

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FY2026 Q2 Financial Highlights

	For the three months ended			For the six months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
<b>Operating results (\$ in thousands)</b>					
Net interest income	\$ 394,630	\$ 378,779	\$ 353,877	\$ 773,409	\$ 706,316
Other income	209,637	211,533	172,341	421,170	353,530
Total revenue	604,267	590,312	526,218	1,194,579	1,059,846
Provision for (recovery of) loan losses	20,329	11,265	18,916	31,594	31,940
Non-interest expense	415,451	404,622	370,494	820,073	754,768
Income before payment in lieu of tax	168,487	174,425	136,808	342,912	273,138
Payment in lieu of tax	38,752	40,118	31,466	78,870	62,822
<b>Net income</b>	<b>\$ 129,735</b>	<b>\$ 134,307</b>	<b>\$ 105,342</b>	<b>\$ 264,042</b>	<b>\$ 210,316</b>
<b>Income before provisions (1)</b>					
Total revenue	\$ 604,267	\$ 590,312	\$ 526,218	\$ 1,194,579	\$ 1,059,846
Less: non-interest expense	415,451	404,622	370,494	820,073	754,768
<b>Income before provisions</b>	<b>\$ 188,816</b>	<b>\$ 185,690</b>	<b>\$ 155,724</b>	<b>\$ 374,506</b>	<b>\$ 305,078</b>
<b>Financial position (\$ in thousands)</b>					
Net loans	\$ 58,074,846	\$ 56,468,079	\$ 53,087,763	\$ 58,074,846	\$ 53,087,763
Total assets	68,931,970	66,918,668	62,337,363	68,931,970	62,337,363
Total risk-weighted assets (1)	47,904,951	46,809,330	43,105,674	47,904,951	43,105,674
Total deposits	46,952,800	44,203,470	42,957,172	46,952,800	42,957,172
Equity	5,909,335	5,778,383	5,581,754	5,909,335	5,581,754
<b>Key performance measures (%) (1)</b>					
Return on average assets	0.7	0.8	0.7	0.8	0.7
Return on average risk-weighted assets	1.1	1.2	1.0	1.1	1.0
Total revenue change	14.8	10.6	4.6	12.7	5.9
Other income to total revenue	34.7	35.8	32.8	35.3	33.4
Total expense change	12.1	5.3	3.1	8.7	7.1
Efficiency ratio	68.8	68.5	70.4	68.6	71.2
Net interest margin	2.39	2.41	2.32	2.40	2.35
Provision for (recovery of) loan losses to average loans	0.1	0.1	0.1	0.1	0.1
Net loan change	2.8	4.0	2.5	6.9	3.6
Total asset change	3.0	4.3	0.5	7.4	3.2
Total deposit change	6.2	2.0	2.1	8.4	5.9
Change in assets under administration	4.0	2.5	4.6	6.7	4.8
Tier 1 capital ratio	12.1	12.0	12.7	12.1	12.7
Total capital ratio	14.8	14.3	15.5	14.8	15.5
<b>Other information</b>					
ATB Wealth's assets under administration (\$ in thousands)	\$ 39,653,968	\$ 38,112,822	\$ 29,914,295	\$ 39,653,968	\$ 29,914,295
Dividends paid (\$ in thousands) (Note 11)	-	25,000	25,000	25,000	50,000
Total clients	843,902	837,655	822,549	843,902	822,549
Team members (2)	5,241	5,325	5,281	5,241	5,281

(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 and six months ended September 30, 2025 and is dated November 20, 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 September 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 to 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.*

Although not as damaging as originally feared due to an exemption for goods compliant with the Canada-United States-Mexico Agreement and a pullback in Canadian countertariffs, U.S. trade policy under President Trump and the uncertainty it generates are weighing on economic growth. Weak business investment and moribund productivity growth in Canada are also working against the economic outlook as are Chinese tariffs on key agricultural products.

Despite this, Alberta's economy is on relatively strong footing with improved market access for oil and gas boosting exports and slower, but still strong population growth supporting retail sales and residential construction. Over the medium term, Alberta's growth will be supported by a diverse range of industries such as tourism, aviation, technology, food processing and petrochemicals.

Due to its industrial structure, Alberta's economy is less exposed to the current sector-specific tariffs and faces a lower effective U.S. tariff rate. That said, certain sectors are getting hit, including manufacturing and construction dependent on steel and aluminum, lumber, and canola producers (by Chinese tariffs).

Another headwind is lower energy prices. While the energy sector is more resilient to price swings than in the past, the recent pullback in WTI prices is keeping producers cautious with regard to capital spending. Our forecast for WTI is an average of US\$62 per barrel next year. We anticipate that Alberta natural gas prices will improve from currently soft levels in 2026. The potential for major projects in energy and infrastructure to create new jobs presents an upside, but it will take time before shovels are actually in the ground.

We expect the Alberta economy to grow by 1.9% this year and by 2.1% in 2026, down from 2.7% in 2024. Our forecast assumes that Canadian exports continue to be shielded from a blanket U.S. tariff.

Elevated unemployment, particularly among youth, will be a key challenge with job creation not keeping up with population growth. The annual unemployment rate is expected to average 7.5% this year and 7.4% in 2026.

While the inflation rate is back under control, many households and businesses continue to struggle with the cumulative impact of past price increases. A recent poll found that 60% of Canadians cite the rising cost of living as a top concern.

Recent decreases in the Bank of Canada's policy interest rate are providing some overall economic stimulus, but they are not enough to offset trade and productivity issues at the macro level and are not lowering borrowing costs for households and businesses that renewed before rates came down.

Retail spending in Alberta has shown an upward trend since September of last year, reaching a record high in January 2025. While there have been some fluctuations, sales have mostly flattened since then and we expect real consumer spending to grow by only 1.8% this year before accelerating to 2.1% in 2026.

Overall, the forecast points to an Alberta economy that is resilient in the face of trade uncertainty, but feeling the pain, particularly in terms of slower employment growth.

## Implications for our clients

The economic challenges faced by our personal and business clients will spill over into their banking needs. Examples include:

- Financial anxiety linked to geopolitical uncertainty, tariffs, recession fears and the rising cost of living.
- Exporters struggling to adapt to tariffs.
- Higher debt-servicing costs and debt levels.
- Financial challenges among agricultural sector clients due to Chinese tariffs.
- Skills mismatches and increased unemployment.
- Strained margins due to cost pressures and supply chain challenges arising from global conflicts and tariffs.

# REVIEW OF CONSOLIDATED OPERATING RESULTS

## Net Income

For the quarter ended September 30, 2025, net income (NI) decreased from last quarter, but increased year-over-year. The quarterly decrease was mainly due to increases in loan loss provisions (LLP) and non-interest expenses (NIE), which were partially offset by 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 \$186.7 million for the three months ended September 30, 2025, a decrease from last quarter (\$192.1 million) and an increase year-over-year (\$154.0 million) due to a respective decrease and increase in NI. On a year-to-date basis, ATB's net contribution was \$378.8 million—an increase year-over-year (\$306.5 million)—driven by higher NI.

## Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). Total revenue was \$604.3 million on a quarter-to-date basis and \$1.2 billion on a year-to-date basis. The quarterly increase was due to higher NII and the year-over-year and year-to-date increases were due to higher NII and OI.

## Net Interest Income

NII represents the difference between the interest earned on assets (such as cash, loans and securities) and interest paid on liabilities (such as deposits, wholesale borrowings and securitization). NII increased from last quarter driven by growth in our business and residential mortgage loan portfolios which was partially offset by deposit growth and an increase in wholesale borrowings and securitization liabilities. NII increased year-over-year and year-to-date 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**

For the three months ended (\$ in thousands)	September 30, 2025 vs. June 30, 2025			September 30, 2025 vs. September 30, 2024		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
	Volume	Rate	Net change	Volume	Rate	Net change
<b>Assets</b>						
Interest-bearing deposits with financial institutions and securities	\$ 5,736	\$ (5,163)	\$ 573	\$ 5,912	\$ (37,634)	\$ (31,722)
Loans	22,112	7,748	29,860	57,536	(42,891)	14,645
<b>Change in interest income</b>	<b>27,848</b>	<b>2,585</b>	<b>30,433</b>	<b>63,448</b>	<b>(80,525)</b>	<b>(17,077)</b>
<b>Liabilities</b>						
Deposits	9,050	4,953	14,003	20,512	(69,247)	(48,735)
Wholesale borrowings	3,168	(899)	2,269	15,790	(11,887)	3,903
Securitization Liabilities	1,852	1,430	3,282	1,275	(10,937)	(9,662)
Securities sold under repurchase agreements	313	(5,072)	(4,759)	3,239	(5,955)	(2,716)
Obligations for securities sold short	617	(830)	(213)	876	(1,496)	(620)
<b>Change in interest expense</b>	<b>15,000</b>	<b>(418)</b>	<b>14,582</b>	<b>41,692</b>	<b>(99,522)</b>	<b>(57,830)</b>
<b>Change in net interest income</b>	<b>\$ 12,848</b>	<b>\$ 3,003</b>	<b>\$ 15,851</b>	<b>\$ 21,756</b>	<b>\$ 18,997</b>	<b>\$ 40,753</b>

For the six months ended (\$ in thousands)	September 30, 2025 vs. September 30, 2024		
	Increase (decrease) due to changes in		
	Volume	Rate	Net change
<b>Assets</b>			
Interest-bearing deposits with financial institutions and securities	\$ 2,318	\$ (73,695)	\$ (71,377)
Loans	101,869	(87,254)	14,615
<b>Change in interest income</b>	<b>104,187</b>	<b>(160,949)</b>	<b>(56,762)</b>
<b>Liabilities</b>			
Deposits	44,455	(136,143)	(91,688)
Wholesale borrowings	20,363	(25,798)	(5,435)
Securitization liabilities	(4,113)	(25,761)	(29,874)
Securities sold under repurchase agreements	10,291	(7,401)	2,890
Obligations for securities sold short	1,922	(1,670)	252
<b>Change in interest expense</b>	<b>72,918</b>	<b>(196,773)</b>	<b>(123,855)</b>
<b>Change in net interest income</b>	<b>\$ 31,269</b>	<b>\$ 35,824</b>	<b>\$ 67,093</b>

Net interest margin (NIM) is the ratio of NII to average total interest-earning assets for the year. It is an important measure for ATB that demonstrates how profitable our banking business is. The ratio decreased to 2.39% from 2.41% last quarter and increased from 2.32% last year. The quarter-over-quarter decrease was primarily driven by an increase in deposit funding costs which were partially offset by growth and renewal activity in the residential mortgage loan portfolio. The ratio increased year-to-date to 2.40% from 2.35%. Both the year-over-year and year-to-date increases were driven by lower borrowing costs as a result of Bank of Canada rate cuts.

## Other Income

OI consists of all revenue not classified as NII.

OI decreased slightly from last quarter and increased both year-over-year and year-to-date. The quarter-over-quarter decrease was due to fair value adjustments on strategic investments and lower revenues from both foreign exchange gains and capital markets activities. This decline was partially offset by growth in wealth management revenue, driven by an increase in assets under administration (AUA), along with higher credit fees, advisory fees and revenue from balance sheet management activities.

The year-over-year and year-to-date growth was mainly attributable to higher wealth management revenue due to the BCV acquisition and an increase in average AUA. Fair value adjustments on strategic investments, higher capital market revenues and balance sheet management activities also contributed to the increase, and were partially offset by lower foreign exchange gains. Year-to-date, growth was also bolstered by higher service charges and credit fees but was partially offset by lower 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 \$20.3 million this quarter, an increase from last quarter. The increase in LLP was primarily driven by a rise in our Stage 3 provision due to new impairments and increased loan loss expectations on existing loans coupled with an increase in our Stage 1 provision from new loan growth. Year-over-year and year-to-date, 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 September 30, 2025, gross impaired loans of \$0.5 billion comprise 0.9% (March 31, 2025: 1.1%, September 30, 2024: 1.1%) of the total loan portfolio.

## Non-Interest Expense

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

NIE increased quarter-over-quarter, year-over-year and year-to-date driven by higher technology costs, an increase in costs that are variable with AUA and an increase in the fair value of the contingent consideration related to the BCV acquisition. The quarter-over-quarter increase was partially offset by a decrease in achievement note expense due to the wind down of the program. NIE further increased year-to-date driven by an increase in team member costs and an increase in contractor utilization in strategic initiatives.

## Efficiency Ratio

The efficiency ratio, measured as total NIE divided by total revenue, measures how much it costs ATB to generate revenue. A lower ratio indicates higher efficiency at generating income. Our quarterly and year-to-date efficiency ratios were 68.8% and 68.6%, respectively. The quarterly efficiency ratio was consistent with last quarter's ratio of 68.5%. Our efficiency ratio improved year-over-year and year-to-date due to revenue growth from the BCV acquisition, strategic investments and lower borrowing costs as a result of Bank of Canada rate cuts outpacing the increase 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 Area of Expertise (AOE) 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**

<i>For the three months ended (\$ in thousands)</i>	<b>September 30 2025</b>	<b>June 30 2025</b>	<b>September 30 2024</b>
Net interest income	\$ 166,773	\$ 156,101	\$ 144,465
Other income	43,017	43,559	42,196
Total revenue	209,790	199,660	186,661
Provision for (recovery of) loan losses	7,265	11,222	13,039
Non-interest expense (1)	152,872	145,968	138,752
Net income before payment in lieu of tax	49,653	42,470	34,870
Payment in lieu of tax	11,420	9,768	8,020
<b>Net income</b>	<b>\$ 38,233</b>	<b>\$ 32,702</b>	<b>\$ 26,850</b>
Net loans	\$ 25,130,367	\$ 24,184,526	\$ 22,490,956
Total deposits	21,814,123	21,575,609	20,523,355
<i>For the six months ended (\$ in thousands)</i>	<b>September 30 2025</b>	<b>September 30 2024</b>	
Net interest income	\$ 322,874	\$ 287,527	
Other income	86,576	82,459	
Total revenue	409,450	369,986	
Provision for (recovery of) loan losses	18,487	19,167	
Non-interest expense (1)	298,840	281,972	
Net income before payment in lieu of tax	92,123	68,847	
Payment in lieu of tax	21,188	15,835	
<b>Net income</b>	<b>\$ 70,935</b>	<b>\$ 53,012</b>	

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

EFS's NI increased across all periods driven by an increase in NII and a reduction in LLP, partially offset by an increase in NIE.

NII increased from last quarter due to strong loan and deposit growth. NII increased year-over-year and year-to-date due to lower deposit costs on savings accounts and an increase in residential mortgage balances.

OI was consistent quarter-over-quarter and year-over-year. OI increased year-to-date driven by an increase in retail service charges and higher credit card revenue associated with higher purchase volume.

LLP decreased quarter-over-quarter and year-over-year driven by lower loan loss expectations on new and existing loans as a result of lower defaults, partially offset by an increase in the Stage 1 provision due to new loan growth. LLP was consistent year-to-date.

NIE increased across all periods driven by higher technology costs. Further, the year-over-year and year-to-date increases were also driven by higher team member related costs.

Loans increased quarter-over-quarter due to seasonality and market activity driving mortgage growth and increased 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 savings promotional campaigns.

## ATB Business

**Table 3: ATB Business Financial Performance**

<i>For the three months ended</i> (\$ in thousands)	<b>September 30 2025</b>	<b>June 30 2025</b>	<b>September 30 2024</b>
Net interest income	\$ 205,420	\$ 199,700	\$ 192,058
Other income	68,303	66,097	64,410
Total revenue	273,723	265,797	256,468
Provision for (recovery of) loan losses	12,313	(2,402)	4,377
Non-interest expense (1)	145,773	145,951	142,833
Net income before payment in lieu of tax	115,637	122,248	109,258
Payment in lieu of tax	26,596	28,117	25,128
<b>Net income</b>	<b>\$ 89,041</b>	<b>\$ 94,131</b>	<b>\$ 84,130</b>
Net loans	\$ 31,671,516	\$ 30,967,852	\$ 29,101,706
Total deposits	22,358,723	19,829,951	19,419,622

  

<i>For the six months ended</i> (\$ in thousands)	<b>September 30 2025</b>	<b>September 30 2024</b>
Net interest income	\$ 405,120	\$ 396,041
Other income	134,400	137,045
Total revenue	539,520	533,086
Provision for (recovery of) loan losses	9,911	10,261
Non-interest expense (1)	291,724	286,370
Net income before payment in lieu of tax	237,885	236,455
Payment in lieu of tax	54,713	54,383
<b>Net income</b>	<b>\$ 183,172</b>	<b>\$ 182,072</b>

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

ATB Business's NI decreased from last quarter primarily due to an increase in LLP, which was partially offset by an increase in NII. NI increased year-over-year and year-to-date due to higher total revenue, which was partially offset by an increase in NIE.

NII increased across all periods due to strong loan growth. NII further increased year-over-year and year-to-date from lower borrowing costs as a result of Bank of Canada rate cuts.

OI increased quarter-over-quarter and year-over-year. The quarter-over-quarter increase was driven by an increase in advisory fees and an increase in credit fees due to strong loan growth. The year-over-year increase was driven by higher advisory fees during the quarter which was partially offset by a decrease in other capital markets activity. OI decreased year-to-date due to lower card fees and a decrease in financial markets activity.

LLP increased quarter-over-quarter and year-over-year. For both periods, the increase was driven by an increase in our Stage 3 provision due to new impairments and increased loan loss expectations on existing loans as well as a higher Stage 1 provision resulting from new loan growth, which was partially offset by a Stage 2 recovery driven by lower loan loss expectations. LLP was consistent year-to-date.

NIE was consistent quarter-over-quarter but increased year-over-year and year-to date driven by an increase in technology costs. The year-to-date increase was further impacted by higher team member related costs and an increase in costs associated with the fixed income trading desk.

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

Deposits grew quarter-over-quarter and year-over year due to growth in the municipal and public-private partnership sectors. Further, the year-over-year growth benefitted from lower seasonal run-off.

## ATB Wealth

**Table 4: ATB Wealth Financial Performance**

<i>For the three months ended (\$ in thousands)</i>	<b>September 30 2025 (1)</b>	<b>June 30 2025 (1)</b>	<b>September 30 2024</b>
Net interest income	\$ 10,693	\$ 10,357	\$ 10,484
Other income	100,846	95,576	72,749
Total revenue	111,539	105,933	83,233
Provision for (recovery of) loan losses	(43)	1,398	395
Non-interest expense (2)	96,334	98,919	80,216
Net income before payment in lieu of tax	15,248	5,616	2,622
Payment in lieu of tax	3,507	1,292	604
<b>Net income</b>	<b>\$ 11,741</b>	<b>\$ 4,324</b>	<b>\$ 2,018</b>
Net loans	\$ 1,216,018	\$ 1,210,091	\$ 1,188,974
Total deposits	2,766,486	2,775,125	2,955,755
Total assets under administration	39,653,968	38,112,822	29,914,295

  

<i>For the six months ended (\$ in thousands)</i>	<b>September 30 2025 (1)</b>	<b>September 30 2024</b>
Net interest income	\$ 21,050	\$ 21,221
Other income	196,422	143,193
Total revenue	217,472	164,414
Provision for (recovery of) loan losses	1,355	234
Non-interest expense (2)	195,253	163,298
Net income before payment in lieu of tax	20,864	882
Payment in lieu of tax	4,799	204
<b>Net income</b>	<b>\$ 16,065</b>	<b>\$ 678</b>

(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 AOE's. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

ATB Wealth's NI was higher than last quarter due to an increase in OI and lower NIE. NI increased year-over-year and year-to-date due to an increase in OI, which was partially offset by an increase in NIE.

NII was consistent across all periods.

OI increased across all periods due to higher AUA balances. On a year-over-year and year-to-date basis, OI growth was driven by the BCV acquisition.

NIE decreased from the prior quarter and increased year-over-year and year-to date due to the wind down of the achievement note plan last quarter and higher costs that are variable with AUA. Additionally, the BCV acquisition contributed to the increase in NIE year-over-year and year-to-date and an increase in team member costs contributed to the year-to-date increase.

LLP was consistent quarter-over-quarter, year-over-year and year-to-date.

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

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



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

## Strategic Support Units

**Table 5: Strategic Support Units Financial Performance**

<i>For the three months ended (\$ in thousands)</i>	<b>September 30 2025</b>	<b>June 30 2025</b>	<b>September 30 2024</b>
Net interest income	\$ 11,744	\$ 12,621	\$ 6,870
Other income (loss)	(2,529)	6,301	(7,014)
Total revenue (loss)	9,215	18,922	(144)
Provision for (recovery of) loan losses	794	1,047	1,105
Non-interest expense (1)	20,472	13,784	8,693
Net income (loss) before payment in lieu of tax	(12,051)	4,091	(9,942)
Payment in lieu of (recovery of) tax	(2,771)	941	(2,286)
<b>Net Income (loss)</b>	<b>\$ (9,280)</b>	<b>\$ 3,150</b>	<b>\$ (7,656)</b>

  

<i>For the six months ended (\$ in thousands)</i>	<b>September 30 2025</b>	<b>September 30 2024</b>
Net interest income	\$ 24,365	\$ 1,527
Other income (loss)	3,772	(9,167)
Total revenue (loss)	28,137	(7,640)
Provision for (recovery of) loan losses	1,841	2,278
Non-interest expense (1)	34,256	23,128
Net income (loss) before payment in lieu of tax	(7,960)	(33,046)
Payment in lieu of (recovery of) tax	(1,830)	(7,600)
<b>Net income (loss)</b>	<b>\$ (6,130)</b>	<b>\$ (25,446)</b>

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

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

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

LLP was consistent with last quarter, year-over-year and year-to-date.

NIE increased in comparison to all periods, primarily driven by strategic initiatives.

# REVIEW OF CONSOLIDATED FINANCIAL POSITION

## Total Assets

Our total assets as at September 30, 2025, are \$68.9 billion, which is higher than last quarter, driven by increases in securities and loan balances, partially offset by decrease in cash resources. Total assets are also higher year-over-year, driven by increases in securities, software and other intangibles, 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 \$58.1 billion, was driven by growth in business and residential mortgage loans (RMLs). The year-over-year increase was partially offset by a reduction in personal loans.

The allowance for loan losses increased quarter-over-quarter and year-over-year, which is attributed to new impairments and an increased loan loss expectation on existing 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 decreased quarter-over-quarter due to a decrease in trading assets and a decrease in the fair value associated with our commodity portfolio.

Total other assets increased year-over-year primarily driven by an increase in trading assets and the goodwill and intangibles related to the BCV acquisition. (See [Note 14](#).)

## Total Liabilities

Total liabilities ended the quarter at \$63.0 billion, higher than last quarter driven by strong deposit growth and an increase in securitization liabilities, which were partially offset by a decrease in wholesale borrowings. Total liabilities increased year-over-year driven by strong deposit growth, an increase in securitization liabilities and an increase in wholesale borrowings to support our loan growth.

## Deposits

ATB's principal sources of funding are client deposits. Balances have increased quarter-over-quarter and year-over-year due to promotional offers and growth in the municipal and public-private partnership sectors.

## 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 quarter-over-quarter decrease in wholesale borrowings was due to deposit growth. The year-over-year increase in wholesale borrowings was to support our strong loan growth.

Securitization liabilities include ATB's participation in the *National Housing Act* Mortgage-Backed Security (MBS) Program with sales to the Canada Mortgage Bonds (CMB) program or third-party investors, securitization of credit card and equipment finance receivables, and a synthetic securitization program. (See [Note 9](#).) Securitization liabilities increased quarter-over-quarter and year-over-year primarily due to an increase in third-party MBS issuances. Year-over-year this was partially offset by a decrease in CMB MBS issuances.

Derivative liabilities decreased quarter-over-quarter due to the fair value liability associated with our commodity portfolio. Derivative liabilities decreased year-over-year primarily due to market-to-market gains associated with a decrease in swap rates.

Securities sold under repurchase agreements decreased quarter-over-quarter and 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 income only when realized or when certain trigger events occur. AOCI increased both quarter-over-quarter and year-over-year. The quarter-over-quarter increase is attributable to higher unrealized gains on securities and the reclassification of net losses on derivative financial instruments designated as cash flow hedges to net income. The year-over-year increase was primarily due to the favorable impact of declining interest rates on the fair value of derivatives designated as cash flow hedges, partially offset by prior year 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 September 30, 2025, ATB had a Tier 1 capital ratio of 12.1% and a total capital ratio of 14.8%, 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 September 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 September 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)	September 30 2025	March 31 2025
Financial assets (1)	\$ 67,887,566	\$ 62,879,190
Other commitments and off-balance-sheet items (2)	31,600,389	29,102,457
<b>Total credit risk</b>	<b>\$ 99,487,955</b>	<b>\$ 91,981,647</b>

(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:

As at (\$ in thousands)	September 30 2025		March 31 2025	
	Percentage of total gross loans		Percentage of total gross loans	
Commercial real estate	\$ 9,404,169	16.1%	\$ 8,730,000	15.9%
Mining and oil-and-gas extraction	3,451,185	5.9%	3,373,000	6.2%
Agriculture, forestry, fishing and hunting	5,902,680	10.1%	5,475,489	10.0%
Largest borrower	\$ 246,815	0.4%	\$ 241,746	0.4%

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

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

As at (\$ in thousands)		September 30 2025		March 31 2025	
Residential mortgages	Insured (1)	\$ 12,702,999	58.5%	\$ 11,780,308	58.7%
	Uninsured	9,007,850	41.5%	8,283,304	41.3%
<b>Total residential mortgages</b>		<b>\$ 21,710,849</b>	<b>100.0%</b>	<b>\$ 20,063,612</b>	<b>100.0%</b>
Home equity lines of credit	Uninsured	\$ 1,877,076	100.0%	\$ 1,824,794	100.0%
<b>Total home equity lines of credit</b>		<b>\$ 1,877,076</b>	<b>100.0%</b>	<b>\$ 1,824,794</b>	<b>100.0%</b>
<b>Total</b>	<b>Insured</b>	<b>\$ 12,702,999</b>	<b>53.9%</b>	<b>\$ 11,780,308</b>	<b>53.8%</b>
	<b>Uninsured</b>	<b>10,884,926</b>	<b>46.1%</b>	<b>10,108,098</b>	<b>46.2%</b>

(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	September 30 2025	March 31 2025
25 years and below	91.7%	93.9%
Greater than 25 years	8.3%	6.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**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	September 30 2025	March 31 2025
Residential mortgages	66.3%	65.8%
Home equity lines of credit	59.1%	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 12.1% of total mortgages as at September 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)	September 30 2025	March 31 2025
<b>Impact on net earnings in succeeding year from:</b>		
<i>Increase in interest rates of:</i>		
100 basis points	\$ 50,130	\$ 58,547
200 basis points	92,384	109,421
<i>Decrease in interest rates of:</i>		
100 basis points (1)	(61,515)	(69,893)
200 basis points (1)	(138,595)	(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 September 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 September 30, 2025, the LCR is 129.7% (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:

As at (\$ in thousands)	September 30 2025		March 31 2025	
	Long-term funding	Percentage of total	Long-term funding	Percentage of total
Wholesale borrowings	\$ 5,400,000	43.1%	\$ 4,589,588	41.1%
Securitization liabilities	7,130,169	56.9%	6,585,568	58.9%
<b>Total long-term funding</b>	<b>\$ 12,530,169</b>	<b>100.0%</b>	<b>\$ 11,175,156</b>	<b>100.0%</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at (\$ in thousands)	Note	September 30 2025	June 30 2025	March 31 2025	September 30 2024
Cash		\$ 1,026,996	\$ 1,623,271	\$ 836,331	\$ 1,504,197
Interest-bearing deposits with financial institutions		86,950	118,633	175,945	139,769
<b>Total cash resources</b>		<b>1,113,946</b>	<b>1,741,904</b>	<b>1,012,276</b>	<b>1,643,966</b>
Securities measured at fair value through profit or loss		508,577	435,174	448,966	441,308
Securities measured at fair value through other comprehensive income		6,349,856	5,943,664	5,530,964	5,278,299
Securities purchased under reverse repurchase agreements		626,696	-	598,307	-
<b>Total securities</b>	<b>6</b>	<b>7,485,129</b>	<b>6,378,838</b>	<b>6,578,237</b>	<b>5,719,607</b>
Business		32,364,019	31,661,809	30,323,885	29,873,815
Residential mortgages		21,710,849	20,801,373	20,063,612	19,062,703
Personal		3,621,624	3,612,853	3,609,794	3,718,350
Credit card		790,174	781,249	748,285	781,836
<b>Total gross loans</b>		<b>58,486,666</b>	<b>56,857,284</b>	<b>54,745,576</b>	<b>53,436,704</b>
Allowance for loan losses	<b>8</b>	(411,820)	(389,205)	(429,048)	(348,941)
<b>Total net loans</b>	<b>7</b>	<b>58,074,846</b>	<b>56,468,079</b>	<b>54,316,528</b>	<b>53,087,763</b>
Derivative financial instruments		961,477	974,299	1,081,995	940,037
Property and equipment		203,026	204,152	206,022	196,665
Software and other intangibles		317,215	327,955	340,363	151,735
Other assets		776,331	823,441	652,825	597,590
<b>Total other assets</b>		<b>2,258,049</b>	<b>2,329,847</b>	<b>2,281,205</b>	<b>1,886,027</b>
<b>Total assets</b>		<b>\$ 68,931,970</b>	<b>\$ 66,918,668</b>	<b>\$ 64,188,246</b>	<b>\$ 62,337,363</b>
Transaction accounts		\$ 15,165,142	\$ 13,687,670	\$ 12,938,390	\$ 12,982,894
Savings accounts		11,492,837	11,265,522	11,018,911	10,277,333
Notice accounts		7,530,929	6,993,418	6,960,790	6,836,820
Non-redeemable fixed-date deposits		10,787,011	10,261,010	10,367,388	10,704,209
Redeemable fixed-date deposits		1,976,881	1,995,850	2,046,560	2,155,916
<b>Total deposits</b>		<b>46,952,800</b>	<b>44,203,470</b>	<b>43,332,039</b>	<b>42,957,172</b>
Securitization liabilities	<b>9</b>	7,096,841	6,606,150	6,550,671	6,577,184
Wholesale borrowings		5,407,869	6,424,190	4,607,377	3,583,352
Derivative financial instruments		861,955	908,590	1,000,614	935,199
Securities sold under repurchase agreements		629,291	922,457	959,291	801,303
Obligations related to securities sold short		287,273	269,425	179,534	154,113
Other liabilities	<b>11</b>	1,786,606	1,806,003	1,876,841	1,747,286
<b>Total other liabilities</b>		<b>16,069,835</b>	<b>16,936,815</b>	<b>15,174,328</b>	<b>13,798,437</b>
<b>Total liabilities</b>		<b>63,022,635</b>	<b>61,140,285</b>	<b>58,506,367</b>	<b>56,755,609</b>
Retained earnings		5,775,119	5,670,384	5,561,077	5,473,784
Accumulated other comprehensive income (loss)		134,216	107,999	120,802	107,970
<b>Total equity</b>		<b>5,909,335</b>	<b>5,778,383</b>	<b>5,681,879</b>	<b>5,581,754</b>
<b>Total liabilities and equity</b>		<b>\$ 68,931,970</b>	<b>\$ 66,918,668</b>	<b>\$ 64,188,246</b>	<b>\$ 62,337,363</b>

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

Signed by:

Curtis Stange

ID7A9832089748C...

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)

(\$ in thousands)	Note	For the three months ended			For the six months ended	
		September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
Loans		\$ 724,564	\$ 694,704	\$ 709,919	\$ 1,419,268	\$ 1,404,653
Securities		47,550	47,146	64,281	94,696	127,273
Interest-bearing deposits with financial institutions		8,767	8,598	23,758	17,365	56,165
<b>Interest income</b>		<b>780,881</b>	<b>750,448</b>	<b>797,958</b>	<b>1,531,329</b>	<b>1,588,091</b>
Deposits		291,011	281,980	343,082	572,991	661,537
Wholesale borrowings		44,326	42,057	40,423	86,383	91,818
Securitization		50,914	47,632	60,576	98,546	128,420
<b>Interest expense</b>		<b>386,251</b>	<b>371,669</b>	<b>444,081</b>	<b>757,920</b>	<b>881,775</b>
<b>Net interest income</b>		<b>394,630</b>	<b>378,779</b>	<b>353,877</b>	<b>773,409</b>	<b>706,316</b>
Wealth management		99,322	94,291	71,419	193,613	140,766
Service charges		27,339	27,526	26,492	54,865	50,794
Card fees		23,271	23,269	22,065	46,540	48,440
Credit fees		19,922	17,496	19,892	37,418	34,060
Financial markets		14,146	13,672	13,557	27,818	34,173
Capital markets		17,508	19,670	14,417	37,178	33,997
Foreign exchange gains (losses)		2,705	8,117	6,775	10,822	6,445
Insurance		4,565	5,165	5,693	9,730	10,668
Net gains (losses) on derivative financial instruments		2,428	(1,275)	78	1,153	(296)
Net gains (losses) on securities		(2,496)	4,463	(8,104)	1,967	(5,622)
Sundry		927	(861)	57	66	105
<b>Other income</b>		<b>209,637</b>	<b>211,533</b>	<b>172,341</b>	<b>421,170</b>	<b>353,530</b>
<b>Total revenue</b>		<b>604,267</b>	<b>590,312</b>	<b>526,218</b>	<b>1,194,579</b>	<b>1,059,846</b>
<b>Provision for (recovery of) loan losses</b>	<b>8</b>	<b>20,329</b>	<b>11,265</b>	<b>18,916</b>	<b>31,594</b>	<b>31,940</b>
Salaries and employee benefits		219,877	220,273	211,796	440,150	431,033
Information technology		57,470	54,344	46,468	111,814	95,694
Premises and occupancy, including depreciation		18,652	18,841	19,383	37,493	37,908
Professional and consulting costs		35,171	29,866	19,265	65,037	38,990
Deposit guarantee fee		16,048	16,058	14,811	32,106	29,553
Equipment, including depreciation		2,490	2,534	2,506	5,024	5,750
Software and other intangibles amortization		19,106	20,021	18,559	39,127	38,585
General and administrative		20,743	20,232	20,137	40,975	40,785
ATB agencies		4,422	4,498	4,362	8,920	8,887
Other		21,472	17,955	13,207	39,427	27,583
<b>Non-interest expense</b>		<b>415,451</b>	<b>404,622</b>	<b>370,494</b>	<b>820,073</b>	<b>754,768</b>
<b>Income before payment in lieu of tax</b>		<b>168,487</b>	<b>174,425</b>	<b>136,808</b>	<b>342,912</b>	<b>273,138</b>
Payment in lieu of tax	<b>10</b>	38,752	40,118	31,466	78,870	62,822
<b>Net income</b>		<b>\$ 129,735</b>	<b>\$ 134,307</b>	<b>\$ 105,342</b>	<b>\$ 264,042</b>	<b>\$ 210,316</b>

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



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

(\$ in thousands)	For the three months ended			For the six months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
<b>Net income</b>	\$ 129,735	\$ 134,307	\$ 105,342	\$ 264,042	\$ 210,316
<b>Other comprehensive income (loss)</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Unrealized net gains (losses) on securities measured at fair value through other comprehensive income (loss)					
Unrealized net gains (losses) arising during the period	9,238	(17,422)	48,329	(8,184)	51,393
Net losses (gains) reclassified to net income	(4,409)	12,646	(52,071)	8,237	(57,019)
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges					
Unrealized net gains (losses) arising during the period	5,773	(24,733)	85,615	(18,960)	88,044
Net losses (gains) reclassified to net income	12,411	14,733	32,931	27,144	76,184
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined-benefit plan liabilities	3,204	1,973	(7,424)	5,177	3,340
<b>Other comprehensive income (loss)</b>	<b>26,217</b>	<b>(12,803)</b>	<b>107,380</b>	<b>13,414</b>	<b>161,942</b>
<b>Comprehensive income (loss)</b>	<b>\$ 155,952</b>	<b>\$ 121,504</b>	<b>\$ 212,722</b>	<b>\$ 277,456</b>	<b>\$ 372,258</b>

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

(\$ in thousands)	For the three months ended			For the six months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
<b>Retained earnings</b>					
Balance at beginning of the period	\$ 5,670,384	\$ 5,561,077	\$ 5,393,442	\$ 5,561,077	\$ 5,313,468
Net income	129,735	134,307	105,342	264,042	210,316
Dividends	(25,000)	(25,000)	(25,000)	(50,000)	(50,000)
<b>Balance at end of the period</b>	<b>5,775,119</b>	<b>5,670,384</b>	<b>5,473,784</b>	<b>5,775,119</b>	<b>5,473,784</b>
<b>Accumulated other comprehensive income (loss)</b>					
<i>Securities measured at fair value through other comprehensive income</i>					
Balance at beginning of the period	59,727	64,503	63,431	64,503	65,315
Other comprehensive income (loss)	4,829	(4,776)	(3,742)	53	(5,626)
<b>Balance at end of the period</b>	<b>64,556</b>	<b>59,727</b>	<b>59,689</b>	<b>64,556</b>	<b>59,689</b>
<i>Derivative financial instruments designated as cash flow hedges</i>					
Balance at beginning of the period	14,798	24,798	(148,076)	24,798	(193,758)
Other comprehensive income (loss)	18,184	(10,000)	118,546	8,184	164,228
<b>Balance at end of the period</b>	<b>32,982</b>	<b>14,798</b>	<b>(29,530)</b>	<b>32,982</b>	<b>(29,530)</b>
<i>Defined-benefit-plan liabilities</i>					
Balance at beginning of the period	33,474	31,501	85,235	31,501	74,471
Other comprehensive income (loss)	3,204	1,973	(7,424)	5,177	3,340
<b>Balance at end of the period</b>	<b>36,678</b>	<b>33,474</b>	<b>77,811</b>	<b>36,678</b>	<b>77,811</b>
<b>Accumulated other comprehensive income (loss)</b>	<b>134,216</b>	<b>107,999</b>	<b>107,970</b>	<b>134,216</b>	<b>107,970</b>
<b>Equity</b>	<b>\$ 5,909,335</b>	<b>\$ 5,778,383</b>	<b>\$ 5,581,754</b>	<b>\$ 5,909,335</b>	<b>\$ 5,581,754</b>

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



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(\$ in thousands)	For the three months ended			For the six months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
<b>Cash flows from operating activities</b>					
Net income	\$ 129,735	\$ 134,307	\$ 105,342	\$ 264,042	\$ 210,316
<i>Adjustments for non-cash items and other items</i>					
Provision for (recovery of) loan losses	20,329	11,265	18,916	31,594	31,940
Depreciation and amortization	30,330	30,706	29,141	61,036	60,437
Net losses (gains) on securities	2,496	(4,463)	8,104	(1,967)	5,622
Losses (gains) on foreign-denominated wholesale borrowings	5,467	(28,499)	(1,571)	(23,032)	6,515
<i>Adjustments for net changes in operating assets and liabilities</i>					
Loans	(1,614,531)	(2,178,286)	(1,276,304)	(3,792,817)	(1,806,004)
Deposits	2,747,299	875,253	843,124	3,622,552	2,355,255
Trading securities	53,748	19,056	(159,377)	72,804	(344,932)
Derivative financial instruments	(15,629)	5,672	17,080	(9,957)	17,558
Prepayments and other receivables	85,866	(175,539)	69,083	(89,673)	(90,166)
Accounts receivable—financial market products	(214)	1,232	(19,840)	1,018	(20,048)
Due to (from) clients, brokers and dealers	(151,069)	60,035	167,483	(91,034)	346,802
Deposit guarantee fee payable	18,230	(50,285)	17,159	(32,055)	(31,019)
Accounts payable and accrued liabilities	91,424	(34,192)	(4,680)	57,232	(150,994)
Accounts payable—financial market products	(63,404)	63,384	2,168	(20)	2,239
Liability for payment in lieu of tax	38,752	(63,712)	31,465	(24,960)	(37,796)
Net interest receivable and payable	(2,045)	(39,081)	3,289	(41,126)	(20,044)
Change in accrued-pension-benefit liability	1,599	(1,571)	(1,711)	28	(853)
Obligations related to securities sold short	17,848	89,891	(79,058)	107,739	154,113
Other	8,088	21,465	(22,623)	29,553	5,738
<b>Net cash provided by (used in) operating activities</b>	<b>1,404,319</b>	<b>(1,263,362)</b>	<b>(252,810)</b>	<b>140,957</b>	<b>694,679</b>
<b>Cash flows from investing activities</b>					
Purchase of securities, other than trading	(3,861,022)	(2,837,831)	(2,931,370)	(6,698,853)	(6,018,320)
Proceeds from sales and maturities of securities, other than trading	2,714,404	3,006,654	2,856,796	5,721,058	6,451,874
Change in interest-bearing deposits with financial institutions	31,683	57,312	24,885	88,995	42,602
Purchases and disposals of property and equipment, software and other intangibles	(18,464)	(16,428)	(15,225)	(34,892)	(26,442)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,133,399)</b>	<b>209,707</b>	<b>(64,914)</b>	<b>(923,692)</b>	<b>449,714</b>
<b>Cash flows from financing activities</b>					
Dividends (Note 11)	-	(25,000)	(25,000)	(25,000)	(50,000)
Issuance of wholesale borrowings	2,045,745	3,892,898	1,199,524	5,938,643	3,450,063
Repayment of wholesale borrowings	(3,094,375)	(2,054,543)	(2,505,645)	(5,148,918)	(4,863,670)
Issuance of securitization liabilities	640,286	385,218	29,213	1,025,504	657,739
Repayment of securitization liabilities	(157,753)	(313,248)	(223,945)	(471,001)	(969,965)
Change in securities sold under repurchase agreements	(293,166)	(36,834)	501,404	(330,000)	659,579
Repayment of lease liabilities	(7,932)	(7,896)	(7,907)	(15,828)	(16,697)
<b>Net cash provided by (used in) financing activities</b>	<b>(867,195)</b>	<b>1,840,595</b>	<b>(1,032,356)</b>	<b>973,400</b>	<b>(1,132,951)</b>
Net increase (decrease) in cash	(596,275)	786,940	(1,350,080)	190,665	11,442
Cash at beginning of the period	1,623,271	836,331	2,854,277	836,331	1,492,755
<b>Cash at end of the period</b>	<b>\$ 1,026,996</b>	<b>\$ 1,623,271</b>	<b>\$ 1,504,197</b>	<b>\$ 1,026,996</b>	<b>\$ 1,504,197</b>
<b>Net cash provided by (used in) operating activities includes:</b>					
Interest paid	\$ (359,313)	\$ (405,790)	\$ (459,736)	\$ (765,103)	\$ (906,458)
Interest received	740,103	754,852	812,373	1,494,955	1,610,025

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 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 November 20, 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:

As at September 30, 2025 (\$ in thousands)	Carrying value					Total 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	
<b>Financial assets</b>						
Cash (1)	\$ -	\$ -	\$ -	\$ -	\$ 1,026,996	\$ 1,026,996
Interest-bearing deposits with financial institutions (1)	-	86,950	-	-	-	86,950
Total cash resources	-	86,950	-	-	1,026,996	1,113,946
Securities	506,617	1,960	6,244,421	105,435	-	6,858,433
Securities purchased under reverse repurchase agreements	-	-	-	-	626,696	626,696
Total securities (1)	506,617	1,960	6,244,421	105,435	626,696	7,485,129
Total net loans (2)	-	-	-	-	58,074,846	58,074,846
Derivative financial instruments	961,477	-	-	-	-	961,477
Other assets (1) (6)	-	-	-	-	670,026	670,026
Total other assets	961,477	-	-	-	670,026	1,631,503
<b>Total financial assets</b>	<b>\$ 1,468,094</b>	<b>\$ 88,910</b>	<b>\$ 6,244,421</b>	<b>\$ 105,435</b>	<b>\$ 60,398,564</b>	<b>\$ 68,305,424</b>
<b>Financial liabilities</b>						
Total deposits (3)	\$ -	\$ -	\$ -	\$ -	\$ 46,952,800	\$ 46,952,800
Securitization liabilities (4)	-	-	-	-	7,096,841	7,096,841
Wholesale borrowings (5)	-	-	-	-	5,407,869	5,407,869
Derivative financial instruments (1)	861,955	-	-	-	-	861,955
Securities sold under repurchase agreements (1)	-	-	-	-	629,291	629,291
Obligations related to securities sold short	287,273	-	-	-	-	287,273
Other liabilities (1) (6) (7)	56,725	-	-	-	1,585,978	1,642,703
Total other liabilities	1,205,953	-	-	-	14,719,979	15,925,932
<b>Total financial liabilities</b>	<b>\$ 1,205,953</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,672,779</b>	<b>\$ 62,878,732</b>

(1) The fair value is estimated to equal carrying value.

(2) The fair value of loans is estimated at \$60,215,811.

(3) The fair value of deposits is estimated at \$46,789,754.

(4) The fair value of securitization liabilities is estimated at \$7,155,616.

(5) The fair value of wholesale borrowings is estimated at \$5,496,074.

(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					Total 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	
<b>Financial assets</b>						
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
<b>Total financial assets</b>	<b>\$ 1,530,888</b>	<b>\$ 176,018</b>	<b>\$ 5,423,040</b>	<b>\$ 107,924</b>	<b>\$ 56,301,722</b>	<b>\$ 63,539,592</b>
<b>Financial liabilities</b>						
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
<b>Total financial liabilities</b>	<b>\$ 1,225,123</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,095,279</b>	<b>\$ 58,320,402</b>

(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 six months ended September 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
<b>September 30, 2025</b>				
<b>Financial assets</b>				
Interest-bearing deposits with financial institutions	\$ -	\$ 86,950	\$ -	\$ 86,950
<i>Securities</i>				
Securities measured at FVTPL	404,919	-	103,658	508,577
Securities measured at FVOCI	6,244,421	-	105,435	6,349,856
<i>Other assets</i>				
Derivative financial instruments	-	961,477	-	961,477
<b>Total financial assets</b>	<b>\$ 6,649,340</b>	<b>\$ 1,048,427</b>	<b>\$ 209,093</b>	<b>\$ 7,906,860</b>
<b>Financial liabilities</b>				
<i>Other liabilities</i>				
Securities measured at FVTPL	\$ 287,273	\$ -	\$ -	\$ 287,273
Derivative financial instruments	-	861,955	-	861,955
Other liabilities	-	-	56,725	56,725
<b>Total financial liabilities</b>	<b>\$ 287,273</b>	<b>\$ 861,955</b>	<b>\$ 56,725</b>	<b>\$ 1,205,953</b>
<b>March 31, 2025</b>				
<b>Financial assets</b>				
Interest-bearing deposits with financial institutions	\$ -	\$ 175,945	\$ -	\$ 175,945
<i>Securities</i>				
Securities measured at FVTPL	350,285	-	98,681	448,966
Securities measured at FVOCI	5,423,040	-	107,924	5,530,964
<i>Other assets</i>				
Derivative financial instruments	-	1,081,995	-	1,081,995
<b>Total financial assets</b>	<b>\$ 5,773,325</b>	<b>\$ 1,257,940</b>	<b>\$ 206,605</b>	<b>\$ 7,237,870</b>
<b>Financial liabilities</b>				
<i>Other liabilities</i>				
Securities measured at FVTPL	\$ 179,534	\$ -	\$ -	\$ 179,534
Derivative financial instruments	-	1,000,614	-	1,000,614
Other liabilities	-	-	44,975	44,975
<b>Total financial liabilities</b>	<b>\$ 179,534</b>	<b>\$ 1,000,614</b>	<b>\$ 44,975</b>	<b>\$ 1,225,123</b>

## 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:

	September 30, 2025			March 31, 2025		
	Range of input values			Range of input values		
	Low	Base	High	Low	Base	High
AUA discount rate	8.3%	7.3%	6.3%	8.9%	7.9%	6.9%
Fair-value of contingent consideration	\$ 55,929	\$ 56,725	\$ 57,520	\$ 43,873	\$ 44,975	\$ 46,085
AUA volatility	30%	25%	20%	30%	25%	20%
Fair-value of contingent consideration	\$ 56,010	\$ 56,725	\$ 57,211	\$ 43,327	\$ 44,975	\$ 45,493

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

Product	Valuation technique	Significant unobservable inputs	September 30, 2025		March 31, 2025	
			Range of input values		Range of input values	
			Low	High	Low	High
Equity	Valuation multiple	Enterprise value/EBITDA multiple	3.5	8.9	3.9	9.8
		Enterprise value/revenue multiple	4.6	6.0	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 securities:

(\$ 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	-	575
Total realized and unrealized gains (losses) included in other comprehensive income	(3,843)	-
Purchases and issuances	1,354	4,402
<b>Fair value as at September 30, 2025</b>	<b>\$ 105,435</b>	<b>\$ 103,658</b>
Change in unrealized gains included in income regarding financial instruments held as at September 30, 2025	\$ -	\$ 575
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
<b>Fair value as at March 31, 2025</b>	<b>\$ 107,924</b>	<b>\$ 98,681</b>
Change in unrealized gains included in income regarding financial instruments held as at March 31, 2025	\$ -	\$ (3,991)

Refer to [Note 14](#) for changes in the fair value of contingent consideration related to the acquisition of BCV.

The consolidated statement of income line item for net gains on securities includes realized and unrealized fair-value movements on all securities 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
<b>September 30, 2025</b>					
<b>Securities measured at FVTPL</b>					
Trading (1)	\$ 5,577	\$ 93,785	\$ 174,045	\$ -	\$ 273,407
Other securities (2)	129,552	-	64,864	40,754	235,170
<b>Total securities measured at FVTPL</b>	<b>\$ 135,129</b>	<b>\$ 93,785</b>	<b>\$ 238,909</b>	<b>\$ 40,754</b>	<b>\$ 508,577</b>
<b>Securities measured at FVOCI</b>					
Investments—issued or guaranteed by the federal, provincial or municipal government	\$ 3,507,446	\$ 2,736,975	\$ -	\$ -	\$ 6,244,421
Other securities (2)	-	-	105,435	-	105,435
<b>Total securities measured at FVOCI</b>	<b>\$ 3,507,446</b>	<b>\$ 2,736,975</b>	<b>\$ 105,435</b>	<b>\$ -</b>	<b>\$ 6,349,856</b>
<b>Securities purchased under reverse repurchase agreements</b>					
Investments—issued or guaranteed by the federal or provincial government	\$ 626,696	\$ -	\$ -	\$ -	\$ 626,696
<b>Total securities purchased under reverse repurchase agreements</b>	<b>\$ 626,696</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 626,696</b>
<b>March 31, 2025</b>					
<b>Securities measured at FVTPL</b>					
Trading (1)	\$ 77,080	\$ 136,594	\$ 132,537	\$ -	\$ 346,211
Other securities (2)	3,998	3	60,263	38,491	102,755
<b>Total securities measured at FVTPL</b>	<b>\$ 81,078</b>	<b>\$ 136,597</b>	<b>\$ 192,800</b>	<b>\$ 38,491</b>	<b>\$ 448,966</b>
<b>Securities measured at FVOCI</b>					
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
<b>Total securities measured at FVOCI</b>	<b>\$ 2,803,822</b>	<b>\$ 2,619,218</b>	<b>\$ 107,924</b>	<b>\$ -</b>	<b>\$ 5,530,964</b>
<b>Securities purchased under reverse repurchase agreements</b>					
Investments—issued or guaranteed by the federal or provincial government	\$ 598,307	\$ -	\$ -	\$ -	\$ 598,307
<b>Total securities purchased under reverse repurchase agreements</b>	<b>\$ 598,307</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 598,307</b>

(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 September 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)	September 30 2025				March 31 2025			
	Performing		Impaired	Total	Performing		Impaired	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Very low risk	\$ 6,769,843	\$ 61,732	\$ -	\$ 6,831,575	\$ 6,182,243	\$ 11,540	\$ -	\$ 6,193,783
Low risk	20,996,299	724,188	-	21,720,487	19,665,125	565,958	-	20,231,083
Medium risk	1,928,325	993,919	-	2,922,244	2,605,901	312,937	-	2,918,838
High risk	196	407,954	-	408,150	4,608	383,759	-	388,367
Not rated (1)	44,410	4,180	-	48,590	43,375	5,124	-	48,499
Impaired	-	-	432,973	432,973	-	-	543,315	543,315
<b>Total business</b>	<b>29,739,073</b>	<b>2,191,973</b>	<b>432,973</b>	<b>32,364,019</b>	<b>28,501,252</b>	<b>1,279,318</b>	<b>543,315</b>	<b>30,323,885</b>
Very low risk	11,013,229	21,239	-	11,034,468	10,201,754	13,947	-	10,215,701
Low risk	7,322,760	33,495	-	7,356,255	6,651,516	35,426	-	6,686,942
Medium risk	2,573,729	52,041	-	2,625,770	2,413,239	59,547	-	2,472,786
High risk	553,679	96,364	-	650,043	515,450	127,173	-	642,623
Not rated (1)	4,379	53	-	4,432	6,402	152	-	6,554
Impaired	-	-	39,881	39,881	-	-	39,006	39,006
<b>Total residential mortgages</b>	<b>21,467,776</b>	<b>203,192</b>	<b>39,881</b>	<b>21,710,849</b>	<b>19,788,361</b>	<b>236,245</b>	<b>39,006</b>	<b>20,063,612</b>
Very low risk	1,641,396	5,253	-	1,646,649	1,618,285	11,664	-	1,629,949
Low risk	1,222,787	15,598	-	1,238,385	1,043,631	182,811	-	1,226,442
Medium risk	505,100	30,875	-	535,975	441,123	111,461	-	552,584
High risk	117,663	42,386	-	160,049	101,950	56,034	-	157,984
Not rated (1)	5,237	209	-	5,446	5,084	876	-	5,960
Impaired	-	-	35,120	35,120	-	-	36,875	36,875
<b>Total personal</b>	<b>3,492,183</b>	<b>94,321</b>	<b>35,120</b>	<b>3,621,624</b>	<b>3,210,073</b>	<b>362,846</b>	<b>36,875</b>	<b>3,609,794</b>
Very low risk	127,956	3,129	-	131,085	116,061	2,353	-	118,414
Low risk	336,506	20,906	-	357,412	313,873	19,992	-	333,865
Medium risk	176,033	31,114	-	207,147	181,423	19,110	-	200,533
High risk	30,569	15,283	-	45,852	31,538	14,080	-	45,618
Not rated (1)	37,959	5,004	-	42,963	37,918	5,998	-	43,916
Impaired	-	-	5,715	5,715	-	-	5,939	5,939
<b>Total credit card</b>	<b>709,023</b>	<b>75,436</b>	<b>5,715</b>	<b>790,174</b>	<b>680,813</b>	<b>61,533</b>	<b>5,939</b>	<b>748,285</b>
<b>Total loans</b>	<b>55,408,055</b>	<b>2,564,922</b>	<b>513,689</b>	<b>58,486,666</b>	<b>52,180,499</b>	<b>1,939,942</b>	<b>625,135</b>	<b>54,745,576</b>
Total allowance for loan losses	(97,364)	(86,028)	(228,428)	(411,820)	(76,502)	(101,034)	(251,512)	(429,048)
<b>Total net loans</b>	<b>\$ 55,310,691</b>	<b>\$ 2,478,894</b>	<b>\$ 285,261</b>	<b>\$ 58,074,846</b>	<b>\$ 52,103,997</b>	<b>\$ 1,838,908</b>	<b>\$ 373,623</b>	<b>\$ 54,316,528</b>

(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)	September 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	\$ 5,359,786	\$ 10,372	\$ -	\$ 5,370,158	\$ 5,249,703	\$ 17,136	\$ -	\$ 5,266,839
Low risk	1,310,914	10,346	-	1,321,260	1,065,542	154,859	-	1,220,401
Medium risk	203,924	3,948	-	207,872	157,180	34,303	-	191,483
High risk	24,291	4,403	-	28,694	21,895	7,966	-	29,861
Not rated (1)	8,385	24	-	8,409	5,070	1,174	-	6,244
<b>Total undrawn loan commitments—retail</b>	<b>6,907,300</b>	<b>29,093</b>	<b>-</b>	<b>6,936,393</b>	<b>6,499,390</b>	<b>215,438</b>	<b>-</b>	<b>6,714,828</b>
Total allowance for loan losses (2)	(17,888)	(2,872)		(20,760)	(15,895)	(4,366)		(20,261)
<b>Total net undrawn—retail</b>	<b>\$ 6,889,412</b>	<b>\$ 26,221</b>	<b>\$ -</b>	<b>\$ 6,915,633</b>	<b>\$ 6,483,495</b>	<b>\$ 211,072</b>	<b>\$ -</b>	<b>\$ 6,694,567</b>
Very low risk	\$ 9,178,837	\$ 102,658	\$ -	\$ 9,281,495	\$ 8,548,050	\$ 43,837	\$ -	\$ 8,591,887
Low risk	11,529,051	237,001	-	11,766,052	10,540,862	341,060	-	10,881,922
Medium risk	476,681	314,201	-	790,882	670,898	113,914	-	784,812
High risk	3,060	85,138	-	88,198	3,378	105,471	-	108,849
Not rated (1)	135,540	3,747	-	139,287	158,914	3,963	-	162,877
<b>Total undrawn loan commitments—non retail</b>	<b>21,323,169</b>	<b>742,745</b>	<b>-</b>	<b>22,065,914</b>	<b>19,922,102</b>	<b>608,245</b>	<b>-</b>	<b>20,530,347</b>
Total allowance for loan losses (2)	(28,478)	(12,066)	-	(40,544)	(19,769)	(15,713)	-	(35,482)
<b>Total net undrawn—non-retail</b>	<b>\$ 21,294,691</b>	<b>\$ 730,679</b>	<b>\$ -</b>	<b>\$ 22,025,370</b>	<b>\$ 19,902,333</b>	<b>\$ 592,532</b>	<b>\$ -</b>	<b>\$ 20,494,865</b>

(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
<b>September 30, 2025</b>						
Up to 1 month (1)	\$ 97,278	\$ 160,098	\$ 45,172	\$ 27,727	\$ 330,275	0.6%
Over 1 month up to 2 months	16,205	24,521	4,170	8,961	53,857	0.1%
Over 2 months up to 3 months	30,682	17,124	7,454	4,401	59,661	0.1%
Over 3 months	4,073	915	275	4,308	9,571	0.0%
<b>Total past due but not impaired</b>	<b>\$ 148,238</b>	<b>\$ 202,658</b>	<b>\$ 57,071</b>	<b>\$ 45,397</b>	<b>\$ 453,364</b>	<b>0.8%</b>
<b>March 31, 2025</b>						
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%
<b>Total past due but not impaired</b>	<b>\$ 124,335</b>	<b>\$ 211,567</b>	<b>\$ 59,477</b>	<b>\$ 48,377</b>	<b>\$ 443,756</b>	<b>0.8%</b>

(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 September 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:

As at	Baseline scenario			Optimistic scenario			Pessimistic scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
<b>September 30, 2025</b>									
GDP (%)	1.9	2.1	2.2	3.4	4.1	3.1	0.3	(0.6)	1.8
Unemployment rate (%)	7.5	7.4	7.1	6.7	5.6	5.2	7.9	9.0	8.8
Housing starts	55,118	48,491	44,848	59,736	58,615	54,910	50,283	38,657	34,818
Oil prices (WTI, USD/barrel)	65	62	63	73	78	79	59	46	47
3m T-bill yield (%)	2.7	2.4	2.3	3.0	3.0	2.9	2.4	1.8	1.7
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>March 31, 2025</b>									
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)
September 30, 2025							
Business	\$ 380,396	\$ 12,324	\$ (4,024)	\$ (1,057)	\$ 387,639	\$ 348,204	\$ 39,435
Residential mortgages	11,493	744	(455)	74	11,856	9,551	2,305
Personal	42,971	3,888	(4,907)	22	41,974	31,893	10,081
Credit card	30,685	3,373	(2,426)	23	31,655	22,172	9,483
Total	\$ 465,545	\$ 20,329	\$ (11,812)	\$ (938)	\$ 473,124	\$ 411,820	\$ 61,304

<b>September 30, 2024</b>							
Business	\$ 323,745	\$ 7,513	\$ (10,375)	\$ (5,665)	\$ 315,218	\$ 285,203	\$ 30,015
Residential mortgages	10,244	74	(215)	211	10,314	9,143	1,171
Personal	37,894	7,374	(4,619)	257	40,906	31,247	9,659
Credit card	30,512	3,955	(3,467)	(4)	30,996	23,348	7,648
<b>Total</b>	<b>\$ 402,395</b>	<b>\$ 18,916</b>	<b>\$ (18,676)</b>	<b>\$ (5,201)</b>	<b>\$ 397,434</b>	<b>\$ 348,941</b>	<b>\$ 48,493</b>

For the six 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)
September 30, 2025							
Business	\$ 401,440	\$ 10,549	\$ (16,400)	\$ (7,950)	\$ 387,639	\$ 348,204	\$ 39,435
Residential mortgages	11,213	1,208	(862)	297	11,856	9,551	2,305
Personal	41,928	11,859	(12,135)	322	41,974	31,893	10,081
Credit card	30,210	7,978	(6,502)	(31)	31,655	22,172	9,483
Total	\$ 484,791	\$ 31,594	\$ (35,899)	\$ (7,362)	\$ 473,124	\$ 411,820	\$ 61,304

<b>September 30, 2024</b>							
Business	\$ 335,963	\$ 13,796	\$ (23,784)	\$ (10,757)	\$ 315,218	\$ 285,203	\$ 30,015
Residential mortgages	9,957	523	(520)	354	10,314	9,143	1,171
Personal	40,730	9,918	(10,205)	463	40,906	31,247	9,659
Credit card	29,816	7,703	(6,519)	(4)	30,996	23,348	7,648
<b>Total</b>	<b>\$ 416,466</b>	<b>\$ 31,940</b>	<b>\$ (41,028)</b>	<b>\$ (9,944)</b>	<b>\$ 397,434</b>	<b>\$ 348,941</b>	<b>\$ 48,493</b>

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

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

For the three months ended (\$ in thousands)	September 30, 2025				September 30, 2024			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for loan losses—business loans</b>								
Balance at beginning of period	\$ 76,190	\$ 101,316	\$ 202,890	\$ 380,396	\$ 80,289	\$ 74,789	\$ 168,667	\$ 323,745
<i>Provision for (recovery of) loan losses</i>								
Transfers into (out of) Stage 1 (1)	3,588	(2,909)	(679)	-	1,074	(1,038)	(36)	-
Transfers into (out of) Stage 2 (1)	(6,601)	6,741	(140)	-	(7,439)	8,177	(738)	-
Transfers into (out of) Stage 3 (1)	(12,269)	(2,368)	14,637	-	(530)	(11,483)	12,013	-
New originations (2)	31,379	-	-	31,379	12,285	-	-	12,285
Repayments (3)	(4,926)	(11,041)	(715)	(16,682)	(4,565)	(5,622)	(816)	(11,003)
Remeasurements (4)	11,106	(10,663)	(2,816)	(2,373)	(4,546)	16,426	(5,649)	6,231
<b>Total provision for (recovery of) loan losses</b>	<b>22,277</b>	<b>(20,240)</b>	<b>10,287</b>	<b>12,324</b>	<b>(3,721)</b>	<b>6,460</b>	<b>4,774</b>	<b>7,513</b>
Write-offs	-	-	(4,625)	(4,625)	-	-	(10,866)	(10,866)
Recoveries	-	-	601	601	-	-	491	491
Discounted cash flows on impaired loans and other	156	52	(1,265)	(1,057)	(54)	(9)	(5,602)	(5,665)
<b>Balance at end of period</b>	<b>\$ 98,623</b>	<b>\$ 81,128</b>	<b>\$ 207,888</b>	<b>\$ 387,639</b>	<b>\$ 76,514</b>	<b>\$ 81,240</b>	<b>\$ 157,464</b>	<b>\$ 315,218</b>
<b>Allowance for loan losses—residential mortgages</b>								
Balance at beginning of period	\$ 7,777	\$ 2,597	\$ 1,119	\$ 11,493	\$ 6,507	\$ 2,250	\$ 1,487	\$ 10,244
<i>Provision for (recovery of) loan losses</i>								
Transfers into (out of) Stage 1 (1)	356	(246)	(110)	-	485	(340)	(145)	-
Transfers into (out of) Stage 2 (1)	(47)	142	(95)	-	(89)	248	(159)	-
Transfers into (out of) Stage 3 (1)	(1)	(44)	45	-	(3)	(92)	95	-
New originations (2)	92	-	-	92	139	-	-	139
Repayments (3)	(46)	(33)	(38)	(117)	(65)	(25)	(50)	(140)
Remeasurements (4)	(54)	332	491	769	(360)	470	(35)	75
<b>Total provision for (recovery of) loan losses</b>	<b>300</b>	<b>151</b>	<b>293</b>	<b>744</b>	<b>107</b>	<b>261</b>	<b>(294)</b>	<b>74</b>
Write-offs	-	-	(499)	(499)	-	-	(254)	(254)
Recoveries	-	-	44	44	-	-	39	39
Discounted cash flows on impaired loans and other	-	-	74	74	-	-	211	211
<b>Balance at end of period</b>	<b>\$ 8,077</b>	<b>\$ 2,748</b>	<b>\$ 1,031</b>	<b>\$ 11,856</b>	<b>\$ 6,614</b>	<b>\$ 2,511</b>	<b>\$ 1,189</b>	<b>\$ 10,314</b>

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.

(2) New originations relate to new loans recognized during the period.

(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.

(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.

For the three months ended (\$ in thousands)		September 30, 2025				September 30, 2024			
		Performing		Impaired		Performing		Impaired	
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for loan losses—personal loans</b>									
Balance at beginning of period		\$ 19,322	\$ 7,081	\$ 16,568	\$ 42,971	\$ 19,122	\$ 6,031	\$ 12,741	\$ 37,894
<i>Provision for (recovery of) loan losses</i>									
Transfers into (out of) Stage 1 (1)		5,972	(5,629)	(343)	-	3,857	(3,571)	(286)	-
Transfers into (out of) Stage 2 (1)		(335)	504	(169)	-	(745)	1,086	(341)	-
Transfers into (out of) Stage 3 (1)		(178)	(823)	1,001	-	(325)	(1,152)	1,477	-
New originations (2)		1,211	-	-	1,211	1,335	-	-	1,335
Repayments (3)		(477)	(222)	(122)	(821)	(494)	(208)	(110)	(812)
Remeasurements (4)		(3,533)	2,986	4,045	3,498	(2,821)	4,219	5,453	6,851
<b>Total provision for (recovery of) loan losses</b>		<b>2,660</b>	<b>(3,184)</b>	<b>4,412</b>	<b>3,888</b>	<b>807</b>	<b>374</b>	<b>6,193</b>	<b>7,374</b>
Write-offs		-	-	(4,930)	(4,930)	-	-	(4,669)	(4,669)
Recoveries		-	-	23	23	-	-	50	50
Discounted cash flows on impaired loans and other		-	-	22	22	-	-	257	257
<b>Balance at end of period</b>		<b>\$ 21,982</b>	<b>\$ 3,897</b>	<b>\$ 16,095</b>	<b>\$ 41,974</b>	<b>\$ 19,929</b>	<b>\$ 6,405</b>	<b>\$ 14,572</b>	<b>\$ 40,906</b>
<b>Allowance for loan losses—credit card</b>									
Balance at beginning of period		\$ 14,945	\$ 12,976	\$ 2,764	\$ 30,685	\$ 15,367	\$ 12,724	\$ 2,421	\$ 30,512
<i>Provision for (recovery of) loan losses</i>									
Transfers into (out of) Stage 1 (1)		4,790	(4,790)	-	-	3,560	(3,560)	-	-
Transfers into (out of) Stage 2 (1)		(561)	561	-	-	(440)	440	-	-
Transfers into (out of) Stage 3 (1)		(40)	(646)	686	-	(33)	(544)	577	-
New originations (2)		315	-	-	315	170	-	-	170
Repayments (3)		(121)	(844)	-	(965)	(123)	(703)	-	(826)
Remeasurements (4)		(4,292)	5,931	2,384	4,023	(4,266)	5,324	3,553	4,611
<b>Total provision for (recovery of) loan losses</b>		<b>91</b>	<b>212</b>	<b>3,070</b>	<b>3,373</b>	<b>(1,132)</b>	<b>957</b>	<b>4,130</b>	<b>3,955</b>
Write-offs		-	-	(5,365)	(5,365)	-	-	(5,763)	(5,763)
Recoveries		-	-	2,939	2,939	-	-	2,296	2,296
Discounted cash flows on impaired loans and other		12	5	6	23	(5)	(2)	3	(4)
<b>Balance at end of period</b>		<b>\$ 15,048</b>	<b>\$ 13,193</b>	<b>\$ 3,414</b>	<b>\$ 31,655</b>	<b>\$ 14,230</b>	<b>\$ 13,679</b>	<b>\$ 3,087</b>	<b>\$ 30,996</b>
<b>Total balance as at end of period</b>		<b>\$ 143,730</b>	<b>\$ 100,966</b>	<b>\$ 228,428</b>	<b>\$ 473,124</b>	<b>\$ 117,287</b>	<b>\$ 103,835</b>	<b>\$ 176,312</b>	<b>\$ 397,434</b>
Comprises:	Loans	\$ 97,364	\$ 86,028	\$ 228,428	\$ 411,820	\$ 84,368	\$ 88,261	\$ 176,312	\$ 348,941
	Other credit instruments (5)	46,366	14,938	-	61,304	32,919	15,574	-	48,493

(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.

For the six months ended (\$ in thousands)	September 30, 2025				September 30, 2024			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for loan losses—business loans</b>								
Balance at beginning of period	\$ 73,006	\$ 97,256	\$ 231,178	\$ 401,440	\$ 79,036	\$ 82,741	\$ 174,186	\$ 335,963
<i>Provision for (recovery of) loan losses</i>								
Transfers into (out of) Stage 1 (1)	5,880	(5,111)	(769)	-	4,119	(3,953)	(166)	-
Transfers into (out of) Stage 2 (1)	(16,182)	16,572	(390)	-	(19,440)	20,222	(782)	-
Transfers into (out of) Stage 3 (1)	(20,182)	(2,653)	22,835	-	(1,727)	(11,949)	13,676	-
New originations (2)	63,609	-	-	63,609	29,571	-	-	29,571
Repayments (3)	(12,005)	(29,903)	(15,018)	(56,926)	(8,104)	(12,402)	(1,026)	(21,532)
Remeasurements (4)	4,610	5,045	(5,789)	3,866	(6,933)	6,596	6,094	5,757
<b>Total provision for (recovery of) loan losses</b>	<b>25,730</b>	<b>(16,050)</b>	<b>869</b>	<b>10,549</b>	<b>(2,514)</b>	<b>(1,486)</b>	<b>17,796</b>	<b>13,796</b>
Write-offs	-	-	(17,913)	(17,913)	-	-	(24,648)	(24,648)
Recoveries	-	-	1,513	1,513	-	-	864	864
Discounted cash flows on impaired loans and other	(113)	(78)	(7,759)	(7,950)	(8)	(15)	(10,734)	(10,757)
<b>Balance at end of period</b>	<b>\$ 98,623</b>	<b>\$ 81,128</b>	<b>\$ 207,888</b>	<b>\$ 387,639</b>	<b>\$ 76,514</b>	<b>\$ 81,240</b>	<b>\$ 157,464</b>	<b>\$ 315,218</b>
<b>Allowance for loan losses—residential mortgages</b>								
Balance at beginning of period	\$ 6,879	\$ 3,125	\$ 1,209	\$ 11,213	\$ 5,887	\$ 2,711	\$ 1,359	\$ 9,957
<i>Provision for (recovery of) loan losses</i>								
Transfers into (out of) Stage 1 (1)	887	(657)	(230)	-	1,018	(723)	(295)	-
Transfers into (out of) Stage 2 (1)	(81)	245	(164)	-	(157)	375	(218)	-
Transfers into (out of) Stage 3 (1)	(3)	(111)	114	-	(4)	(211)	215	-
New originations (2)	156	-	-	156	222	-	-	222
Repayments (3)	(90)	(68)	(100)	(258)	(104)	(46)	(156)	(306)
Remeasurements (4)	329	214	767	1,310	(248)	405	450	607
<b>Total provision for (recovery of) loan losses</b>	<b>1,198</b>	<b>(377)</b>	<b>387</b>	<b>1,208</b>	<b>727</b>	<b>(200)</b>	<b>(4)</b>	<b>523</b>
Write-offs	-	-	(932)	(932)	-	-	(595)	(595)
Recoveries	-	-	70	70	-	-	75	75
Discounted cash flows on impaired loans and other	-	-	297	297	-	-	354	354
<b>Balance at end of period</b>	<b>\$ 8,077</b>	<b>\$ 2,748</b>	<b>\$ 1,031</b>	<b>\$ 11,856</b>	<b>\$ 6,614</b>	<b>\$ 2,511</b>	<b>\$ 1,189</b>	<b>\$ 10,314</b>

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.

(2) New originations relate to new loans recognized during the period.

(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.

(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters.

For the six months ended (\$ in thousands)		September 30, 2025				September 30, 2024			
		Performing		Impaired		Performing		Impaired	
		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)		10,775	(9,833)	(942)	-	7,682	(6,895)	(787)	-
Transfers into (out of) Stage 2 (1)		(975)	1,493	(518)	-	(1,393)	1,979	(586)	-
Transfers into (out of) Stage 3 (1)		(373)	(1,628)	2,001	-	(598)	(2,202)	2,800	-
New originations (2)		2,265	-	-	2,265	2,311	-	-	2,311
Repayments (3)		(910)	(495)	(242)	(1,647)	(961)	(443)	(317)	(1,721)
Remeasurements (4)		(7,100)	6,318	12,023	11,241	(9,595)	6,941	11,982	9,328
Total provision for (recovery of) loan losses		3,682	(4,145)	12,322	11,859	(2,554)	(620)	13,092	9,918
Write-offs		-	-	(12,182)	(12,182)	-	-	(10,279)	(10,279)
Recoveries		-	-	47	47	-	-	74	74
Discounted cash flows on impaired loans and other		-	-	322	322	-	-	463	463
Balance at end of period		\$ 21,982	\$ 3,897	\$ 16,095	\$ 41,974	\$ 19,929	\$ 6,405	\$ 14,572	\$ 40,906
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)		9,098	(9,098)	-	-	6,698	(6,698)	-	-
Transfers into (out of) Stage 2 (1)		(1,088)	1,088	-	-	(835)	835	-	-
Transfers into (out of) Stage 3 (1)		(72)	(1,143)	1,215	-	(63)	(889)	952	-
New originations (2)		639	-	-	639	407	-	-	407
Repayments (3)		(251)	(2,298)	-	(2,549)	(234)	(1,868)	-	(2,102)
Remeasurements (4)		(7,244)	11,964	5,168	9,888	(7,187)	10,631	5,954	9,398
Total provision for (recovery of) loan losses		1,082	513	6,383	7,978	(1,214)	2,011	6,906	7,703
Write-offs		-	-	(12,902)	(12,902)	-	-	(11,817)	(11,817)
Recoveries		-	-	6,400	6,400	-	-	5,298	5,298
Discounted cash flows on impaired loans and other		(15)	(10)	(6)	(31)	(3)	(2)	1	(4)
Balance at end of period		\$ 15,048	\$ 13,193	\$ 3,414	\$ 31,655	\$ 14,230	\$ 13,679	\$ 3,087	\$ 30,996
Total balance as at end of period		\$ 143,730	\$ 100,966	\$ 228,428	\$ 473,124	\$ 117,287	\$ 103,835	\$ 176,312	\$ 397,434
Comprises:	Loans	\$ 97,364	\$ 86,028	\$ 228,428	\$ 411,820	\$ 84,368	\$ 88,261	\$ 176,312	\$ 348,941
	Other credit instruments (5)	46,366	14,938	-	61,304	32,919	15,574	-	48,493

(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 and Pledged Assets

### 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 September 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)	September 30 2025	March 31 2025
Principal value of mortgages pledged as collateral	\$ 6,587,063	\$ 6,148,215
ATB mortgage-backed securities pledged as collateral through repurchase agreements	376,424	276,980
Principal value of credit card receivables pledged as collateral	746,386	678,049
Principal value of equipment finance receivables pledged as collateral	14,579	20,477
Principal value of agricultural loans under synthetic securitization	750,000	750,000
<b>Total</b>	<b>\$ 8,474,452</b>	<b>\$ 7,873,721</b>
<b>Associated liabilities</b>	<b>\$ 7,096,841</b>	<b>\$ 6,550,671</b>

## 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 and six months ended September 30, 2025, ATB has accrued a total of \$38.8 million and \$78.9 million, respectively (September 30, 2024: \$31.5 million and \$62.8 million, respectively) for PILOT.

## 11 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the three and six months ended September 30, 2025, ATB declared dividends of \$25.0 million and \$50.0 million respectively (September 30, 2024: \$25.0 million and \$50.0 million, respectively). As at September 30, 2025, \$25.0 million was included in other liabilities in the interim condensed consolidated statement of financial position and was subsequently paid on October 2, 2025.

Subsequent to September 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 both 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 September 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)	September 30 2025	March 31 2025
<b>Tier 1 capital</b>		
Retained earnings	\$ 5,775,119	\$ 5,561,077
<b>Tier 2 capital</b>		
<i>Eligible portions of:</i>		
Wholesale borrowings	1,355,645	1,346,735
Collective allowance for loan losses	244,696	233,279
<b>Total Tier 2 capital</b>	<b>\$ 1,600,341</b>	<b>\$ 1,580,014</b>
<i>Deductions from capital</i>		
Software and other intangibles	317,215	340,363
<b>Total capital</b>	<b>\$ 7,058,245</b>	<b>\$ 6,800,728</b>
Total risk-weighted assets	\$ 47,904,951	\$ 45,492,743
<b>Risk-weighted capital ratios</b>		
Tier 1 capital ratio	12.1%	12.2%
Total capital ratio	14.8%	14.9%

## 13 Segmented Information

ATB has organized our operations and activities around the following three AOE's, 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 AOE's 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 AOE's 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 AOE's as incurred. Certain indirect expenses are allocated to ATB Wealth on the basis of service-level agreements. Other indirect costs are allocated between the reporting segments using indirect allocation methods that incorporate financial and activity-based cost drivers. Indirect expenses that are not allocated and direct expenses of a corporate or support nature are reported under SSUs.

For the three months ended (\$ in thousands)	Everyday Financial Services	ATB Business	ATB Wealth (2)	Strategic support units	Total
<b>September 30, 2025</b>					
Net interest income (loss)	\$ 166,773	\$ 205,420	\$ 10,693	\$ 11,744	\$ 394,630
Other income (loss)	43,017	68,303	100,846	(2,529)	209,637
Total revenue (loss)	209,790	273,723	111,539	9,215	604,267
Provision for (recovery of) loan losses	7,265	12,313	(43)	794	20,329
Non-interest expense (1)	152,872	145,773	96,334	20,472	415,451
Income (loss) before payment in lieu of tax	49,653	115,637	15,248	(12,051)	168,487
Payment in lieu of (recovery of) tax	11,420	26,596	3,507	(2,771)	38,752
<b>Net income (loss)</b>	<b>\$ 38,233</b>	<b>\$ 89,041</b>	<b>\$ 11,741</b>	<b>\$ (9,280)</b>	<b>\$ 129,735</b>
Total assets	\$ 34,144,876	\$ 33,621,726	\$ 1,150,779	\$ 14,589	\$ 68,931,970
Total liabilities	21,425,336	23,830,447	1,259,874	16,506,978	63,022,635
<b>June 30, 2025</b>					
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
<b>Net income (loss)</b>	<b>\$ 32,702</b>	<b>\$ 94,131</b>	<b>\$ 4,324</b>	<b>\$ 3,150</b>	<b>\$ 134,307</b>
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
<b>September 30, 2024</b>					
Net interest income (loss)	\$ 144,465	\$ 192,058	\$ 10,484	\$ 6,870	\$ 353,877
Other income (loss)	42,196	64,410	72,749	(7,014)	172,341
Total revenue (loss)	186,661	256,468	83,233	(144)	526,218
Provision for (recovery of) loan losses	13,039	4,377	395	1,105	18,916
Non-interest expense (1)	138,752	142,833	80,216	8,693	370,494
Income (loss) before payment in lieu of tax	34,870	109,258	2,622	(9,942)	136,808
Payment in lieu of (recovery of) tax	8,020	25,128	604	(2,286)	31,466
<b>Net income (loss)</b>	<b>\$ 26,850</b>	<b>\$ 84,130</b>	<b>\$ 2,018</b>	<b>\$ (7,656)</b>	<b>\$ 105,342</b>
Total assets	\$ 31,730,754	\$ 29,177,557	\$ 1,401,306	\$ 27,746	\$ 62,337,363
Total liabilities	19,962,413	20,766,123	1,500,782	14,526,291	56,755,609

(1) Certain costs are allocated from the SSUs to the AOE's. 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 within the ATB Wealth segment from the closing date, which impacted results, balances and ratios for the period. For further details refer to [Note 14](#).

<i>For the six months ended (\$ in thousands)</i>	<b>Everyday Financial Services</b>	<b>ATB Business</b>	<b>ATB Wealth (2)</b>	<b>Strategic support units</b>	<b>Total</b>
<b>September 30, 2025</b>					
Net interest income (loss)	\$ 322,874	\$ 405,120	\$ 21,050	\$ 24,365	\$ 773,409
Other income (loss)	86,576	134,400	196,422	3,772	421,170
Total revenue (loss)	409,450	539,520	217,472	28,137	1,194,579
Provision for (recovery of) loan losses	18,487	9,911	1,355	1,841	31,594
Non-interest expense (1)	298,840	291,724	195,253	34,256	820,073
Income (loss) before payment in lieu of tax	92,123	237,885	20,864	(7,960)	342,912
Payment in lieu of (recovery of) tax	21,188	54,713	4,799	(1,830)	78,870
<b>Net income (loss)</b>	<b>\$ 70,935</b>	<b>\$ 183,172</b>	<b>\$ 16,065</b>	<b>\$ (6,130)</b>	<b>\$ 264,042</b>
<b>September 30, 2024</b>					
Net interest income (loss)	\$ 287,527	\$ 396,041	\$ 21,221	\$ 1,527	\$ 706,316
Other income (loss)	82,459	137,045	143,193	(9,167)	353,530
Total revenue (loss)	369,986	533,086	164,414	(7,640)	1,059,846
Provision for (recovery of) loan losses	19,167	10,261	234	2,278	31,940
Non-interest expense (1)	281,972	286,370	163,298	23,128	754,768
Income (loss) before payment in lieu of tax	68,847	236,455	882	(33,046)	273,138
Payment in lieu of (recovery of) tax	15,835	54,383	204	(7,600)	62,822
<b>Net income (loss)</b>	<b>\$ 53,012</b>	<b>\$ 182,072</b>	<b>\$ 678</b>	<b>\$ (25,446)</b>	<b>\$ 210,316</b>

(1) Certain costs are allocated from the SSUs to the AOE's. 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 within the ATB Wealth segment from the closing date, which impacted results, balances and ratios for the period. For further details refer to [Note 14](#).

## 14 Business Combination

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

ATB used the acquisition method to account for the purchase. The valuation of all assets acquired, liabilities assumed and purchase consideration transferred was finalized during FY2026 Q2.

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
<b>Assets</b>	
Cash	\$ 15,927
Current assets	11,979
Property and equipment	1,700
Right-of-use assets	2,407
Intangible assets	121,900
<b>Total assets</b>	<b>\$ 153,913</b>
<b>Liabilities</b>	
Current liabilities (excluding current portion of long-term debt)	\$ 16,289
Assumed liabilities	26,012
Lease liabilities	3,275
<b>Total liabilities</b>	<b>\$ 45,576</b>
<b>Total identifiable net assets at fair value</b>	<b>\$ 108,337</b>
<b>Goodwill arising on acquisition</b>	<b>\$ 86,667</b>
<b>Purchase consideration transferred</b>	<b>\$ 195,004</b>

The following table reconciles the purchase consideration to enterprise value:

As at (\$ in thousands)	November 25 2024
<b>Purchase consideration:</b>	
Cash consideration	\$ 160,000
Closing working capital adjustment	114
Closing cash adjustment	15,927
Closing indebtedness	(26,012)
Contingent consideration liability	44,975
<b>Total consideration</b>	<b>\$ 195,004</b>
Closing indebtedness	26,012
Closing cash	(15,927)
<b>Enterprise value</b>	<b>\$ 205,089</b>

The following table summarizes the net cash flow on acquisition:

As at (\$ in thousands)	November 25 2024
<b>Analysis of cash flows on acquisition:</b>	
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)	15,927
Cash paid (included in cash flows from investing activities)	(157,951)
<b>Net cash flow on acquisition</b>	<b>\$ (145,334)</b>

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 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 NIE 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 September 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 AUA.

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

As at September 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 September 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 profit or loss	11,750
<b>Fair value as at September 30, 2025</b>	<b>\$ 56,725</b>
Fair value as at April 1, 2024	\$ -
Liability arising on business combination	44,975
<b>Fair value as at March 31, 2025</b>	<b>\$ 44,975</b>

## 15 Subsequent Events

### Strategic Partnership with Essex Lease Financial Corporation

On October 31, 2025, ATB successfully entered into a strategic partnership with Essex Lease Financial Corporation (Essex) to transfer the servicing and administration responsibilities of ATB's Capital Asset Financing portfolio to Essex. To securitize the transaction, a significant portion of the loans and leases were transferred to a special purpose vehicle (SPV) structured as a trust. In exchange, ATB received debt and equity notes issued by the SPV and concurrently transferred to Essex \$18 million of equity notes in exchange for a 15% equity interest in Essex. ATB retains significant ongoing economic interest in the underlying loans and leases of the portfolio and, under IFRS Accounting Standards, the loans will continue to be recognized on the consolidated financial statements of ATB.

### 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 December 2025.

## Synthetic Securitization

On November 18, 2025, ATB entered into an agreement under its existing Credit Risk Transfer program (See [Note 9](#)) to purchase total credit protection of \$108.0 million against eligible credit events referencing a \$600.0 million energy loan portfolio. As a result of this transaction, ATB issued an additional \$90.0 million of interest-bearing guarantee linked notes to third-party investors and has purchased an additional \$18.0 million of unfunded protection (or non-payment insurance). The guarantee linked notes are fully secured by \$90.0 million of cash collateral, as funds in the amount of the guarantee are received on issuance. The loans will remain on ATB's consolidated statement of financial position and will not be transferred as they do not qualify for derecognition.

## 16 Comparative Amounts

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



# GLOSSARY

(Unaudited)

<b>Achievement note</b>	A long-term investment note whose return is directly tied to the increasing or decreasing value of ATB Wealth.
<b>Allowance for loan losses</b>	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.
<b>Assets under administration</b>	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.
<b>Average assets</b>	The average of the daily total asset balances during the period.
<b>Average interest-earning assets</b>	The daily average for the period of cash held in the Bank of Canada's large-value transfer system, deposits with financial institutions, securities and net loans.
<b>Average risk-weighted assets</b>	The monthly average value of assets calculated by applying a prescribed risk-weighted factor to on- and off-balance-sheet asset exposures.
<b>Basis point</b>	One one-hundredth of one percent (0.01%).
<b>Carrying value</b>	The net value of an asset or liability as reported within the consolidated financial statements.
<b>Collateral</b>	Assets pledged as security for a loan or other obligation.
<b>Credit risk</b>	The risk of financial loss resulting from failure of a debtor, for whatever reason, to fully honour its financial or contractual obligations to ATB.
<b>Derivative or derivative contract</b>	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.
<b>Efficiency ratio</b>	Non-interest expense for the period divided by total revenue for the period. May be referred to as the "productivity ratio" by other financial institutions.
<b>Embedded derivative</b>	A component of a financial instrument or other contract with features similar to a derivative.
<b>Fair value</b>	The amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's-length transaction.
<b>Financial instrument</b>	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.
<b>Foreign exchange forward contract</b>	A commitment to buy or sell a fixed amount of foreign currency on a future specified date at a set rate of exchange.
<b>Foreign exchange risk</b>	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.
<b>Forwards and futures</b>	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.
<b>Funds transfer pricing (FTP)</b>	An internal allocation process used to calculate the profitability of the areas of expertise and isolate them from interest rate risk.
<b>Guarantee linked note</b>	A financial instrument used to transfer credit risk from the issuer (in other words, the protection buyer) to an investor (in other words, the protection seller). It is backed by a single asset, a basket of assets or a whole loan portfolio originated by the issuer. The investor purchases the guarantee linked note at (typically) par value and in return receives periodic coupon payments (typically floating, but could be fixed) and the face value of the asset at maturity, minus losses (or write-downs) incurred from the underlying portfolio.
<b>Hedging</b>	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.
<b>Impaired loan</b>	A loan for which there is no longer reasonable assurance of the timely collection of principal or interest.
<b>Income before provisions</b>	All ATB revenue (operating revenue) minus non-interest expense (operating expenses). Does not include payment in lieu of tax or loan loss provision expenses.

<b>Interest rate floor</b>	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.
<b>Interest rate risk</b>	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.
<b>Letter of credit</b>	ATB's guarantee of payment to an interested third party in the event the client defaults on an agreement.
<b>Letter of guarantee</b>	A contract issued by ATB for a client to purchase goods from a supplier, even if the client defaults.
<b>Liquidity coverage ratio (LCR)</b>	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%.
<b>Liquidity risk</b>	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.
<b>Loan loss provision (LLP)</b>	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.
<b>Loan losses to average loans</b>	The provision for loan losses divided by average net loans.
<b>Loss given default (LGD)</b>	The loss incurred when a borrower defaults on a loan. This is typically a percentage of the exposure at risk that is not expected to be recovered in the event of default.
<b>Market risk</b>	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.
<b>Mortgage-backed securities (MBS)</b>	Securities established through the securitization of residential mortgage loans.
<b>Net assets gathered</b>	Net of assets inflows and outflows at period-end.
<b>Net income (NI)</b>	Income after the removal of expenses, provision for loan losses and payment in lieu of tax.
<b>Net interest income (NII)</b>	The difference between interest earned on assets, such as cash, securities and loans, and interest paid on liabilities, such as deposits, wholesale borrowings and securitization liabilities.
<b>Net interest margin (NIM)</b>	The ratio of net interest income for the period to the value of average interest-earning assets for the period.
<b>Net loan change</b>	Net loans outstanding at period-end less net loans outstanding at the previous period-end, divided by net loans outstanding at the previous period-end.
<b>Net loans</b>	Gross loans less the allowance for loan losses.
<b>Notional amount</b>	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.
<b>Off-balance-sheet instruments</b>	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.
<b>Operational risk</b>	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.
<b>Option</b>	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.
<b>Other income to total revenue</b>	Other income for the period divided by total revenue for the period.
<b>Performing loan change</b>	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.
<b>Performing loans</b>	Net loans, excluding impaired loans.
<b>Provision for loan losses (LLP)</b>	See "loan loss provision."
<b>Regulatory risk</b>	The risk of non-compliance with applicable regulatory requirements: (a) the <i>ATB Act</i> and <i>ATB Regulation</i> and guidelines, and (b) other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which we operate.
<b>Reputational risk</b>	The potential that negative stakeholder impressions, whether true or not, regarding ATB's business practices, actions or inaction will or may cause deterioration in ATB's value, brand, liquidity, client base or relationship with our Shareholder.

<b>Return on average assets</b>	Net income for the period divided by average total assets for the period.
<b>Return on average risk-weighted assets</b>	Net income for the period divided by average risk-weighted assets for the period.
<b>Securities purchased under reverse repurchase agreements</b>	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.
<b>Securities sold under repurchase agreements</b>	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.
<b>Securitization</b>	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.
<b>Standby fees</b>	Fees charged monthly, quarterly or annually to a client based on the average unused portion of its loan commitment. Standby fees can arise on any loan, including syndicated loans.
<b>Swaps</b>	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.
<b>Tier 1 capital</b>	A measure of retained earnings used to determine regulatory ratios set out by our regulator, the Alberta Superintendent of Financial Institutions.
<b>Tier 1 capital ratio</b>	Tier 1 capital divided by risk-weighted assets.
<b>Total asset change</b>	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 period-to-date change, it is the change in net assets recorded during the period.
<b>Total capital</b>	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.
<b>Total capital ratio</b>	Total capital divided by risk-weighted assets.
<b>Total deposit change</b>	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.
<b>Total expense change</b>	The current period's non-interest expense less the previous period's non-interest expense, divided by the previous period's non-interest expense.
<b>Total revenue</b>	The sum of net interest income and other income.

## ACRONYMS

(Unaudited)

<b>AOCI</b>	Accumulated other comprehensive income
<b>AOE</b>	Area of expertise
<b>ASFI</b>	Alberta Superintendent of Financial Institutions
<b>AUA</b>	Assets under administration
<b>BRR</b>	Borrower risk rating
<b>CAR Guideline</b>	<i>Capital Adequacy Requirements</i> Guideline
<b>CMB</b>	Canada Mortgage Bonds
<b>CMHC</b>	Canada Mortgage Housing Corporation
<b>EBITDA</b>	Earnings before interest, income tax, depreciation and amortization
<b>ECL</b>	Expected credit loss
<b>EFS</b>	Everyday Financial Services
<b>FICO</b>	Fair Isaac Corporation
<b>FTP</b>	Funds transfer pricing
<b>FVOCI</b>	Fair value through other comprehensive income

<b>FVTPL</b>	Fair value through profit or loss
<b>FX</b>	Foreign exchange
<b>FY</b>	Fiscal year (e.g., FY2026)
<b>GDP</b>	Gross domestic product
<b>GoA</b>	Government of Alberta
<b>HELOC</b>	Home equity line of credit
<b>IAS</b>	International Accounting Standard
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>LCR</b>	Liquidity coverage ratio
<b>LLP</b>	Loan loss provision (also "provision for loan losses")
<b>MBS</b>	Mortgage-backed security
<b>MD&amp;A</b>	Management's discussion and analysis
<b>NI</b>	Net income
<b>NIE</b>	Non-interest expense
<b>NII</b>	Net interest income
<b>NIM</b>	Net interest margin
<b>OI</b>	Other income
<b>OSFI</b>	Office of the Superintendent of Financial Institutions
<b>PILOT</b>	Payment in lieu of tax
<b>RML</b>	Residential mortgage loan
<b>SSU</b>	Strategic support unit
<b>WTI</b>	West Texas Intermediate