MANAGEMENT'S DISCUSSION AND ANALYSIS

FY2026 Q1 Financial Highlights

	June 30 2025	March 31 2025	June 30 2024
Operating results *($ in thousands)*			
Net interest income	$ 378,779	$ 348,615	$ 352,439
Other income	211,533	211,408	181,189
Total revenue	590,312	560,023	533,628
Provision for (recovery of) loan losses	11,265	31,380	13,024
Non-interest expense	404,622	465,557	384,274
Income before payment in lieu of tax	174,425	63,086	136,330
Payment in lieu of tax	40,118	14,509	31,356
Net income	**$ 134,307**	**$ 48,577**	**$ 104,974**
Income before provisions (1)			
Total revenue	$ 590,312	$ 560,023	$ 533,628
Less: non-interest expense	404,622	465,557	384,274
Income before provisions	**$ 185,690**	**$ 94,466**	**$ 149,354**
Financial position *($ in thousands)*			
Net loans	$ 56,468,079	$ 54,316,528	$ 51,787,528
Total assets	66,918,668	64,188,246	62,041,865
Total risk-weighted assets (1)	46,809,330	45,492,743	42,753,650
Total deposits	44,203,470	43,332,039	42,092,928
Equity	5,778,383	5,681,879	5,394,032
Key performance measures *(%)* (1)			
Return on average assets	0.8	0.3	0.7
Return on average risk-weighted assets	1.2	0.4	1.0
Total revenue change	10.6	10.8	7.2
Other income to total revenue	35.8	37.8	34.0
Total expense change	5.3	20.5	11.4
Efficiency ratio	68.5	83.1	72.0
Net interest margin	2.41	2.27	2.37
Provision for (recovery of) loan losses to average loans	0.1	0.2	0.1
Net loan change	4.0	1.3	1.0
Total asset change	4.3	(1.9)	2.7
Total deposit change	2.0	(0.5)	3.7
Change in assets under administration	2.5	1.5	0.1
Tier 1 capital ratio	12.0	12.2	12.6
Total capital ratio	14.3	14.9	15.4
Other information			
ATB Wealth's assets under administration *($ in thousands)*	$ 38,112,822	$ 37,166,019	$ 28,595,492
Dividends paid *($ in thousands)*	25,000	25,000	25,000
Total clients	837,655	835,261	818,342
Team members (2)	5,325	5,251	5,350

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

INTRODUCTION

This is Management's Discussion and Analysis (MD&A) of the consolidated results of operations and the financial position of ATB Financial (ATB) for the three months ended June 30, 2025 and is dated August 13, 2025. (See the Glossary and Acronyms for our defined terms.) The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes for the period ended June 30, 2025 as well as the audited consolidated financial statements for the year ended March 31, 2025.

Caution Regarding Forward-Looking Statements

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

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

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

ECONOMIC OUTLOOK

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

Since the start of the trade war, business and consumer confidence has declined and the labour market has weakened. At the same time, conditions are better than originally projected in the spring. US trade policy, while still unpredictable, is shifting from the sweeping "liberation day" tariffs in April towards bilateral deals. Equity markets have rebounded on easing economic fears.

We now see Alberta experiencing less impact from US tariffs than feared in March, in comparison to provinces more exposed to steel, aluminum and auto tariffs like Ontario and Quebec. As a result, we expect the Alberta economy to grow by 1.9% this year and 2.2% in 2026, up from our March forecast of only 1.5% and 1.9%, respectively. The outlook for oil prices has softened, but Alberta is expected to weather the turmoil better than other provinces more exposed to US tariffs. As a result, Alberta will outpace the 1% growth we are forecasting for the Canadian economy as a whole this year. The unemployment rate in Alberta is expected to stay elevated, averaging 7.3% this year, as employers remain cautious on hiring and more people enter the workforce.

Growth will be underpinned by booming residential construction, rising energy production and ongoing (albeit slower) population growth. Natural gas producers will benefit from the start of liquefied natural gas (LNG) exports from the B.C. coast and increased demand from artificial intelligence data centres. A broadening of Alberta's economic base, with recent expansions in sectors such as food processing, petrochemicals and technology supports the longer-term outlook.

The Bank of Canada (BoC) is in a tricky spot, and can only do so much to offset the economic drag from the trade war. The sluggish economic conditions justify rate cuts, but tariffs could send inflation higher. The BoC has signalled in recent speeches a more 'hawkish' tone and an unwillingness to cut unless underlying price pressures ease.

While US trade policy has been highly disruptive, it has also shone a spotlight on Canada's domestic challenges that long pre-dated President Trump's second term. In particular, there will need to be a sustained improvement in capital investment in Alberta and Canada to drive future economic growth and productivity. Successfully fast-tracking major projects represents a clear upside to our forecast.

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:

- Financial anxiety linked to geopolitical uncertainty and tariffs.
- Higher debt servicing costs and debt levels.
- Housing affordability challenges and mortgage stress.
- Financial challenges among agricultural sector clients due to drought conditions and Chinese tariffs on agricultural products.
- Increased unemployment.
- Supply chain challenges due to global conflicts and tariffs.

REVIEW OF CONSOLIDATED OPERATING RESULTS

Net Income

For the quarter ended June 30, 2025, net income (NI) increased from last quarter as well as year-over-year. The quarterly increase was mainly due to lower loan loss provisions (LLP), lower non-interest expense (NIE), and higher total revenue. The year-over-year increase was mainly due to higher total revenue.

ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the GoA was $192.1 million, an increase from last quarter ($80.4 million) and an increase year-over-year ($152.6 million).

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). This quarter's total revenue was $590.3 million, comprising $378.8 million in NII and $211.5 million in OI. The increase in total revenue from last quarter and year-over-year was due to both higher NII and OI.

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, wholesale borrowings and securitization). NII increased from last quarter and year-over-year, driven by lower rates on deposits, wholesale borrowings and securitization liabilities as well as growth in our business and residential mortgage loan portfolios.

Table 1: Changes in Net Interest Income

	June 30, 2025 vs. March 31, 2025			June 30, 2025 vs. June 30, 2024		
	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	$ (4,547)	$ 1,627	$ (2,920)	$ (4,000)	$ (35,655)	$ (39,655)
Loans	16,290	1,239	17,529	43,890	(43,920)	(30)
Change in interest income	**11,743**	**2,866**	**14,609**	**39,890**	**(79,575)**	**(39,685)**
Liabilities						
Deposits	(616)	(14,931)	(15,547)	24,041	(66,994)	(42,953)
Wholesale borrowings	3,257	(2,549)	708	4,081	(13,419)	(9,338)
Securitization liabilities	(952)	(4,270)	(5,222)	(5,398)	(14,814)	(20,212)
Securities sold under repurchase agreements	11	4,807	4,818	7,282	(1,676)	5,606
Obligations for securities sold short	607	(919)	(312)	-	872	872
Change in interest expense	**2,307**	**(17,862)**	**(15,555)**	**30,006**	**(96,031)**	**(66,025)**
Change in net interest income	**$ 9,436**	**$ 20,728**	**$ 30,164**	**$ 9,884**	**$ 16,456**	**$ 26,340**

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 2.41% from 2.27% last quarter and from 2.37% year-over-year. The increase from last quarter was driven by lower borrowing and deposit costs resulting from the lower interest rate environment as well as growth and renewal activity in the residential mortgage loan portfolio. The year-over-year increase was driven by lower borrowing costs.

Other Income

OI consists of all revenue not classified as NII.

OI increased quarter-over-quarter and year-over-year. The increase in capital markets activity and stronger performance in foreign exchange quarter-over-quarter was largely offset by lower credit fees and financial markets revenue.

Year-over-year, growth in OI was primarily fueled by an increase in wealth management revenue due to the BCV acquisition and an increase in average assets under administration (AUA). Net gains on securities, improved foreign exchange activities, higher service charges and credit fees also contributed to the increase. The year-over-year increase was slightly offset by lower card fees and financial markets revenue.

Provision for Loan Losses

ATB's LLP—comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans—saw a provision of $11.3 million this quarter, a decrease from last quarter. The decrease in LLP is primarily driven by a Stage 3 recovery from paydowns and a decrease in loan loss expectations on existing impaired loans coupled with a smaller increase in our Stage 2 provision on existing performing loans. This was partially offset by an increase in our Stage 1 provision from new loan growth. Year-over-year, LLP remained consistent.

We remain committed to providing our clients with access to sound advice and a range of products and services in support of Alberta's economy, while taking appropriate measures to limit losses. As at June 30, 2025, gross impaired loans of $0.5 billion comprise 0.9% (March 31, 2025: 1.1%, June 30, 2024: 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.

Compared to the previous quarter, NIE decreased mainly due to lower team member related and technology costs and a reduction in consulting fees.

NIE increased year-over-year primarily driven by the acquisition and operating costs of BCV and an increase in achievement note expense due to the conclusion of the achievement note plan.

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 68.5% decreased compared to last quarter's ratio of 83.1% and the year-over-year ratio of 72.0% due to total revenue growth and a reduction in NIE.

REVIEW OF OPERATING RESULTS BY AREA OF EXPERTISE

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

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

Everyday Financial Services

Table 2: EFS Financial Performance

For the three months ended ($ in thousands)	**June 30 2025**	**March 31 2025**	**June 30 2024**
Net interest income	$ 156,101	$ 146,457	$ 143,062
Other income	43,559	45,426	40,263
Total revenue	199,660	191,883	183,325
Provision for loan losses	11,222	9,409	6,128
Non-interest expense (1)	145,968	153,063	143,220
Net income before payment in lieu of tax	42,470	29,411	33,977
Payment in lieu of tax	9,768	6,765	7,815
Net income	**$ 32,702**	**$ 22,646**	**$ 26,162**
Net loans	$ 24,184,526	$ 23,415,505	$ 21,772,404
Total deposits	21,575,609	21,456,205	20,231,850

(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 from last quarter primarily due to an increase in NII and a reduction in NIE. Year-over-year NI increased due to growth in total revenue, which was partially offset by increases in LLP and NIE.

NII increased from last quarter and year-over-year due to lower deposit costs on savings accounts.

OI decreased from last quarter due to lower insurance revenue and a decline in retail service charges. OI grew year-over-year due to an increase in retail service charges.

LLP increased from last quarter and year-over-year. This was mainly due to an increase in our Stage 2 provision driven by higher loan loss expectations on existing loans, and an increase in our Stage 1 provision primarily from increased loan growth, partially offset by a Stage 3 recovery.

NIE decreased from last quarter due to a reduction in technology project spend and lower rent. There was an increase year-over-year driven by higher vendor, technology, and team member related costs.

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

Deposits increased quarter-over-quarter and year-over-year driven by a savings promotion campaign and an increase in transaction account balances.

ATB Business

Table 3: ATB Business Financial Performance

For the three months ended *($ in thousands)*	**June 30 2025**	**March 31 2025**	**June 30 2024**
Net interest income	$ 199,700	$ 186,269	$ 203,983
Other income	66,097	70,068	72,635
Total revenue	265,797	256,337	276,618
Provision for (recovery of) loan losses	(2,402)	21,328	5,884
Non-interest expense (1)	145,951	147,308	143,537
Net income before payment in lieu of tax	122,248	87,701	127,197
Payment in lieu of tax	28,117	20,171	29,255
Net income	**$ 94,131**	**$ 67,530**	**$ 97,942**
Net loans	$ 30,967,852	$ 29,528,605	$ 28,508,698
Total deposits	19,829,951	18,991,969	18,621,531

(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 increased from last quarter primarily due to an increase in NII and a reduction of LLP. NI decreased year-over-year due to lower total revenue, which was partially offset by a reduction in LLP.

NII increased from last quarter due to strong loan growth but decreased year-over-year due to lower BoC prime rates resulting in lower interest earned on loans partially offset by lower deposit costs.

OI decreased from last quarter mainly due to lower credit fees and decreased financial markets activity partially offset by an increase in capital markets from higher deal flow. Year-over-year, OI decreased, driven by lower card fees and a decrease in financial markets activity and advisory fees due. The year-over-year decrease was partially offset by an increase in standby fees as a result of growing loan commitments without corresponding draws.

LLP decreased across all stages from last quarter. The largest quarterly LLP change was due to the decrease in our Stage 3 provision due to paydowns and lower loan loss expectations on existing impaired borrowers, partially offset by a smaller increase in our Stage 2 provision on existing performing loans. The year-over-year LLP decrease was due to a Stage 3 recovery, partially offset by an increase in our Stage 2 provision due to higher loan loss expectations on existing loans, and an increase in our Stage 1 provision from increased loan growth.

NIE decreased from last quarter driven by lower technology project spend and increased year-over-year due to an increase in team member costs.

Loans grew quarter-over-quarter driven by growth in the diversified, energy and agriculture sectors while growth year-over-year was driven by the energy, real estate and agriculture sectors.

Deposits grew quarter-over-quarter due to seasonal run-off in the prior quarter as clients withdrew funds for business operations and year-over-year primarily due to growth in the diversified sector.

ATB Wealth

Table 4: ATB Wealth Financial Performance

For the three months ended *($ in thousands)*	**June 30 2025 (1)**	**March 31 2025 (1)**	**June 30 2024**
Net interest income	$ 10,357	$ 10,150	$ 10,737
Other income	95,576	95,379	70,444
Total revenue	105,933	105,529	81,181
Provision for (recovery of) loan losses	1,398	(303)	(161)
Non-interest expense (2)	98,919	106,837	83,082
Net income (loss) before payment in lieu of tax	5,616	(1,005)	(1,740)
Payment in lieu of (recovery of) tax	1,292	349	(400)
Net income (loss)	**$ 4,324**	**$ (1,354)**	**$ (1,340)**
Net loans	$ 1,210,091	$ 1,183,624	$ 1,180,666
Total deposits	2,775,125	2,858,236	3,182,121
Total assets under administration	38,112,822	37,166,019	28,595,492

(1) On November 25, 2024, we completed the acquisition of BCV. The results of BCV have been consolidated from the closing date, which impacted results, balances, and ratios for the period. For further details refer to Note 14.
(2) 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 was higher than last quarter due to lower NIE. NI increased year-over-year due to an increase in OI, which was partially offset by an increase in NIE.

NII was consistent quarter-over-quarter and year-over-year.

OI was consistent with the prior quarter and increased year-over-year driven by the BCV acquisition and growth in AUA balances.

NIE decreased from the prior quarter due to lower technology costs, corporate costs and team member costs. NIE increased year-over-year primarily due to the BCV acquisition.

Loan balances were consistent quarter-over-quarter and year-over-year.

Deposits decreased quarter-over-quarter and year-over-year as reinvestments in maturing fixed-date deposits declined as a result of the BoC prime rate decreases.

ATB Wealth's AUA increased quarter-over-quarter driven by market returns. AUA increased year-over-year driven by the BCV acquisition and strong market returns.

Strategic Support Units

Table 5: Strategic Support Units Financial Performance

For the three months ended ($ in thousands)	**June 30 2025**	**March 31 2025**	**June 30 2024**
Net interest income (loss)	$ 12,621	$ 5,739	$ (5,343)
Other income (loss)	6,301	535	(2,153)
Total revenue (loss)	18,922	6,274	(7,496)
Provision for (recovery of) loan losses	1,047	946	1,173
Non-interest expense (1)	13,784	58,349	14,435
Net income (loss) before payment in lieu of tax	4,091	(53,021)	(23,104)
Payment in lieu of (recovery of) tax	941	(12,776)	(5,314)
Net Income (loss)	**$ 3,150**	**$ (40,245)**	**$ (17,790)**

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

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

OI increased from last quarter and year-over-year mainly due to balance sheet management activities and strategic investments.

LLP was consistent with last quarter and year-over-year.

NIE decreased from last quarter primarily due to lower team member related costs. NIE year-over-year remained consistent.

REVIEW OF CONSOLIDATED FINANCIAL POSITION

Total Assets

Our total assets as at June 30, 2025, are $66.9 billion, which is higher than last quarter, driven by increases in cash and loans, partially offset by decreases in securities and derivative financial instruments. Total assets are also higher year-over-year, driven by increases in securities, derivative financial instruments, other assets and strong loan growth, which were partially offset by a decrease in cash resources.

Loans

The net loan increase this quarter and year-over-year, ending with a balance of $56.5 billion, was driven by growth in business and residential mortgage loans (RMLs). The year-over-year increase was partially offset by a reduction in home equity line of credit (HELOCs) and other personal loans.

The allowance for loan losses decreased from last quarter, which is attributed to a reduction in our Stage 3 balance primarily driven by a higher volume of new impairments in the previous quarter, combined with paydowns and write-offs in the current quarter. The year-over-year increase largely results from new impairments and a slight increase in loan loss expectations on existing performing loans combined with new loan growth. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in Notes 7 and 8 to the financial statements.

Other Assets

ATB's other assets are composed primarily of derivative financial instruments, prepaid expenses and other receivables. Total other assets increased quarter-over-quarter due to an increase in trading assets, which was partially offset by a decrease in fair value associated with our foreign exchange interest rate portfolios.

Total other assets increased year-over-year primarily driven by an increase in trading assets, the fair value associated with our commodity and foreign exchange portfolios and goodwill and intangibles related to the BCV acquisition. (See Note 14.)

Total Liabilities

Total liabilities ended the quarter at $61.1 billion, higher than last quarter and year-over-year, driven by strong deposit growth and an increase in wholesale borrowings to support our loan growth.

Deposits

ATB's principal sources of funding are client deposits. Balances have increased compared to last quarter and year-over-year primarily due to promotional offers and an increase in transaction account balances.

Other Liabilities

ATB's other liabilities are composed primarily of securitization liabilities, wholesale borrowings, securities sold under repurchase agreements and derivative financial instruments. Securitization liabilities and wholesale borrowings are used as funding sources to supplement client deposits.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA, to a limit of $11.0 billion. The increase in issuances quarter-over-quarter and year-over-year is to support our strong loan growth. Securitization liabilities include ATB's participation in the Canada Mortgage Bonds (CMB) program, securitization of credit card and equipment finance receivables in addition to a synthetic securitization program. (See Note 9.) Securitization liabilities increased quarter-over-quarter due to an increase in RML securitization. Securitization liabilities decreased year-over-year due to a reduction in credit card securitization, which was partially offset by an increase in RML securitization.

Derivative liabilities decreased compared to last quarter and year-over-year. Our derivative liabilities primarily consist of pay-fixed swaps, which had mark-to-market gains driven by an increase in swap rates.

Securities sold under repurchase agreements were consistent quarter-over-quarter and increased year-over-year. Obligations related to securities sold short are related to a securities trading platform introduced during FY2025 and increased quarter-over-quarter and year-over-year.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are recorded in the consolidated statement of operations only when realized or when certain trigger events occur. AOCI decreased from last quarter due to unrealized losses on securities and our hedge-accounted swap portfolio being unfavorably impacted by swap rate increases. These were partially offset by gains in our defined benefit plan valuation due to assumption changes. AOCI increased year-over-year primarily due to the favorable impact of declining interest rates on the fair value of derivatives designated as cash flow hedges. The year-over-year increase was partially offset by remeasurement losses in our defined-benefit plan.

Regulatory Capital

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

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act*, *ATB Regulation* and the *OSFI Capital Adequacy Requirements Guideline* (CAR Guideline). Refer to Note 25 of the 2025 financial statements for more on ATB's regulatory capital.) As at June 30, 2025, ATB had a Tier 1 capital ratio of 12.0% and a total capital ratio of 14.3%, both exceeding our regulatory requirements.

The shaded areas of the MD&A represent a discussion related to credit, market and liquidity risk and form an integral part of the interim consolidated financial statements for the period ended June 30, 2025.

Credit Risk

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

Key measures as at June 30, 2025, are outlined below

Table 6: Credit Risk Exposure

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

As at *($ in thousands)*	**June 30** **2025**	**March 31** **2025**
Financial assets (1)	$ 65,887,608	$ 62,879,190
Other commitments and off-balance-sheet items (2)	29,480,903	29,102,457
Total credit risk	**$ 95,368,511**	**$ 91,981,647**

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

Table 7: Industry Concentration

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

		June 30 **2025**		**March 31** **2025**
As at *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 9,026,536	15.9%	$ 8,730,000	15.9%
Mining and oil-and-gas extraction	3,738,682	6.6%	3,373,000	6.2%
Agriculture, forestry, fishing and hunting	5,775,034	10.2%	5,475,489	10.0%
Largest borrower	$ 268,980	0.5%	$ 241,746	0.4%

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

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

As at *($ in thousands)*			June 30 2025		March 31 2025
Residential mortgages	Insured (1)	$ 12,188,814	58.6%	$ 11,780,308	58.7%
	Uninsured	8,612,559	41.4%	8,283,304	41.3%
Total residential mortgages		**$ 20,801,373**	**100.0%**	**$ 20,063,612**	**100.0%**
Home equity lines of credit	Uninsured	$ 1,846,238	100.0%	$ 1,824,794	100.0%
Total home equity lines of credit		**$ 1,846,238**	**100.0%**	**$ 1,824,794**	**100.0%**
Total	**Insured**	**$ 12,188,814**	**53.8%**	**$ 11,780,308**	**53.8%**
	Uninsured	**10,458,797**	**46.2%**	**10,108,098**	**46.2%**

(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 9: Real Estate Secured Lending (Amortization Period)

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

As at	June 30 2025	March 31 2025
Less than 25 years	93.3%	96.8%
25 years and above	6.7%	3.2%
Total	**100.0%**	**100.0%**

Table 10: Real Estate Secured Lending (Average Loan-to-Value Ratio)

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

As at	June 30 2025	March 31 2025
Residential mortgages	65.8%	65.8%
Home equity lines of credit	59.2%	58.5%

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

ATB has limited exposure to variable rate mortgages, which comprised 11.1% of total mortgages as at June 30, 2025, and 8.8% at March 31, 2025.

Market Risk

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

Interest Rate Risk

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

Table 11: Interest Rate Sensitivity

The following table provides the potential impact of an immediate and sustained 100- and 200-basis-point increase and decrease, respectively, in interest rates on ATB's NI:

As at *($ in thousands)*	June 30 2025	March 31 2025
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 34,659	$ 58,547
200 basis points	61,630	109,421
Decrease in interest rates of:		
100 basis points (1)	(45,809)	(69,893)
200 basis points (1)	(104,884)	(153,462)

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

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

Foreign Exchange Risk

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

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

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

ATB is within our Board-approved minimum limits as at June 30, 2025, and March 31, 2025.

Liquidity Risk

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

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

As at June 30, 2025, the LCR is 126.2% (March 31, 2025: 129.6%), above the Board-approved minimum limit.

Table 12: Long-Term Funding Sources

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

	June 30 2025		March 31 2025	
As at *($ in thousands)*	Long-term funding	Percentage of total	Long-term funding	Percentage of total
Wholesale borrowings	$ 6,435,825	49.3%	$ 4,589,588	41.1%
Securitization Liabilities	6,624,444	50.7%	6,585,568	58.9%
Total long-term funding	**$ 13,060,269**	**100.0%**	**$ 11,175,156**	**100.0%**

CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at *($ in thousands)*	Note	June 30 2025	March 31 2025	June 30 2024
Cash		$ 1,623,271	$ 836,331	$ 2,854,277
Interest-bearing deposits with financial institutions		118,633	175,945	164,654
Total cash resources		**1,741,904**	**1,012,276**	**3,018,931**
Securities measured at fair value through profit or loss		435,174	448,966	391,269
Securities measured at fair value through other comprehensive income		5,943,664	5,530,964	4,595,879
Securities purchased under reverse repurchase agreements		-	598,307	400,108
Total securities	6	**6,378,838**	**6,578,237**	**5,387,256**
Business		31,661,809	30,323,885	29,279,248
Residential mortgages		20,801,373	20,063,612	18,312,324
Personal		3,612,853	3,609,794	3,762,000
Credit card		781,249	748,285	787,746
Total gross loans		**56,857,284**	**54,745,576**	**52,141,318**
Allowance for loan losses	8	(389,205)	(429,048)	(353,790)
Total net loans	7	**56,468,079**	**54,316,528**	**51,787,528**
Derivative financial instruments		974,299	1,081,995	837,756
Property and equipment		204,152	206,022	200,113
Software and other intangibles		327,955	340,363	162,203
Other assets		823,441	652,825	648,078
Total other assets		**2,329,847**	**2,281,205**	**1,848,150**
Total assets		**$ 66,918,668**	**$ 64,188,246**	**$ 62,041,865**
Transaction accounts		$ 13,687,670	$ 12,938,390	$ 13,102,427
Savings accounts		11,265,522	11,018,911	10,001,767
Notice accounts		6,993,418	6,960,790	6,546,757
Non-redeemable fixed-date deposits		10,261,010	10,367,388	10,178,091
Redeemable fixed-date deposits		1,995,850	2,046,560	2,263,886
Total deposits		**44,203,470**	**43,332,039**	**42,092,928**
Securitization liabilities	9	6,606,150	6,550,671	6,712,478
Wholesale borrowings		6,424,190	4,607,377	4,852,484
Derivative financial instruments		908,590	1,000,614	934,384
Securities sold under repurchase agreements		922,457	959,291	299,899
Obligations related to securities sold short		269,425	179,534	233,171
Other liabilities		1,806,003	1,876,841	1,522,489
Total other liabilities		**16,936,815**	**15,174,328**	**14,554,905**
Total liabilities		**61,140,285**	**58,506,367**	**56,647,833**
Retained earnings		5,670,384	5,561,077	5,393,442
Accumulated other comprehensive income (loss)		107,999	120,802	590
Total equity		**5,778,383**	**5,681,879**	**5,394,032**
Total liabilities and equity		**$ 66,918,668**	**$ 64,188,246**	**$ 62,041,865**

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

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

DocuSigned by:
Dan Hugo
9374A622B14A4E6...
Dan Hugo
Chief Financial and Strategy Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

For the three months ended *($ in thousands)*	Note	June 30 2025	March 31 2025	June 30 2024
Loans		$ 694,704	$ 677,175	$ 694,734
Securities		47,146	48,024	62,992
Interest-bearing deposits with financial institutions		8,598	10,640	32,407
Interest income		**750,448**	**735,839**	**790,133**
Deposits		281,980	293,021	318,455
Wholesale borrowings		42,057	41,349	51,395
Securitization		47,632	52,854	67,844
Interest expense		**371,669**	**387,224**	**437,694**
Net interest income		**378,779**	**348,615**	**352,439**
Wealth management		94,291	93,911	69,347
Service charges		27,526	28,190	24,302
Card fees		23,269	22,676	26,375
Credit fees		17,496	21,879	14,168
Financial markets		13,672	17,008	20,616
Capital markets		19,670	13,513	19,580
Foreign exchange gains (losses)		8,117	2,479	(330)
Insurance		5,165	6,341	4,975
Net gains (losses) on derivative financial instruments		(1,275)	1,911	(374)
Net gains (losses) on securities		4,463	3,631	2,482
Sundry		(861)	(131)	48
Other income		**211,533**	**211,408**	**181,189**
Total revenue		**590,312**	**560,023**	**533,628**
Provision for (recovery of) loan losses	8	**11,265**	**31,380**	**13,024**
Salaries and employee benefits		220,273	265,893	219,237
Data processing		54,344	56,940	49,226
Premises and occupancy, including depreciation		18,841	20,419	18,525
Professional and consulting costs		29,866	39,733	19,725
Deposit guarantee fee		16,058	15,828	14,742
Equipment, including depreciation		2,534	2,507	3,244
Software and other intangibles amortization		20,021	19,930	20,026
General and administrative		20,232	25,935	20,648
ATB agencies		4,498	4,384	4,525
Other		17,955	13,988	14,376
Non-interest expense		**404,622**	**465,557**	**384,274**
Income before payment in lieu of tax		**174,425**	**63,086**	**136,330**
Payment in lieu of tax	10	40,118	14,509	31,356
Net income		**$ 134,307**	**$ 48,577**	**$ 104,974**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

For the three months ended ($ in thousands)	June 30 2025	March 31 2025	June 30 2024
Net income	$ 134,307	$ 48,577	$ 104,974
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	(17,422)	22,924	3,064
Net losses (gains) reclassified to net income	12,646	(20,673)	(4,948)
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges			
Unrealized net gains (losses) arising during the period	(24,733)	39,562	2,429
Net losses (gains) reclassified to net income	14,733	13,530	43,253
Items that will not be reclassified to profit or loss			
Remeasurement of defined-benefit plan liabilities	1,973	(43,474)	10,764
Other comprehensive income (loss)	**(12,803)**	**11,869**	**54,562**
Comprehensive income (loss)	**$ 121,504**	**$ 60,446**	**$ 159,536**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

For the three months ended ($ in thousands)	June 30 2025	March 31 2025	June 30 2024
Retained earnings			
Balance at beginning of the period	$ 5,561,077	$ 5,537,500	$ 5,313,468
Net income	134,307	48,577	104,974
Dividends	(25,000)	(25,000)	(25,000)
Balance at end of the period	**5,670,384**	**5,561,077**	**5,393,442**
Accumulated other comprehensive income (loss)			
Securities measured at fair value through other comprehensive income			
Balance at beginning of the period	64,503	62,252	65,315
Other comprehensive income (loss)	(4,776)	2,251	(1,884)
Balance at end of the period	**59,727**	**64,503**	**63,431**
Derivative financial instruments designated as cash flow hedges			
Balance at beginning of the period	24,798	(28,294)	(193,758)
Other comprehensive income (loss)	(10,000)	53,092	45,682
Balance at end of the period	**14,798**	**24,798**	**(148,076)**
Defined-benefit-plan liabilities			
Balance at beginning of the period	31,501	74,975	74,471
Other comprehensive income (loss)	1,973	(43,474)	10,764
Balance at end of the period	**33,474**	**31,501**	**85,235**
Accumulated other comprehensive income (loss)	**107,999**	**120,802**	**590**
Equity	**$ 5,778,383**	**$ 5,681,879**	**$ 5,394,032**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

For the three months ended *($ in thousands)*	June 30 2025	March 31 2025	June 30 2024
Cash flows from operating activities			
Net income	$ 134,307	$ 48,577	$ 104,974
Adjustments for non-cash items and other items			
Provision for (recovery of) loan losses	11,265	31,380	13,024
Depreciation and amortization	30,706	30,496	31,296
Net losses (gains) on securities	(4,463)	(3,631)	(2,482)
Losses (gains) on foreign-denominated wholesale borrowings	(28,499)	1,267	8,086
Adjustments for net changes in operating assets and liabilities			
Loans	(2,178,286)	(698,902)	(529,700)
Deposits	875,253	(203,445)	1,512,131
Trading securities	19,056	(158,997)	(185,555)
Derivative financial instruments	5,672	(40,382)	478
Prepayments and other receivables	(175,539)	(75,434)	(159,249)
Accounts receivable—financial market products	1,232	101,190	(208)
Due to (from) clients, brokers and dealers	60,035	226,945	179,319
Deposit guarantee fee payable	(50,285)	17,313	(48,178)
Accounts payable and accrued liabilities	(34,192)	(51,628)	(146,314)
Accounts payable—financial market products	63,384	(767,764)	71
Liability for payment in lieu of tax	(63,712)	14,508	(69,261)
Net interest receivable and payable	(39,081)	941	(23,333)
Change in accrued-pension-benefit liability	(1,571)	(1,007)	858
Obligations related to securities sold short	89,891	76,341	233,171
Other	21,465	12,868	28,361
Net cash provided by (used in) operating activities	**(1,263,362)**	**(1,439,364)**	**947,489**
Cash flows from investing activities			
Purchase of securities, other than trading	(2,837,831)	(2,478,926)	(3,086,950)
Proceeds from sales and maturities of securities, other than trading	3,006,654	2,950,776	3,595,078
Change in interest-bearing deposits with financial institutions	57,312	(23,001)	17,717
Purchases and disposals of property and equipment, software and other intangibles	(16,428)	(23,505)	(11,217)
Net cash provided by (used in) investing activities	**209,707**	**425,344**	**514,628**
Cash flows from financing activities			
Dividends	(25,000)	(25,000)	(25,000)
Issuance of wholesale borrowings	3,892,898	1,021,431	2,250,539
Repayment of wholesale borrowings	(2,054,543)	(2,053,240)	(2,358,025)
Issuance of securitization liabilities	385,218	181,732	628,526
Repayment of securitization liabilities	(313,248)	(426,915)	(746,020)
Change in securities sold under repurchase agreements	(36,834)	618,650	158,175
Repayment of lease liabilities	(7,896)	(7,840)	(8,790)
Net cash provided by (used in) financing activities	**1,840,595**	**(691,182)**	**(100,595)**
Net increase (decrease) in cash	786,940	(1,705,202)	1,361,522
Cash at beginning of the period	836,331	2,541,533	1,492,755
Cash at end of the period	**$ 1,623,271**	**$ 836,331**	**$ 2,854,277**
Net cash provided by (used in) operating activities includes:			
Interest paid	$ (405,790)	$ (387,324)	$ (446,722)
Interest received	754,852	726,354	797,652

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 (Unaudited)

1 Nature of Operations

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

ATB is exempt from Canadian federal and Alberta provincial income taxes but pays an amount to the Government of Alberta (GoA) designed to be in lieu of such charges. (See Note 10.)

2 Material Accounting Policies

General Information

Basis of Preparation

These interim condensed consolidated financial statements ("interim statements") have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) and the accounting requirements of ASFI. The interim statements do not include all information required for complete annual consolidated financial statements and should be read in conjunction with ATB's 2025 annual consolidated financial statements. The accounting policies, methods of computation and presentation of these interim statements are consistent with the most recent annual consolidated financial statements. These interim statements were approved by the Audit Committee on August 13, 2025.

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

Significant Accounting Judgments, Estimates and Assumptions

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

3 Summary of Accounting Policy Changes

Changes in Accounting Policies and Disclosures

Accounting standards and amendments that are newly effective for this fiscal year-end are detailed in Note 3 to the 2025 annual consolidated financial statements. Adoption of newly effective standards and amendments did not have a material impact on our financial statements.

Future Accounting Policy Changes

Accounting standards and amendments that are effective for future years are detailed in Note 3 to the 2025 annual consolidated financial statements.

4 Financial Instruments

Classification and Carrying Value

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

	Carrying value					
As at June 30, 2025 *($ in thousands)*	**Financial instruments classified as FVTPL**	**Financial instruments designated as FVTPL**	**Financial instruments classified as FVOCI**	**Financial instruments designated as FVOCI**	**Financial instruments measured at amortized cost**	**Total carrying value**
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 1,623,271	$ 1,623,271
Interest-bearing deposits with financial institutions (1)	-	118,633	-	-	-	118,633
Total cash resources	-	118,633	-	-	1,623,271	1,741,904
Securities	433,328	1,846	5,842,422	101,242	-	6,378,838
Securities purchased under reverse repurchase agreements	-	-	-	-	-	-
Total securities (1)	433,328	1,846	5,842,422	101,242	-	6,378,838
Total net loans (2)	-	-	-	-	56,468,079	56,468,079
Derivative financial instruments	974,299	-	-	-	-	974,299
Other assets (1) (6)	-	-	-	-	714,029	714,029
Total other assets	974,299	-	-	-	714,029	1,688,328
Total financial assets	$ 1,407,627	$ 120,479	$ 5,842,422	$ 101,242	$ 58,805,379	$ 66,277,149
Financial liabilities						
Total deposits (3)	-	-	-	-	44,203,470	44,203,470
Securitization liabilities (4)	-	-	-	-	6,606,150	6,606,150
Wholesale borrowings (5)	-	-	-	-	6,424,190	6,424,190
Derivative financial instruments (1)	908,590	-	-	-	-	908,590
Securities sold under repurchase agreements (1)	-	-	-	-	922,457	922,457
Obligations related to securities sold short	269,425	-	-	-	-	269,425
Other liabilities (1) (6) (7)	48,350	-	-	-	1,652,313	1,700,663
Total other liabilities	1,226,365	-	-	-	15,605,110	16,831,475
Total financial liabilities	$ 1,226,365	$ -	$ -	$ -	$ 59,808,580	$ 61,034,945

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $58,485,985.
(3) The fair value of deposits is estimated at $43,987,418.
(4) The fair value of securitization liabilities is estimated at $6,639,373.
(5) The fair value of wholesale borrowings is estimated at $6,485,953.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV. (See Note 14.)

As at March 31, 2025 *($ in thousands)*	Carrying value: Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 836,331	$ 836,331
Interest-bearing deposits with financial institutions (1)	-	175,945	-	-	-	175,945
Total cash resources	-	175,945	-	-	836,331	1,012,276
Securities	448,893	73	5,423,040	107,924	-	5,979,930
Securities purchased under reverse repurchase agreements	-	-	-	-	598,307	598,307
Total securities (1)	448,893	73	5,423,040	107,924	598,307	6,578,237
Total net loans (2)	-	-	-	-	54,316,528	54,316,528
Derivative financial instruments	1,081,995	-	-	-	-	1,081,995
Other assets (1) (6)	-	-	-	-	550,556	550,556
Total other assets	1,081,995	-	-	-	550,556	1,632,551
Total financial assets	**$ 1,530,888**	**$ 176,018**	**$ 5,423,040**	**$ 107,924**	**$ 56,301,722**	**$ 63,539,592**
Financial liabilities						
Total deposits (3)	-	-	-	-	43,332,039	43,332,039
Securitization liabilities (4)	-	-	-	-	6,550,671	6,550,671
Wholesale borrowings (5)	-	-	-	-	4,607,377	4,607,377
Derivative financial instruments (1)	1,000,614	-	-	-	-	1,000,614
Securities sold under repurchase agreements (1)	-	-	-	-	959,291	959,291
Obligations related to securities sold short	179,534	-	-	-	-	179,534
Other liabilities (1) (6) (7)	44,975	-	-	-	1,645,901	1,690,876
Total other liabilities	1,225,123	-	-	-	13,763,240	14,988,363
Total financial liabilities	**$ 1,225,123**	**$ -**	**$ -**	**$ -**	**$ 57,095,279**	**$ 58,320,402**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $56,265,702.
(3) The fair value of deposits is estimated at $43,220,603.
(4) The fair value of securitization liabilities is estimated at $6,585,996.
(5) The fair value of wholesale borrowings is estimated at $4,693,842.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV. (See Note 14.)

Fair-Value Hierarchy

The following tables present the level within the fair-value hierarchy as described in Note 4 of the 2025 annual consolidated financial statements, of ATB's financial assets and liabilities measured at fair value. Transfers between fair-value levels can result from additional, revised or new information about the availability of quoted market prices or observable market inputs. For the three months ended June 30, 2025, and the year ended March 31, 2025, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

As at *($ in thousands)*	Level 1	Level 2	Level 3	Total
June 30, 2025				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 118,633	$ -	$ 118,633
Securities				
Securities measured at FVTPL	331,053	-	104,121	435,174
Securities measured at FVOCI	5,842,422	-	101,242	5,943,664
Other assets				
Derivative financial instruments	-	974,299	-	974,299
Total financial assets	**$ 6,173,475**	**$ 1,092,932**	**$ 205,363**	**$ 7,471,770**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	269,425	-	-	269,425
Derivative financial instruments	-	908,590	-	908,590
Other liabilities	-	-	48,350	48,350
Total financial liabilities	**$ 269,425**	**$ 908,590**	**$ 48,350**	**$ 1,226,365**
March 31, 2025				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 175,945	$ -	$ 175,945
Securities				
Securities measured at FVTPL	350,285	-	98,681	448,966
Securities measured at FVOCI	5,423,040	-	107,924	5,530,964
Other assets				
Derivative financial instruments	-	1,081,995	-	1,081,995
Total financial assets	**$ 5,773,325**	**$ 1,257,940**	**$ 206,605**	**$ 7,237,870**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	179,534	-	-	179,534
Derivative financial instruments	-	1,000,614	-	1,000,614
Other liabilities	-	-	44,975	44,975
Total financial liabilities	**$ 179,534**	**$ 1,000,614**	**$ 44,975**	**$ 1,225,123**

Valuation of Level 3 Instruments

For direct investments in private companies—as there is no observable market price as at the balance sheet date—ATB estimates the fair value using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies. Specifically, the expected earnings before interest, income tax, depreciation and amortization (EBITDA). For direct investments in capital funds, the net asset value is used in estimating the fair value of ATB's interest. The fair value of the contingent consideration related to the acquisition of BCV was calculated using a Monte Carlo simulation approach under a risk-neutral framework. A Monte Carlo simulation approach using geometric Brownian motion is commonly used to model non-linear payoff structures such as the contingent payments. (See Note 14.)

The following table presents ATB's sensitivity analysis for the fair-value measurement of the contingent consideration related to the acquisition of BCV:

	June 30, 2025			March 31, 2025		
	Range of input values			Range of input values		
	Low	Base	High	Low	Base	High
AUA discount rate	8.2%	7.2%	6.2%	8.9%	7.9%	6.9%
Fair-value of contingent consideration	$ 47,574	$ 48,350	$ 49,155	$ 43,873	$ 44,975	$ 46,085
AUA volatility	30%	25%	20%	30%	25%	20%
Fair-value of contingent consideration	$ 47,778	$ 48,350	$ 47,934	$ 43,327	$ 44,975	$ 45,493

The following table presents ATB's sensitivity analysis for other fair-value measurements classified as Level 3, substituting one or more reasonably possible alternative assumptions for the unobservable inputs:

			June 30, 2025		March 31, 2025	
			Range of input values		Range of input values	
Product	Valuation technique	Significant unobservable inputs	Low	High	Low	High
Equity	Valuation multiple	Enterprise value/EBITDA multiple	3.5	9.4	3.9	9.8
		Enterprise value/revenue multiple	4.6	5.5	4.8	5.8
	Adjusted net asset value (1)	Net asset value (2)	n/a	n/a	n/a	n/a

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

A 10% change to each multiple would result in a $4.8 million increase and decrease in fair value (March 31, 2025: $4.8 million increase and decrease). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2 of the 2025 annual consolidated financial statements.

The following tables present the changes in fair value of Level 3 financial instruments:

($ in thousands)	Securities designated as FVOCI	Securities classified as FVTPL
Fair value as at March 31, 2025	$ 107,924	$ 98,681
Total realized and unrealized gains (losses) included in net income	-	3,108
Total realized and unrealized gains (losses) included in other comprehensive income	(7,401)	-
Purchases and issuances	719	2,332
Sales and settlements	-	-
Fair value as at June 30, 2025	$ 101,242	$ 104,121
Change in unrealized gains included in income regarding financial instruments held as at June 30, 2025	$ -	$ 3,108

Fair value as at March 31, 2024	$ 103,194	$ 84,041
Total realized and unrealized gains (losses) included in net income	-	(3,991)
Total realized and unrealized gains (losses) included in other comprehensive income	3,059	-
Purchases and issuances	1,671	18,631
Sales and settlements	-	-
Fair value as at March 31, 2025	**$ 107,924**	**$ 98,681**
Change in unrealized gains included in income regarding financial instruments held as at March 31, 2025	$ -	$ (3,991)

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

5 Financial Instruments—Risk Management

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

6 Securities

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

As at *($ in thousands)*	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**No maturity**	**Total carrying value**
June 30, 2025					
Securities measured at FVTPL					
Trading (1)	$ 106,404	$ 100,449	$ 120,303	$ -	$ 327,156
Other securities (2)	2,000	50	67,194	38,774	108,018
Total securities measured at FVTPL	**$ 108,404**	**$ 100,499**	**$ 187,497**	**$ 38,774**	**$ 435,174**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 3,409,608	$ 2,432,814	$ -	$ -	$ 5,842,422
Other securities (2)	-	-	101,242	-	101,242
Total securities measured at FVOCI	**$ 3,409,608**	**$ 2,432,814**	**$ 101,242**	**$ -**	**$ 5,943,664**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	$ -	$ -	$ -	$ -	$ -
Total securities purchased under reverse repurchase agreements	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
March 31, 2025					
Securities measured at FVTPL					
Trading (1)	$ 77,080	$ 136,594	$ 132,537	$ -	$ 346,211
Other securities (2)	3,998	3	60,263	38,491	102,755
Total securities measured at FVTPL	**$ 81,078**	**$ 136,597**	**$ 192,800**	**$ 38,491**	**$ 448,966**
Securities measured at FVOCI					
Investments—issued or guaranteed by the federal, provincial or municipal government	$ 2,803,822	$ 2,619,218	$ -	$ -	$ 5,423,040
Other securities (2)	-	-	107,924	-	107,924
Total securities measured at FVOCI	**$ 2,803,822**	**$ 2,619,218**	**$ 107,924**	**$ -**	**$ 5,530,964**
Securities purchased under reverse repurchase agreements					
Investments—issued or guaranteed by the federal or provincial government	$ 598,307	$ -	$ -	$ -	$ 598,307
Total securities purchased under reverse repurchase agreements	**$ 598,307**	**$ -**	**$ -**	**$ -**	**$ 598,307**

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

As at June 30, 2025, and at March 31, 2025, we had no securities classified as held-to-maturity.

7 Loans

In the retail portfolio, each borrower is assessed based on its Fair Isaac Corporation (FICO) score. The following table outlines the borrower-risk-assessment level assigned to each FICO score range:

Risk assessment	FICO score range
Very low risk	800–900
Low risk	700–799
Medium risk	620–699
High risk	619 or lower

For non-retail loans, each borrower is assigned a borrower risk rating (BRR). The following table outlines the borrower-risk-assessment level assigned to each range:

Risk assessment	BRR range
Very low risk	1–4
Low risk	5–7
Medium risk	8–9
High risk	10–13

Credit Quality

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

As at *($ in thousands)*				June 30 2025				March 31 2025
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 6,377,109	$ 39,409	$ -	$ 6,416,518	$ 6,182,243	$ 11,540	$ -	$ 6,193,783
Low risk	20,740,006	702,239	-	21,442,245	19,665,125	565,958	-	20,231,083
Medium risk	1,964,476	1,001,983	-	2,966,459	2,605,901	312,937	-	2,918,838
High risk	5	316,220	-	316,225	4,608	383,759	-	388,367
Not rated (1)	60,206	4,113	-	64,319	43,375	5,124	-	48,499
Impaired	-	-	456,043	456,043	-	-	543,315	543,315
Total business	**29,141,802**	**2,063,964**	**456,043**	**31,661,809**	**28,501,252**	**1,279,318**	**543,315**	**30,323,885**
Very low risk	10,622,868	9,146	-	10,632,014	10,201,754	13,947	-	10,215,701
Low risk	6,929,897	24,557	-	6,954,454	6,651,516	35,426	-	6,686,942
Medium risk	2,494,984	39,493	-	2,534,477	2,413,239	59,547	-	2,472,786
High risk	522,337	112,689	-	635,026	515,450	127,173	-	642,623
Not rated (1)	4,264	-	-	4,264	6,402	152	-	6,554
Impaired	-	-	41,138	41,138	-	-	39,006	39,006
Total residential mortgages	**20,574,350**	**185,885**	**41,138**	**20,801,373**	**19,788,361**	**236,245**	**39,006**	**20,063,612**
Very low risk	1,644,857	8,088	-	1,652,945	1,618,285	11,664	-	1,629,949
Low risk	1,095,679	131,452	-	1,227,131	1,043,631	182,811	-	1,226,442
Medium risk	439,053	94,354	-	533,407	441,123	111,461	-	552,584
High risk	99,163	59,046	-	158,209	101,950	56,034	-	157,984
Not rated (1)	5,883	57	-	5,940	5,084	876	-	5,960
Impaired	-	-	35,221	35,221	-	-	36,875	36,875
Total personal	**3,284,635**	**292,997**	**35,221**	**3,612,853**	**3,210,073**	**362,846**	**36,875**	**3,609,794**
Very low risk	127,600	2,390	-	129,990	116,061	2,353	-	118,414
Low risk	333,075	21,066	-	354,141	313,873	19,992	-	333,865
Medium risk	175,596	27,991	-	203,587	181,423	19,110	-	200,533
High risk	29,612	15,402	-	45,014	31,538	14,080	-	45,618
Not rated (1)	38,854	4,942	-	43,796	37,918	5,998	-	43,916
Impaired	-	-	4,721	4,721	-	-	5,939	5,939
Total credit card	**704,737**	**71,791**	**4,721**	**781,249**	**680,813**	**61,533**	**5,939**	**748,285**
Total loans	**53,705,524**	**2,614,637**	**537,123**	**56,857,284**	**52,180,499**	**1,939,942**	**625,135**	**54,745,576**
Total allowance for loan losses	(62,928)	(102,936)	(223,341)	(389,205)	(76,502)	(101,034)	(251,512)	(429,048)
Total net loans	**$ 53,642,596**	**$ 2,511,701**	**$ 313,782**	**$ 56,468,079**	**$ 52,103,997**	**$ 1,838,908**	**$ 373,623**	**$ 54,316,528**

(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)*	June 30 2025				March 31 2025			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 5,276,179	$ 9,909	$ -	$ 5,286,088	$ 5,249,703	$ 17,136	$ -	$ 5,266,839
Low risk	1,156,960	116,478	-	1,273,438	1,065,542	154,859	-	1,220,401
Medium risk	165,430	30,481	-	195,911	157,180	34,303	-	191,483
High risk	23,288	6,538	-	29,826	21,895	7,966	-	29,861
Not rated (1)	6,937	185	-	7,122	5,070	1,174	-	6,244
Total undrawn loan commitments—retail	**6,628,794**	**163,591**	**-**	**6,792,385**	**6,499,390**	**215,438**	**-**	**6,714,828**
Total allowance for loan losses (2)	(17,496)	(3,630)	-	(21,126)	(15,895)	(4,366)	-	(20,261)
Total net undrawn—retail	**$ 6,611,298**	**$ 159,961**	**$ -**	**$ 6,771,259**	**$ 6,483,495**	**$ 211,072**	**$ -**	**$ 6,694,567**
Very low risk	$ 8,503,381	$ 101,759	$ -	$ 8,605,140	$ 8,548,050	$ 43,837	$ -	$ 8,591,887
Low risk	11,362,928	248,562	-	11,611,490	10,540,862	341,060	-	10,881,922
Medium risk	516,334	286,658	-	802,992	670,898	113,914	-	784,812
High risk	3,955	99,640	-	103,595	3,378	105,471	-	108,849
Not rated (1)	159,778	3,602	-	163,380	158,914	3,963	-	162,877
Total undrawn loan commitments—non retail	**20,546,376**	**740,221**	**-**	**21,286,597**	**19,922,102**	**608,245**	**-**	**20,530,347**
Total allowance for loan losses (2)	(37,810)	(17,404)	-	(55,214)	(19,769)	(15,713)	-	(35,482)
Total net undrawn—non-retail	**$ 20,508,566**	**$ 722,817**	**$ -**	**$ 21,231,383**	**$ 19,902,333**	**$ 592,532**	**$ -**	**$ 20,494,865**

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

Loans Past Due

The following loans are past due but not impaired because they are less than 90 days past due or because it is otherwise reasonable to expect timely collection of principal and interest:

As at *($ in thousands)*	Business	Residential mortgages	Personal	Credit card	Total	Percentage of total gross loans
June 30, 2025						
Up to 1 month (1)	$ 36,510	$ 152,753	$ 20,772	$ 30,283	$ 240,318	0.4%
Over 1 month up to 2 months	68,855	33,722	26,449	8,499	137,525	0.2%
Over 2 months up to 3 months	17,411	18,781	10,363	3,945	50,500	0.1%
Over 3 months	1,546	3,065	323	4,882	9,816	0.0%
Total past due but not impaired	**$ 124,322**	**$ 208,321**	**$ 57,907**	**$ 47,609**	**$ 438,159**	**0.7%**
March 31, 2025						
Up to 1 month (1)	$ 21,052	$ 104,389	$ 13,009	$ 29,224	$ 167,674	0.3%
Over 1 month up to 2 months	98,324	98,756	43,436	9,406	249,922	0.5%
Over 2 months up to 3 months	2,456	8,422	1,990	4,490	17,358	0.0%
Over 3 months	2,503	-	1,042	5,257	8,802	0.0%
Total past due but not impaired	**$ 124,335**	**$ 211,567**	**$ 59,477**	**$ 48,377**	**$ 443,756**	**0.8%**

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

8 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking expected credit losses (ECLs) approach, as required under IFRS 9. This process involves complex models, with inputs and assumptions requiring a high degree of judgment to assess forecasts of macroeconomic variables and significant increases in credit risk. Our estimates and assumptions consider a range of possible scenarios, including the current interest rate environment. We continue to closely monitor external conditions and their impacts on our clients. Due to the unique conditions in the current environment, uncertainty in judgments and assumptions remains elevated as at June 30, 2025.

Key Inputs and Assumptions

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

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

Forward-Looking Information

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

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

	Baseline scenario			Optimistic scenario			Pessimistic scenario		
As at	**2025**	**2026**	**2027**	**2025**	**2026**	**2027**	**2025**	**2026**	**2027**
June 30, 2025									
GDP *(%)*	1.9	2.2	2.2	2.9	3.2	3.20	0.7	0.4	2.8
Unemployment rate *(%)*	7.3	7.1	6.9	6.9	6.3	5.8	7.5	8.0	7.6
Housing starts	51,662	47,289	44,036	55,155	53,624	52,051	48,6401	40,331	38,818
Oil prices *(WTI, USD/barrel)*	65	62	63	70	72	70	60	55	62
3m T-bill yield *(%)*	2.5	2.2	2.3	3.0	2.4	2.9	2.2	1.4	1.7

	2025	**2026**	**2027**	**2025**	**2026**	**2027**	**2025**	**2026**	**2027**
March 31, 2025									
GDP *(%)*	1.5	1.9	2.2	5.0	3.7	2.9	(1.9)	0.6	1.9
Unemployment rate *(%)*	7.6	7.5	7.3	6.0	5.1	4.9	8.9	9.3	9.0
Housing starts	40,039	39,154	38,172	50,851	51,501	50,246	28,883	26,695	26,780
Oil prices *(WTI, USD/barrel)*	68	68	71	83	88	89	57	53	53
3m T-bill yield *(%)*	2.8	2.2	2.3	3.7	3.6	3.6	2.3	2.1	2.2

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

For the three months ended ($ in thousands)	**Balance at beginning of period**	**Provision for (recovery of) loan losses**	**Net write-offs**	**Discounted cash flows on impaired loans and other**	**Balance at end of period**	**Comprises**	
						Loans	**Other credit instruments (1)**
June 30, 2025							
Business	$ 401,440	$ (1,775)	$ (12,376)	$ (6,893)	$ 380,396	$ 326,323	$ 54,073
Residential mortgages	11,213	464	(407)	223	11,493	8,675	2,818
Personal	41,928	7,971	(7,228)	300	42,971	32,890	10,081
Credit card	30,210	4,605	(4,076)	(54)	30,685	21,317	9,368
Total	**$ 484,791**	**$ 11,265**	**$ (24,087)**	**$ (6,424)**	**$ 465,545**	**$ 389,205**	**$ 76,340**
June 30, 2024							
Business	$ 335,963	$ 6,283	$ (13,409)	$ (5,092)	$ 323,745	$ 293,608	$ 30,137
Residential mortgages	9,957	449	(305)	143	10,244	9,121	1,123
Personal	40,730	2,544	(5,586)	206	37,894	28,275	9,619
Credit card	29,816	3,748	(3,052)	-	30,512	22,786	7,726
Total	**$ 416,466**	**$ 13,024**	**$ (22,352)**	**$ (4,743)**	**$ 402,395**	**$ 353,790**	**$ 48,605**

(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:

	June 30, 2025				June 30, 2024			
	Performing		Impaired		Performing		Impaired	
For the three months ended ($ in thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Allowance for loan losses—business loans								
Balance at beginning of period	$ 73,006	$ 97,256	$ 231,178	$ 401,440	$ 79,036	$ 82,741	$ 174,186	$ 335,963
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	2,292	(2,202)	(90)	-	3,045	(2,915)	(130)	-
Transfers into (out of) Stage 2 (1)	(9,581)	9,831	(250)	-	(12,001)	12,045	(44)	-
Transfers into (out of) Stage 3 (1)	(7,913)	(285)	8,198	-	(1,197)	(466)	1,663	-
New originations (2)	32,230	-	-	32,230	17,286	-	-	17,286
Repayments (3)	(7,079)	(18,862)	(14,303)	(40,244)	(3,539)	(6,780)	(210)	(10,529)
Remeasurements (4)	(6,496)	15,708	(2,973)	6,239	(2,387)	(9,830)	11,743	(474)
Total provision for (recovery of) loan losses	**3,453**	**4,190**	**(9,418)**	**(1,775)**	**1,207**	**(7,946)**	**13,022**	**6,283**
Write-offs	-	-	(13,288)	(13,288)	-	-	(13,782)	(13,782)
Recoveries	-	-	912	912	-	-	373	373
Discounted cash flows on impaired loans and other	(269)	(130)	(6,494)	(6,893)	46	(6)	(5,132)	(5,092)
Balance at end of period	**$ 76,190**	**$ 101,316**	**$ 202,890**	**$ 380,396**	**$ 80,289**	**$ 74,789**	**$ 168,667**	**$ 323,745**
Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 6,879	$ 3,125	$ 1,209	$ 11,213	$ 5,887	$ 2,711	$ 1,359	$ 9,957
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	531	(411)	(120)	-	533	(383)	(150)	-
Transfers into (out of) Stage 2 (1)	(34)	103	(69)	-	(68)	127	(59)	-
Transfers into (out of) Stage 3 (1)	(2)	(67)	69	-	(1)	(119)	120	-
New originations (2)	64	-	-	64	83	-	-	83
Repayments (3)	(44)	(35)	(62)	(141)	(39)	(21)	(106)	(166)
Remeasurements (4)	383	(118)	276	541	112	(65)	485	532
Total provision for (recovery of) loan losses	**898**	**(528)**	**94**	**464**	**620**	**(461)**	**290**	**449**
Write-offs	-	-	(433)	(433)	-	-	(341)	(341)
Recoveries	-	-	26	26	-	-	36	36
Discounted cash flows on impaired loans and other	-	-	223	223	-	-	143	143
Balance at end of period	**$ 7,777**	**$ 2,597**	**$ 1,119**	**$ 11,493**	**$ 6,507**	**$ 2,250**	**$ 1,487**	**$ 10,244**

(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.

	June 30, 2025				June 30, 2024			
	Performing		Impaired		Performing		Impaired	
For the three months ended (\$ in thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 18,300	$ 8,042	$ 15,586	$ 41,928	$ 22,483	$ 7,025	$ 11,222	$ 40,730
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	4,803	(4,204)	(599)	-	3,825	(3,324)	(501)	-
Transfers into (out of) Stage 2 (1)	(640)	989	(349)	-	(648)	893	(245)	-
Transfers into (out of) Stage 3 (1)	(195)	(805)	1,000	-	(273)	(1,050)	1,323	-
New originations (2)	1,054	-	-	1,054	976	-	-	976
Repayments (3)	(433)	(273)	(120)	(826)	(467)	(235)	(207)	(909)
Remeasurements (4)	(3,567)	3,332	7,978	7,743	(6,774)	2,722	6,529	2,477
Total provision for (recovery of) loan losses	**1,022**	**(961)**	**7,910**	**7,971**	**(3,361)**	**(994)**	**6,899**	**2,544**
Write-offs	-	-	(7,252)	(7,252)	-	-	(5,610)	(5,610)
Recoveries	-	-	24	24	-	-	24	24
Discounted cash flows on impaired loans and other	-	-	300	300	-	-	206	206
Balance at end of period	**$ 19,322**	**$ 7,081**	**$ 16,568**	**$ 42,971**	**$ 19,122**	**$ 6,031**	**$ 12,741**	**$ 37,894**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 13,981	$ 12,690	$ 3,539	$ 30,210	$ 15,447	$ 11,670	$ 2,699	$ 29,816
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	4,308	(4,308)	-	-	3,138	(3,138)	-	-
Transfers into (out of) Stage 2 (1)	(527)	527	-	-	(395)	395	-	-
Transfers into (out of) Stage 3 (1)	(32)	(497)	529	-	(30)	(345)	375	-
New originations (2)	324	-	-	324	237	-	-	237
Repayments (3)	(130)	(1,454)	-	(1,584)	(111)	(1,165)	-	(1,276)
Remeasurements (4)	(2,952)	6,033	2,784	5,865	(2,921)	5,307	2,401	4,787
Total provision for (recovery of) loan losses	**991**	**301**	**3,313**	**4,605**	**(82)**	**1,054**	**2,776**	**3,748**
Write-offs	-	-	(7,537)	(7,537)	-	-	(6,054)	(6,054)
Recoveries	-	-	3,461	3,461	-	-	3,002	3,002
Discounted cash flows on impaired loans and other	(27)	(15)	(12)	(54)	2	-	(2)	-
Balance at end of period	**$ 14,945**	**$ 12,976**	**$ 2,764**	**$ 30,685**	**$ 15,367**	**$ 12,724**	**$ 2,421**	**$ 30,512**
Total balance as at end of period	**$ 118,234**	**$ 123,970**	**$ 223,341**	**$ 465,545**	**$ 121,285**	**$ 95,794**	**$ 185,316**	**$ 402,395**
Comprises: Loans	$ 62,928	$ 102,936	$ 223,341	$ 389,205	$ 86,943	$ 81,531	$ 185,316	$ 353,790
Comprises: Other credit instruments (5)	55,306	21,034	-	76,340	34,342	14,263	-	48,605

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

9 Securitization Liabilities

Residential Mortgage Loans Securitization

ATB periodically securitizes insured residential mortgage loans (RMLs) and certain securities by participating in the *National Housing Act* Mortgage-Backed Security (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The sale of mortgage pools and certain securities that comprise the MBSs does not qualify for derecognition as outlined in IFRS 9 *Financial Instruments*, as ATB retains the prepayment, credit and interest rate risks, which represent substantially all of the risks and rewards. Therefore, it is accounted for as a collateralized borrowing. (For more on the program, refer to Note 15 of the 2025 annual consolidated financial statements.)

Credit Card Securitization

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

Equipment Finance Securitization

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

Synthetic Securitization

Effective May 8, 2024 ATB began the synthetic securitization of certain loan assets. This allows ATB to purchase credit protection against eligible credit events on these loans through the issuance of interest-bearing guarantee linked notes to third-party investors. The loans remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. As at June 30, 2025, ATB issued $63.8 million (March 31, 2025: $63.8 million) in guarantee linked notes. The transaction is fully cash collateralized as funds in the amount of the guarantee are received on issuance.

The following table presents the carrying amount of assets under securitization and the associated liability recognized in the consolidated statement of financial position:

As at *($ in thousands)*	**June 30** **2025**	**March 31** **2025**
Principal value of mortgages pledged as collateral	$ 6,338,707	$ 6,148,215
ATB mortgage-backed securities (MBSs) pledged as collateral through repurchase agreements	150,748	276,980
Principal value of credit card receivables pledged as collateral	699,308	678,049
Principal value of equipment finance receivables pledged as collateral	17,239	20,477
Principal value of agricultural loans under synthetic securitization	750,000	750,000
Total	**$ 7,956,002**	**$ 7,873,721**
Associated liabilities	**$ 6,606,150**	**$ 6,550,671**

10 Payment in Lieu of Tax

Pursuant to the *ATB Act*, the GoA may assess a charge to ATB as prescribed by the *ATB Financial Regulation* (*ATB Regulation*). The *ATB Regulation* defines the charge to be an amount equal to 23% of ATB's consolidated NI as reported in our audited annual financial statements. Payment in lieu of tax (PILOT) is calculated as 23% of NI reported under IFRS.

For the three months ended June 30, 2025, ATB has accrued a total of $40.1 million (March 31, 2025: $14.5 million and June 30, 2024: $31.4 million) for PILOT.

11 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the three months ended June 30, 2025, ATB declared and paid dividends of $25.0 million (March 31, 2025: $25.0 million and June 30, 2024: $25.0 million).

Subsequent to June 30, 2025, ATB's Board of Directors declared a $25.0 million dividend payable to the GoA.

12 Capital Management

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

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

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. (For more details, refer to Note 25 of the 2025 annual consolidated financial statements.)

As at June 30, 2025, and at March 31, 2025, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	**June 30** **2025**	**March 31** **2025**
Tier 1 capital		
Retained earnings	$ 5,670,384	$ 5,561,077
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,167,835	1,346,735
Collective allowance for loan losses	242,204	233,279
Total Tier 2 capital	**$ 1,410,039**	**$ 1,580,014**
Deductions from capital		
Software and other intangibles	327,955	340,363
Total capital	**$ 6,752,468**	**$ 6,800,728**
Total risk-weighted assets	$ 46,809,330	$ 45,492,743
Risk-weighted capital ratios		
Tier 1 capital ratio	12.0%	12.2%
Total capital ratio	14.3%	14.9%

13 Segmented Information

ATB has organized our operations and activities around the following three AOEs, which differ in products and services offered:

- **Everyday Financial Services** provides financial services to individuals, entrepreneurs and small businesses through our online banking platforms (ATB Personal and ATB Business Banking), voice banking, automated banking machine network and physical distribution network, powered by the ATB team members in branches, agencies and ATB Client Care.
- **ATB Business** provides financial advisory services and a securities trading platform to medium and large businesses, corporations and agricultural clients.
- **ATB Wealth** provides investment advisory services, investment management, insurance solutions, private banking and institutional portfolio management solutions.

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

Basis of Presentation

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

NII is attributed to each AOE according to ATB's internal funds transfer pricing (FTP) system: assets earn NII to the extent that external revenues exceed internal FTP expense, and liabilities earn NII to the extent that internal FTP revenues exceed external interest expenses. LLP is allocated based on the loans the AOE has issued and is determined based on the methodology outlined in Notes 2 and 9 of the 2025 annual consolidated financial statements.

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

For the three months ended *($ in thousands)*	Everyday Financial Services	ATB Business	ATB Wealth	Strategic support units	Total
June 30, 2025					
Net interest income (loss)	$ 156,101	$ 199,700	$ 10,357	$ 12,621	$ 378,779
Other income (loss)	43,559	66,097	95,576	6,301	211,533
Total revenue (loss)	199,660	265,797	105,933	18,922	590,312
Provision for (recovery of) loan losses	11,222	(2,402)	1,398	1,047	11,265
Non-interest expense (1)	145,968	145,951	98,919	13,784	404,622
Income (loss) before payment in lieu of tax	42,470	122,248	5,616	4,091	174,425
Payment in lieu of (recovery of) tax	9,768	28,117	1,292	941	40,118
Net income (loss)	**$ 32,702**	**$ 94,131**	**$ 4,324**	**$ 3,150**	**$ 134,307**
Total assets	$ 34,409,576	$ 30,845,121	$ 1,157,299	$ 506,672	$ 66,918,668
Total liabilities	21,178,650	21,390,934	1,260,574	17,310,127	61,140,285
March 31, 2025					
Net interest income (loss)	$ 146,457	$ 186,269	$ 10,150	$ 5,739	$ 348,615
Other income (loss)	45,426	70,068	95,379	535	211,408
Total revenue (loss)	191,883	256,337	105,529	6,274	560,023
Provision for (recovery of) loan losses	9,409	21,328	(303)	946	31,380
Non-interest expense (1)	153,063	147,308	106,837	58,349	465,557
Income (loss) before payment in lieu of tax	29,411	87,701	(1,005)	(53,021)	63,086
Payment in lieu of (recovery of) tax	6,765	20,171	349	(12,776)	14,509
Net income (loss)	**$ 22,646**	**$ 67,530**	**$ (1,354)**	**$ (40,245)**	**$ 48,577**
Total assets	$ 32,829,951	$ 30,053,819	$ 1,264,011	$ 40,465	$ 64,188,246
Total liabilities	21,024,430	23,062,231	1,357,704	13,062,002	58,506,367
June 30, 2024					
Net interest income (loss)	$ 143,062	$ 203,983	$ 10,737	$ (5,343)	$ 352,439
Other income (loss)	40,263	72,635	70,444	(2,153)	181,189
Total revenue (loss)	183,325	276,618	81,181	(7,496)	533,628
Provision for (recovery of) loan losses	6,128	5,884	(161)	1,173	13,024
Non-interest expense (1)	143,220	143,537	83,082	14,435	384,274
Income (loss) before payment in lieu of tax	33,977	127,197	(1,740)	(23,104)	136,330
Payment in lieu of (recovery of) tax	7,815	29,255	(400)	(5,314)	31,356
Net income (loss)	**$ 26,162**	**$ 97,942**	**$ (1,340)**	**$ (17,790)**	**$ 104,974**
Total assets	$ 32,211,185	$ 27,998,940	$ 1,637,367	$ 194,373	$ 62,041,865
Total liabilities	19,646,126	19,936,903	1,747,257	15,317,547	56,647,833

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

14 Business Combination

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

ATB used the acquisition method to account for the purchase. The valuation of all assets acquired, liabilities assumed and purchase consideration transferred is provisional and may need to be subsequently adjusted pending completion of the working capital adjustment calculations and formal agreement with the seller, with corresponding adjustments to goodwill prior to November 25, 2025 (one year after the transaction).

The fair values of the identifiable assets and liabilities of BCV as at the date of acquisition are presented in the following table:

As at *($ in thousands)*	**November 25 2024**
Assets	
Cash	$ 15,936
Current assets	11,980
Property and equipment	1,700
Right-of-use assets	2,407
Intangible assets	121,900
Total assets	**$ 153,923**
Liabilities	
Current liabilities (excluding current portion of long-term debt)	$ 16,296
Assumed liabilities	25,387
Lease liabilities	3,269
Total liabilities	**$ 44,952**
Total identifiable net assets at fair value	**$ 108,971**
Goodwill arising on acquisition	**$ 86,667**
Purchase consideration transferred	**$ 195,638**

The following table reconciles the purchase consideration to enterprise value:

As at *($ in thousands)*	**November 25 2024**
Purchase consideration:	
Cash consideration	$ 160,000
Closing working capital adjustment	114
Closing cash adjustment	15,936
Closing indebtedness	(25,387)
Contingent consideration liability	44,975
Total consideration	**$ 195,638**
Closing indebtedness	25,387
Closing cash	(15,936)
Enterprise value	**$ 205,089**

The following table summarizes the net cash flow on acquisition:

As at *($ in thousands)*	**November 25 2024**
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition, net of reimbursed amounts paid on behalf of BCV (included in cash flows from operating activities)	$ (3,310)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	15,936
Cash paid (included in cash flows from investing activities)	(153,736)
Net cash flow on acquisition	**$ (141,110)**

The acquisition date fair value of trade receivables, included within other assets, was $11.8 million.

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

The intangible assets of $121.9 million include brand and customer and referral relationships. The goodwill of $86.7 million comprises the value of expected synergies arising from the acquisition and workforce, which is not separately recognized. Intangibles and goodwill are allocated entirely to the SSU segment.

Included in closing indebtedness was $20.9 million for immediately settling BCV's income tax liabilities, such that the tax liabilities would be extinguished. This amount was recognized separately by ATB from the acquisition of assets and assumption of current liabilities in the business combination. Therefore, in determining the provisional purchase consideration, $20.9 million was excluded and treated as an immediate post-acquisition settlement of the income tax liability.

Transaction costs of $3.3 million were expensed and included in other non-interest expense for the year ended March 31, 2025.

The results of operations of the BCV acquisition are included in the consolidated statement of income and consolidated statement of changes in equity from the date of acquisition. Such results of operations and the related assets and liabilities as at June 30, 2025 are included in the consolidated statement of financial position. Revenue of $26.0 million and profit from continuing operations of $7.3 million were included in the consolidated statement of income for the year ended March 31, 2025.

Contingent Consideration

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

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

As at June 30, 2025, ATB's current forecasts for the AUA of BCV indicate that certain targets will be achieved and future cash payments will be made to the previous owners due to the synergies realized. The fair value of the contingent consideration as at June 30, 2025, reflects this development, among other factors. The fair value is determined using a discounted cash flow model.

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

($ in thousands)	**Contingent consideration**
Fair value as at March 31, 2025	$ 44,975
Unrealized fair value changes recognized in non-interest expense	3,375
Fair value as at June 30, 2025	**$ 48,350**
Fair value as at April 1, 2024	$ -
Liability arising on business combination (provisional)	44,975
Unrealized fair value changes recognized in non-interest expense	-
Fair value as at March 31, 2025	**$ 44,975**

15 Business Combination

Acquisition of Cormark Securities Inc.

On August 7, 2025, ATB entered into an agreement to acquire all of the outstanding shares of Cormark Securities Inc. (Cormark), a leading Canadian investment dealer recognized for its knowledge and commitment to the mid-cap and emerging growth market. Cormark provides investment banking, equity research coverage and institutional sales and trading to clients in Canada and internationally. The acquisition is subject to the satisfaction of customary closing conditions, including regulatory approvals, and is expected to close in November 2025.

GLOSSARY

(unaudited)

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

Interest rate floor	A contract whereby the buyer pays the seller a premium in exchange for the payment of any difference below a set strike interest rate and the prevailing market interest rate on predetermined dates.
Interest rate risk	The potential for financial loss arising from changes in interest rates in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.
Letter of credit	ATB's guarantee of payment to an interested third party in the event the client defaults on an agreement.
Letter of guarantee	A contract issued by ATB for a client to purchase goods from a supplier, even if the client defaults.
Liquidity coverage ratio (LCR)	High-quality liquid assets divided by total net cash outflows over the next 30 calendar days. LCR is designed to ensure sufficient liquid assets are on hand to endure a short-term liquidity stress scenario over 30 calendar days. Under normal conditions, the LCR should be no lower than 100%.
Liquidity risk	The risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or force the sale of assets. As with other similar financial institutions, ATB's risk arises from fluctuations in cash flows from lending, deposit-taking, investing and other activities. These commitments are generally met through cash flows supplemented by investment assets readily convertible to cash or through our capacity to borrow.
Loan loss provision (LLP)	An expense representing management's best estimate of expected losses for both performing and impaired loans as well as related off-balance-sheet loan commitments that ATB has issued. Losses are estimated based on probability-weighted scenarios that consider both historical and forward-looking economic assumptions over a 12-month or lifetime horizon or based on the discounted contractual cash shortfall expected over the remaining lifetime.
Loan losses to average loans	The provision for loan losses divided by average net loans.
Market risk	The risk that a loss may be incurred as a result of adverse changes in interest rates, foreign exchange rates and equity or commodity market prices.
Mortgage-backed securities (MBS)	Securities established through the securitization of residential mortgage loans.
Net assets gathered	Net of assets inflows and outflows at year end
Net income (NI)	Income after the removal of expenses, provision for loan losses and payment in lieu of tax.
Net interest income (NII)	The difference between interest earned on assets, such as cash, securities and loans, and interest paid on liabilities, such as deposits and wholesale and collateralized borrowings.
Net interest margin (NIM)	The ratio of net interest income for the year to the value of average interest-earning assets.
Net loan change	Net loans outstanding at year end less net loans outstanding at the previous year end, divided by net loans outstanding at the previous year end.
Net loans	Gross loans less the allowance for loan losses.
Notional amount	The principal value used to calculate interest and other payments under derivative contracts. The amounts are termed "notional" because they are not usually exchanged, except in the case of cross-currency swaps; they serve only as the basis for calculating amounts that do change hands.
Off-balance-sheet instruments	Assets or liabilities that are not recorded on the balance sheet but have the potential to produce future positive or negative cash flows. Various products offered to clients can be classified as off-balance sheet, and they fall into two general categories: credit-related arrangements, such as letters of credit and letters of guarantee, and the notional amount of derivatives.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but not strategic or reputational.
Option	A contract between two parties whereby the buyer of the option has the right but no obligation to buy (call) or sell (put) a specified financial instrument or currency at a set price or rate on or before a specified future date or on a series of specified future dates.
Other income to total revenue	Other income for the period divided by total revenue for the period.
Performing loan change	Performing loans outstanding at period end less performing loans outstanding at the previous period end, divided by performing loans outstanding at the previous period end.
Performing loans	Net loans, excluding impaired loans.
Provision for loan losses (LLP)	See "loan loss provision."
Regulatory risk	The risk of non-compliance with applicable regulatory requirements: (a) the *ATB Act* and *ATB Regulation* and guidelines, and (b) other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which it operates.
Reputational risk	The potential that negative stakeholder impressions, whether true or not, regarding ATB's business practices, actions or inaction will or may cause deterioration in ATB's value, brand, liquidity, client base or relationship with its Shareholder.
Return on average assets	Net income for the year divided by average total assets for the year.

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

ACRONYMS

(unaudited)

AOCI	Accumulated other comprehensive income
AOE	Area of expertise
ASFI	Alberta Superintendent of Financial Institutions
AUA	Assets under administration
BRR	Borrower risk rating
CAR Guideline	*Capital Adequacy Requirements* Guideline
CMB	Canada Mortgage Bonds
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EFS	Everyday Financial Services
FICO	Fair Isaac Corporation
FTP	Funds transfer pricing
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign exchange
FY	Fiscal year (e.g., FY2026)
GDP	Gross domestic product
GLN	Guarantee Linked Note
GoA	Government of Alberta
HELOC	Home equity line of credit
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
IFRS	International Financial Reporting Standards
LCR	Liquidity coverage ratio
LIBOR	London Interbank Offered Rate
LLP	Loan loss provision (also “provision for loan losses”)
MBS	Mortgage-backed security
MD&A	Management’s discussion and analysis
NI	Net income
NIE	Non-interest expense
NII	Net interest income
NIM	Net interest margin
OI	Other income
PILOT	Payment in lieu of tax
RML	Residential mortgage loan
SSU	Strategic support unit