contracts.
Effective interest rate (EIR)	A rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset or liability.
Efficiency ratio	Non-interest expense for the year divided by total revenue for the year. May be referred to as the "productivity ratio" by other financial institutions.
Embedded derivative	A component of a financial instrument or other contract with features similar to a derivative.
Fair value	The amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
Financial instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset/liability is the right to receive/deliver cash or another financial asset or the right to exchange financial instruments with another party under favourable or unfavourable conditions. An equity instrument is a contract that represents a residual interest in another entity's assets.
Foreign exchange forward contract	A commitment to buy or sell a fixed amount of foreign currency on a future specified date at a set rate of exchange.
Foreign exchange risk	The potential risk of loss resulting from fluctuations in foreign exchange rates. It arises from the existence of a net asset or liability position denominated in foreign currencies and/or a difference in maturity profiles for purchases and sales of a given currency.
Forwards and futures	Commitments to buy or sell designated amounts of commodities or currencies on a specified date at a predetermined price. Forwards are customized contracts transacted in the over-the-counter market. Futures are traded on recognized exchanges.
Fund management fees	Fees earned from funds or investors for providing or arranging for investment decisions, management of funds and distribution and sales of fund units. The amount earned is linked to portfolio value and is received

	monthly.
Funds transfer pricing (FTP)	An internal allocation process used to calculate the profitability of the areas of expertise and isolate them from interest rate risk.
Growth in assets under administration	The current year's assets under administration less the previous year's assets under administration, divided by the previous year's assets under administration.
Hedging	A risk management technique used to reduce uncertainty associated with current or anticipated exposure to future movements in interest rates, foreign exchange rates and equity or commodity prices.
High-quality liquid assets	Instruments that are free of any restrictions on liquidating, selling or transferring. They are eligible for large-value transfer system collateral at the Bank of Canada and are low risk, so they can easily be converted into cash at little or no loss in value.
Impaired loan	A loan for which there is no longer reasonable assurance of the timely collection of principal or interest.
Income before provisions	All ATB revenue (operating revenue) minus non-interest expense (operating expenses). Does not include payment in lieu of tax or loan loss provision expenses.
Interest rate floor	A contract whereby the buyer pays the seller a premium in exchange for the payment of any difference below a set strike interest rate and the prevailing market interest rate on predetermined dates.
Interest rate gap	A measure of net assets or liabilities by future repricing date.
Interest rate risk	The potential for financial loss arising from changes in interest rates in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.
Letter of credit	ATB's guarantee of payment to an interested third party in the event the client defaults on an agreement.
Letter of guarantee	A contract issued by ATB for a client to purchase goods from a supplier, even if the client defaults.
Liquid securities	Securities, including short-term investments, that can be quickly converted into cash while maintaining their market value.
Liquidity coverage ratio (LCR)	High-quality liquid assets divided by total net cash outflows over the next 30 calendar days. LCR is designed to ensure sufficient liquid assets are on hand to endure a short-term liquidity stress scenario over 30 calendar days. Under normal conditions, the LCR should be no lower than 100%.
Liquidity risk	The risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or force the sale of assets. As with other similar financial institutions, ATB's risk arises from fluctuations in cash flows from lending, deposit-taking, investing and other activities. These commitments are generally met through cash flows supplemented by investment assets readily convertible to cash or through our capacity to borrow.
Loan loss provision (LLP)	An expense representing management's best estimate of expected losses for both performing and impaired loans as well as related off-balance-sheet loan commitments that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month or lifetime horizon or based on the discounted contractual cash shortfall expected over the remaining lifetime.
Loan losses to average loans	The provision for loan losses divided by average net loans.
Loss given default (LGD)	The loss incurred when a borrower defaults on a loan. This is typically a percentage of the exposure at risk that is not expected to be recovered in the event of default.
Market risk	The risk that a loss may be incurred as a result of adverse changes in interest rates, foreign exchange rates and equity or commodity market prices.
Mortgage-backed 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 income before provisions (NIBP) for short-term incentive plan (STIP)	Enterprise net income before payment in lieu of tax, provision for loan losses, short-term incentives and exceptional expenses and/or revenue.
Net interest income (NII)	The difference between interest earned on assets, such as cash, securities and loans, and interest paid on liabilities, such as deposits 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 for the year.
Net loan change	Net loans outstanding at year-end less net loans outstanding at the previous year-end, divided by net loans outstanding at the previous year-end.
Net loans	Gross loans less the allowance for loan losses.
Notional amount	The principal value used to calculate interest and other payments under derivative contracts. The amounts are termed "notional" because they are not usually exchanged, except in the case of cross-currency swaps; they serve only as the basis for calculating amounts that do change hands.

Off-balance-sheet instruments	Assets or liabilities that are not recorded on the balance sheet but have the potential to produce future positive or negative cash flows. Various products offered to clients can be classified as off-balance sheet, and they fall into two general categories: credit-related arrangements, such as letters of credit and letters of guarantee, and the notional amount of derivatives.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but not strategic or reputational.
Option	A contract between two parties whereby the buyer of the option has the right but no obligation to buy (call) or sell (put) a specified financial instrument or currency at a set price or rate on or before a specified future date or on a series of specified future dates.
Other income to total revenue	Other income for the year divided by total revenue for the year.
Performing loan change	Performing loans outstanding at year-end less performing loans outstanding at the previous year-end, divided by performing loans outstanding at the previous year-end.
Performing loans	Net loans, excluding impaired loans.
Probability of default (PD)	The likelihood that a borrower will not be able to make scheduled payments.
Project Finance advisory fees	Fees generated by the Project Finance team on advisory projects for external third-party ATB clients looking to structure a deal/bid for a project.
Provision for loan losses (LLP)	See "loan loss provision."
Regulatory risk	The risk of non-compliance with applicable regulatory requirements: (a) the *ATB Act* and *ATB Regulation* and guidelines, and (b) other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which we operate.
Reputational risk	The potential that negative stakeholder impressions, whether true or not, regarding ATB's business practices, actions or inaction will or may cause deterioration in ATB's value, brand, liquidity, client base or relationship with our Shareholder.
Return on average assets	Net income for the year divided by average total assets for the year.
Return on average risk-weighted assets	Net income for the year divided by average risk-weighted assets for the year.
Risk-adjusted return on capital (RAROC)	A relative performance measure that provides a standardized comparison across different investments and areas of expertise. It compares the net income, adjusted for risk, to the estimated unexpected loss that could be incurred over a predetermined horizon (1 year) at a predetermined level of confidence (99.97%).
Securities purchased under reverse repurchase agreements	The purchase of securities for cash and the concurrent sale of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securities sold under repurchase agreements	The cash sale of securities and the concurrent repurchase of the securities for value at a later date. Normally, such transactions are not considered economic sales and consequently are treated as collateralized financing transactions.
Securitization	The process by which a pool of financial assets, mainly loans, are converted into asset-backed securities and transferred to a trust that normally issues a series of asset-backed securities to investors to fund the purchase of loans.
Standby fees	Fees charged monthly, quarterly or annually to a client based on the average unused portion of 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.
Syndication fees	Fees associated with syndicated loans, where ATB participates with other financial institutions to fund a loan to a client.
Tier 1 capital	A measure of retained earnings used to determine regulatory ratios set out by our regulator, the Alberta Superintendent of Financial Institutions.
Tier 1 capital ratio	Tier 1 capital divided by risk-weighted assets.
Total asset change	Total assets outstanding at year-end, less total assets outstanding at the previous year-end, divided by total assets outstanding at the previous year-end. For year-to-date change, it is the change in net assets recorded during the year.
Total capital	An assessed regulatory measure of Tier 1 capital; Tier 2 capital consisting of eligible portions of subordinated debentures, wholesale borrowings and the collective allowance for loan losses; and the deduction of software and other intangibles.
Total capital ratio	Total capital divided by risk-weighted assets.
Total deposit change	Total deposits outstanding at year-end less total deposits outstanding at the previous year-end, divided by total deposits outstanding at the previous year-end.

Total expense change	The current year’s non-interest expense less the previous year’s non-interest expense, divided by the previous year's non-interest expense.
Total revenue	The sum of net interest income and other income.
Total revenue change	The current year’s total revenue less the previous year’s total revenue, divided by the previous year’s total revenue.
Trailer fees	Fees earned from asset management companies for providing advice to clients who hold investments in the mutual funds. The amount earned is linked to portfolio value and received quarterly.
Underwriting fees	Fees earned when ATB Capital Markets Inc. is agent/underwriter in distributing the securities of issuers.
Yield curve	A graph curve showing the return of a fixed-interest security against the term to maturity.

ACRONYMS

(unaudited)

ABM	Automated banking machine
AI	Artificial intelligence
ALCO	Asset/Liability Committee
AML	Anti–money laundering
AOCI	Accumulated other comprehensive income
AOE	Area of expertise
APAGA	Alberta Public Agencies Governance Act
ASFI	Alberta Superintendent of Financial Institutions
ATF	Anti–terrorist financing
AUA	Assets under administration
BRR	Borrower risk rating
CA	Chartered Accountant
CAMLO	Chief Anti-Money Laundering Officer
CAR Guideline	Capital Adequacy Requirements Guideline
CARR	Canadian Alternative Reference Rate working group
CDOR	Canadian Dollar Offered Rate
CEO	Chief Executive Officer
CESC	Compensation Executive Steering Committee
CET 1	Common Equity Tier 1
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CGU	Cash-generating unit
CHI	Cultural Health Index
CHT	Canada Housing Trust
CMA	Certified Management Accountant
CMB	Canada Mortgage Bonds
CMHC	Canada Mortgage Housing Corporation
COI	Client Obsession Index
CORRA	Canadian Overnight Repo Rate Average
COV	Client-Obsessed Value
CPA	Chartered Professional Accountant
CPS	Combined pensionable service
CRO	Chief Risk Officer
CSA	Canadian Securities Administrators
DB	Defined-benefit (plan)
DC	Defined-contribution (plan)
DUC	Ducks Unlimited Canada
EAD	Exposure at default
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EFS	Everyday Financial Services
EIR	Effective interest rate

ETR	Economic Total Revenue
ERM	Enterprise risk management
ESG	Environmental, social and governance
EVP	Executive Vice President
FICO	Fair Isaac Corporation
FPP	Flexible Pension Plan
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., FY2024)
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GoA	Government of Alberta
HCSA	Health-care spending account
HELOC	Home equity line of credit
HR	Human Resources
HTC	Hold to collect
HTC&S	Hold to collect and sell
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
ICD	Institute of Corporate Directors
IFRS	International Financial Reporting Standards
ISDA	International Swaps and Derivatives Association
ISSB	International Sustainability Standards Board
IT	Information technology
LAR Guideline	Liquidity Adequacy Requirements Guideline
LCR	Liquidity coverage ratio
LGD	Loss given default
LGIC	Lieutenant Governor in Council
LIBOR	London Interbank Offered Rate
LLP	Loan loss provision (also "provision for loan losses")
LTI	Long-term incentive
M&A	Mergers and acquisitions
MBS	Mortgage-backed security
MD&A	Management's discussion and analysis
MRM	Model Risk Management
NCCR	Net cumulative cash flow
NIBP	Net income before provision for loan losses
NEO	Named executive officer
NI	Net income
NIE	Non-interest expense
NII	Net interest income

NIM	Net interest margin
NSP	Notional supplemental plan
OCI	Other comprehensive income
OI	Other income
OPEB	Other post-employment benefits
OPEC+	Organization of the Petroleum Exporting Countries Plus
OSFI	Office of the Superintendent of Financial Institutions
OTC	Over the counter
PD	Probability of default
PIDA	*Public Interest Disclosure (Whistleblower Protection)* Act
PILOT	Payment in lieu of tax
PSPP	Public Service Pension Plan
RAROC	Risk-adjusted return on capital
RML	Residential mortgage loan
RRSP	Registered retirement savings plan
SLT	Strategic Leadership Team
SPPI	Solely payments of principal and interest
SRP	Supplemental retirement plan
SSU	Strategic support unit
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial DIsclosures
WTI	West Texas Intermediate