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ATB Financial[®]

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More people. More branches. More face-to-face.

Business Plan 2004-2007

ATB Financial[®]

Our Vision: Alberta's first choice for financial services.
Personal and Business. Investor Services. Energy and Commercial.

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John Sidhu Senior Customer Service Representative, Calgary Sunridge

More people. More branches. More face-to-face.

In these days of tough competition, successful businesses must find a way to set themselves apart from others. That means offering services that are unmatched by the competition – services that build customers' trust and keep them coming back.

At ATB Financial, what sets us apart is our commitment to personal service. We fulfill that commitment by providing more people to serve our customers, more branches close to where people live and work, and more face-to-face service whenever our customers want to talk with someone about important financial decisions.

More people, more branches, more face-to-face isn't just a nice slogan. It's what our customers want. It's how we do business. It's what sets us apart from all other players in the financial services arena. And it's the foundation of our efforts as we move forward over the next three years.

Personal and Business Banking will continue to be the core of ATB's business. Our commitment to customer service means that every customer will feel welcomed, understood, helped, appreciated, and respected every time they deal with ATB Financial. We call this the WUHAR experience and it's at the heart of how we treat each and every one of our customers. Our plans call for building more branches in Calgary and Edmonton, introducing new technology for our front-line staff so they can serve our customers better, improving efficiency and streamlining services, and increasing our sales efforts.

Energy and Commercial Banking is an expanded component of our business and it has shown tremendous growth potential over the past couple of years. As part of this business plan, work will be focused on specializing our services to match industry needs, deploying a strong management

team with dedicated industry expertise, and proactively marketing our services to many sectors of Alberta's economy.

ATB Investor Services is the third key component of ATB's business. Today's financial institutions are much more than places where people deposit their cheques and withdraw funds to pay their bills. Successful financial institutions must help their customers invest wisely and grow their portfolios. In the past, this was a gap in ATB's service and we have worked hard over the past two years to build a highly competitive, customer-focused service offering. As a result, we now have the foundation in place for a strong wealth management business with a capable team of advisors, excellent products, and first-rate infrastructure. ATB Investor Services' "Your Life, Your Plan" approach starts with a clear understanding of each customer's needs and matches that with a personal financial plan to help ensure those goals are met. Over the next three years, our plans call for significantly expanding our wealth management business, again by taking the personal approach.

At ATB, we are committed to what we call the triple win – satisfied customers, engaged associates, and a healthy return to our shareholder, the Government of Alberta. By providing more people, more branches, and more face-to-face service, we will ensure that ATB succeeds in achieving the triple win we expect for our customers, our associates and our shareholder.

ATB's outlook for the future is stellar. We have revitalized and reshaped our business to respond to the changing needs of our customers, a changing province, and a changing and highly competitive financial services industry. Through all those changes, we've never wavered from our strong commitment to Albertans. We're Albertan through and through and we're proud to say ATB Financial's vision is to be Alberta's first choice for financial services.



Ron P. Triffo
Chairman of the Board



Bob Normand
President and Chief Executive Officer

Outlook 2007 Alberta's economy continues to thrive

The fortunes of ATB Financial and Alberta's economy are inextricably linked. Our business depends directly on the strength of Alberta's economy, and on the energy and enthusiasm of Albertans with the confidence to invest and build their futures in Alberta. Our business success is tied directly to a strong and thriving business community with opportunities to grow, compete, and succeed in a highly competitive and increasingly complex marketplace.

As we prepare our plans for the next three years, Alberta's economy remains one of the strongest in Canada. Forecasts show continuing growth fuelled in large part by high oil and gas prices. The retail and hospitality sectors are expected to improve, and low interest rates will continue to support an already strong housing market for residential mortgages. Thanks to Alberta's strong economy, unemployment rates are expected to stay low. Investor confidence is growing, and we expect our customers to continue to look for the best place to invest their funds and get a solid return.

In the midst of that positive outlook, there are some uncertainties. Low interest rates are a positive sign for many of our borrowing customers, but they mean fierce competition in the face of declining margins for financial institutions. Similarly, an increase in the value of the Canadian dollar is good news to those that import machinery and equipment but is a major challenge to companies that have depended on a lower dollar to drive growing exports to markets in the United States.

Perhaps the most serious uncertainty to Alberta's economy resides in the agricultural sector. Two cases of BSE and the closure of U.S. and other markets have sent shockwaves through an industry that has long been not only a vital part of Alberta's economy but also a fundamental part of our way of life. ATB didn't turn its back on Albertans when there were ups and downs in our economy in the past and we won't do it now. We understand the difficult circumstances our agricultural customers face. Our commitment is to work with each of them on an individual basis and to provide as much latitude and flexibility as is financially prudent, depending on the individual circumstances of each customer.



Virginia Stratton
Financial Advisor,
ATB Securities Inc.



Personal and Business Banking The heart of ATB

Throughout our 65-year history, personal and business banking have been the core of what we do. Our success in the past and the key to our future success lies largely in capitalizing on our biggest strength – providing personal service to each customer.

Looking ahead, a number of key projects are underway, all designed to maintain our hard earned reputation for personal service.

Continuing steps will be taken to offer our customers choices in how they bank, whether that involves visiting a nearby branch and talking directly with one of our dedicated customer service representa-

tives, using our ABMs for quick and easy service, banking through the Internet at their convenience, or calling our Customer Contact Centre to access the service they need. Whatever delivery mode customers choose, our goal is to meet our customers' changing and expanding needs so they get the products and services they require, delivered to them with great personal service.

To fulfill our commitment to provide more people, more branches, and more face-to-face, we will continue to add to our team of capable and talented sales and customer service staff. In the past five years, we have successfully recruited more than 450 enthusiastic associates. And we'll continue to take steps to attract and keep the best team of people to serve our customers.

Over the next five years, we will dramatically increase the number of branches we have to service our customers in Alberta's major growth centres. ATB Financial has the largest banking network in Alberta. But, we're not settling for what we have today. To serve our customers better, we're building and relocating branches so they're close to where people live and work. We will maintain our commitment to branches in rural communities. At the same time, with more and more people in Alberta's two major cities, our plans call for 25 new branches in Edmonton and Calgary in addition to the 38 branches we currently operate in those regions. Our goal is to double our market share in these two critically important centres over the next ten years.

We are now making significant investments in our branch technology so we can provide better personal service and solutions to our customers. We also will take steps to integrate customer services so that our customers receive worry-free service and consistent information, whether it comes from our Customer Contact Centre or from any one of our in-branch customer service teams.

Small business and agri-business are key drivers of Alberta's economy. ATB Financial prides itself on being the leading financial services provider to these vital segments of our economy. That pride is reflected in the fact that an independent survey conducted by the Canadian Federation of Independent Business ranked ATB as the number one small business lender in

Alberta. In the next three years, we intend to improve our lead in this area by making investments that increase our responsiveness even further. We will continue to work to expand the services available to our business customers, target specific market segments, and continue to grow our market share in serving Alberta's small business banking needs.

Finally, our commitment to provide more people, more branches, and more face-to-face will be our defining promise: that ATB Financial is the place people can count on for personal service.



Calgary Sunridge (L to R):

Cyndi Abel Customer Service Manager
Shelley Howatt Branch Manager
Terra Parsons Operations Assistant



Customer appreciation day today.

And tomorrow.

And every other day.

Vincent Poon Customer Service Representative, Edmonton West Pointe

Energy and Commercial Banking

Fuelling Alberta's economy

Ask anyone what the powerhouse of Alberta's economy is, and the answer is inevitably oil and gas. We're an energy driven province; oil and gas combined with agri-industry, manufacturing, consumer products, transportation, and hospitality continue to be the engines that drive Alberta's strong economy.

In the past, ATB Financial was not positioned optimally to serve this vital sector of Alberta's economy. Once our business customers reached a certain size, we simply were not able to offer them the scope of products and services they needed as they grew into larger, more complex businesses.

That's no longer the case.

We have established a strong presence in the energy, commercial, and agri-industry sectors, and we have significant future growth targets. With offices in Edmonton and Calgary, we have built a strong management team with respected expertise to serve our clients in these important markets.

Looking ahead, there is tremendous potential to significantly expand our market share. Over the next three years, our goal is to solidify our position in the energy and commercial sectors. Quite simply, we want ATB Financial to be the institution clients look to first to satisfy all their financial needs.

We plan to achieve that goal by developing specialized expertise to serve our customers no matter where they are in the province. That means account managers with expertise in oil and gas production, oil and gas services, hospitality, agri-industry, real estate, transportation, construction, manufacturing, or syndication will build strong relationships with customers in those industries regardless of location. Plans are also underway to develop new products, expand our marketing programs, and build even greater market expertise.

Taken together, we expect these strategies to advance ATB Financial's reputation as a well-respected player and the first choice for Alberta's energy, agri-business, and commercial industries.

Investor Services

Your Life, Your Plan

Wealth management services – helping our customers invest wisely and increase and protect their personal wealth – is a growing part of any successful financial institution's business. ATB Financial is no exception.

At ATB Financial, we look at investment services as an intensely personal undertaking. We believe that each person's financial needs and expectations are unique. And we pride ourselves on taking a personal approach. We begin by understanding what people want and expect, where they're at today, and what their plans are for the future. Based on that understanding, we work with each customer to build a personal financial plan to achieve those goals. We call this approach "Your Life, Your Plan," and it's an approach that sets us apart from the competition.

In 2003, ATB Financial laid the foundation for a strong and growing business in ATB Investor Services. The objectives were clear – to recruit the best team of advisors, to build on our unique approach to personal service, and to put the essential products and services in place. In just one year, our new Compass Portfolio Series has achieved outstanding success, growing to over \$150 million. Our Compass Portfolio Series suits the needs of a wide range of investors, provides a diversified mix of premium quality investments, is available at exceptional value, is simple to maintain, and provides a competitive rate of return.

Our plans for ATB Investor Services call for us to substantially increase our assets within the next seven years. Given the size of this market and long-term forecasts to 2010, we believe the market potential for ATB Investor Services could be as high as \$18 billion. We'll pursue this opportunity by expanding the skills and training of all our front-line branch associates to work with customers and expand their awareness of wealth management services ATB Financial has to offer. We will build on best practices in the investment business and integrate wealth management skills across all aspects of our customer relations and lines of business.

Ultimately, good wealth management services depend on up-to-date knowledge, proven expertise, and trust. To respond to the growing demand, by 2005 we plan to increase the number of dedicated advisors by 50 per cent and make sure they have the



Lionel Gardner
Customer Contact Centre

knowledge and expertise to provide sound advice to their clients. Our most important theme for the year is to identify and recruit the best candidates and to provide ongoing training and coaching to all our investment staff.

Over the next three years, we will take steps to build on the investment we have made in the past year, to expand products and coverage in the higher end of the market, to provide our customers with excellent information and advice, and to ensure the best investment results for our customers.

Behind the scenes

Strengthening the support base

Often what goes on behind the scenes makes the most difference in achieving the goals of any business. Successful businesses know that their success lies in having the best people, providing support through up-to-date and dependable infrastructure, and keeping a close eye on the bottom line.

Putting the best team in place

An independent customer satisfaction survey of 13,000 customers across 145 branches shows that ATB continues to rank in the top tier of customer service. We can only sustain that success by having highly

qualified, trusted, and friendly associates who know their customers and provide the kind of service they want and expect.

Our goal is for ATB Financial to be one of the best employers in Canada. Our associates and the personal service they deliver are what make ATB unique. We are committed to promoting our most capable people from within the organization, attracting and retaining the best talent in all aspects of our business, and maintaining a strong commitment to continuing training for all our associates.

Through our Corporate Learning Centre, new computer-based training tools are being developed on an ongoing basis; a new orientation program will be available; and over 2,300 sales associates will be trained in new approaches to sales and service.

Investing in technology

ATB Financial is committed to using effective technology to improve services for our customers. Our objective is to use the right technologies in the right ways to increase business flexibility and responsiveness while reducing costs. That means using a variety of approaches and technologies, outsourcing services where it makes the most business sense, and providing capable information technology leadership and support to all of our various lines of business.

Consistent with the need to provide our customers with choice in how they meet their banking needs, we will be upgrading our automated banking machines. The result will be significant improvements in reliability, security, flexibility, and performance. Changes also will be made to expand our customers' ability to use electronic banking, especially from remote locations.

With a growing awareness of serious problems related to fraud and bank card theft, ATB Financial is continually implementing new fraud detection and risk management software to protect our customers.

Managing costs and risks

ATB Financial is keeping a careful eye on the bottom line, taking steps to manage risks and control expenses. ATB has launched a comprehensive three-stage enterprise risk management process to identify, measure, and manage the various risks to our business. We have worked to upgrade disaster recovery measures and to ensure that all "mission critical" systems have a backup in place.

Like all businesses, we continually are faced with the challenge of rising costs to pay for critical

investments. We'll meet that challenge by developing better information about our costs and using that information to guide all our investment decisions.

Taken together, the best people with the right tools and a careful eye on the bottom line will ensure that ATB Financial's ambitious goals for the future will be achieved.

ATB and the Privacy Act

On January 1, 2004 a new provincial Act (Personal Information Protection Act – PIPA) protecting the personal information

of individuals in the possession of the business sector came into force. ATB Financial falls within this Act and is committed to working towards compliance.

More people. More branches. More face-to-face.

ATB's commitment to personal service is what sets us apart. We deliver that personal service through more people, more branches, and more face-to-face service. We pride ourselves on customers always having someone to talk to at ATB Financial, whether it's an individual customer, a

farm family, a small business, a major energy company, or an investor looking for the best way of achieving his or her financial goals.

We are proudly Albertan. And through the actions outlined in this business plan, we are confident ATB will be Albertans' first choice in financial services – the place they count on to receive knowledgeable advice, industry expertise, local decision making and, above all else, excellent personal service.



Laura Budd Learning Facilitator, Corporate Learning Centre

Five-year goals

	Goal	2004/05 Target
To achieve an employee engagement score ranking with the top employers in Canada	1st quartile	3rd quartile
To achieve the highest customer service ratings	1st quartile	1st quartile

ATB Financial - highlights

- With assets of \$14.1 billion (3rd quarter 2003-2004 fiscal) and equity in excess of \$900 million, ATB is a leading financial services provider in Alberta.
- ATB was established in 1938 by the Government of Alberta to extend basic financial services to Albertans. Our first branch opened on September 29, 1938 in Rocky Mountain House.
- Since 1997, ATB Financial has reported a profit in every quarter.
- Today, over 3,100 ATB associates serve 600,000 Albertans through a network of 148 branches, 129 agencies, a Customer Contact Centre, and 222 automated banking machines, as well as online banking.
- Our commitment to training and lifelong learning continues with millions of dollars invested in training to enhance leadership, sales, credit, and technical competencies.
- In 2003, ATB associates and customers raised more than \$600,000 for the United Way, STARS, and Alberta's two primary children's hospitals.
- We have grown by over 450 new associates in the last five years, and more are being added every year.

For service
in English,
press 1.

For service
in French,
press 2.

To talk to a
person, hang up
and call ATB.