

Notes to the Interim Consolidated Financial Statements

(unaudited)

1. Basis of Presentation

These Interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended March 31, 2002 and with the unaudited Interim Consolidated Financial Statements for the three-month period ended June 30, 2002 and the six-month period ended September 30, 2002. These unaudited Interim Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles using the same significant accounting policies outlined in the notes to the Consolidated Financial Statements for the year ended March 31, 2002.

2. Loan Guarantees

(in thousands)

Loan guarantees represent an irrevocable obligation to make payments to a third party on behalf of the customer, against whom ATB then has recourse. Loan guarantees decreased by \$317,622 from \$440,744 at March 31, 2002 to \$123,122 at December 31, 2002. The decrease is mainly due to the conversion of loan guarantees into loans and conditional commitments to extend credit.

3. Market Segment Information

ATB conducts its business through market segments, offering different products and services designed specifically for each particular group of customers: individual, agricultural, and independent business and commercial. Results for these market segments presented in the following tables are based on ATB's internal financial reporting systems and are consistent with the accounting policies followed in the presentation of ATB's Consolidated Financial Statements. The net interest income is determined based on the nature and term of the assets and liabilities for each segment. Other income and provision for credit losses are captured for each group. Non-interest expenses are allocated to the market segments based on management's estimates. The presentation of market segment information has been changed from the presentation in Note 19 of the Consolidated Financial Statements for the year ended March 31, 2002. The comparative numbers have been adjusted to conform to the new format.

Segmented Income Statements

For the three months ended

(\$ in thousands)	Individual	Agricultural	Independent business and commercial	Other*	Total
December 31, 2002					
Net interest income	\$ 45,348	\$ 9,387	\$ 35,176	\$ 5,514	\$ 95,425
Other income	13,419	990	10,083	2,245	26,737
Total revenue	58,767	10,377	45,259	7,759	122,162
Provision for (recovery of) credit losses	1,097	545	4,993	(51,370)	(44,735)
Net interest and other income	57,670	9,832	40,266	59,129	166,897
Non-interest expenses	37,378	5,994	24,921	8,652	76,945
Net income	\$ 20,292	\$ 3,838	\$ 15,345	\$ 50,477	\$ 89,952
Average loans	\$ 6,541,223	\$ 1,290,599	\$ 3,373,559	\$ (129,863)	\$ 11,075,518
Average deposits	6,523,799	406,193	4,245,874	718,922	11,894,788
Total assets	6,628,822	1,361,273	3,483,406	1,646,407	13,119,908
December 31, 2001					
Net interest income	\$ 44,338	\$ 8,898	\$ 38,408	\$ 966	\$ 92,610
Other income	12,819	868	10,190	3,148	27,025
Total revenue	57,157	9,766	48,598	4,114	119,635
Provision for (recovery of) credit losses	1,379	(264)	1,288	(239)	2,164
Net interest and other income	55,778	10,030	47,310	4,353	117,471
Non-interest expenses	36,037	5,878	20,958	7,916	70,789
Net income (loss)	\$ 19,741	\$ 4,152	\$ 26,352	\$ (3,563)	\$ 46,682
Average loans	\$ 5,837,748	\$ 1,236,846	\$ 3,167,012	\$ (140,125)	\$ 10,101,481
Average deposits	6,102,153	316,714	4,025,699	1,139,548	11,584,114
Total assets	5,911,099	1,312,503	3,181,041	1,957,283	12,361,926

*Comprised of business of a corporate nature such as investment, risk management, asset liability management and treasury operations, as well as expenses and general allowances and recoveries for credit losses not expressly attributed to the market segments.

Segmented Income Statements

For the nine months ended

(\$ in thousands)	Individual	Agricultural	Independent business and commercial	Other*	Total
December 31, 2002					
Net interest income	\$ 131,595	\$ 27,080	\$ 102,824	\$ 15,940	\$ 277,439
Other income	39,463	2,861	29,440	7,579	79,343
Total revenue	171,058	29,941	132,264	23,519	356,782
Provision for (recovery of) credit losses	3,885	1,342	7,217	(60,554)	(48,110)
Net interest and other income	167,173	28,599	125,047	84,073	404,892
Non-interest expenses	113,952	17,993	72,361	22,991	227,297
Net income	\$ 53,221	\$ 10,606	\$ 52,686	\$ 61,082	\$ 177,595
Average loans	\$ 6,342,794	\$ 1,291,672	\$ 3,266,755	\$ (135,285)	\$ 10,765,936
Average deposits	6,472,563	371,660	4,106,860	732,784	11,683,867
Total assets	6,628,822	1,361,273	3,483,406	1,646,407	13,119,908

December 31, 2001

Net interest income	\$ 133,492	\$ 25,274	\$ 107,060	\$ 14,273	\$ 280,099
Other income	35,124	2,221	29,038	7,832	74,215
Total revenue	168,616	27,495	136,098	22,105	354,314
Provision for credit losses	3,852	93	4,425	6,108	14,478
Net interest and other income	164,764	27,402	131,673	15,997	339,836
Non-interest expenses	102,886	16,945	64,055	24,247	208,133
Net income (loss)	\$ 61,878	\$ 10,457	\$ 67,618	\$ (8,250)	\$ 131,703
Average loans	\$ 5,678,181	\$ 1,227,071	\$ 3,059,153	\$ (132,238)	\$ 9,832,167
Average deposits	5,917,283	334,879	3,886,613	1,209,442	11,348,217
Total assets	5,911,099	1,312,503	3,181,041	1,957,283	12,361,926

*Comprised of business of a corporate nature such as investment, risk management, asset liability management and treasury operations, as well as expenses and general allowances and recoveries for credit losses not expressly attributed to the market segments.