MANAGEMENT'S DISCUSSION AND ANALYSIS

FY2025 Q1 Financial Highlights

For the three months ended	**June 30 2024**	**March 31 2024**	**June 30 2023**
Operating results *($ in thousands)*			
Net interest income	$ 352,439	$ 346,130	$ 331,827
Other income	181,189	159,435	166,132
Total revenue	533,628	505,565	497,959
Provision for (recovery of) loan losses	13,024	74,518	(2,909)
Non-interest expense	384,274	386,231	345,061
Income before payment in lieu of tax	136,330	44,816	155,807
Payment in lieu of tax	31,356	10,309	35,836
Net income	**$ 104,974**	**$ 34,507**	**$ 119,971**
Income before provisions (1)			
Total revenue	$ 533,628	$ 505,565	$ 497,959
Less: non-interest expense	384,274	386,231	345,061
Income before provisions	**$ 149,354**	**$ 119,334**	**$ 152,898**
Financial position *($ in thousands)*			
Net loans	$ 51,787,528	$ 51,266,157	$ 48,001,389
Total assets	62,041,865	60,382,280	58,330,310
Total risk-weighted assets (1)	42,753,650	40,769,954	39,319,773
Total deposits	42,092,928	40,582,817	40,329,613
Equity	5,394,032	5,259,496	4,876,866
Key performance measures *(%)* (1)			
Return on average assets	0.7	0.2	0.8
Return on average risk-weighted assets	1.0	0.3	1.2
Total revenue change	7.2	2.8	4.6
Other income to total revenue	34.0	31.5	33.4
Total expense change	11.4	7.0	5.7
Efficiency ratio	72.0	76.4	69.3
Net interest margin	2.37	2.40	2.41
Provision for (recovery of) loan losses to average loans	0.1	0.6	(0.0)
Net loan change	1.0	0.8	1.6
Total asset change	2.7	0.3	1.5
Total deposit change	3.7	1.0	2.2
Change in assets under administration	0.1	4.6	1.0
Tier 1 capital ratio	12.6	13.0	13.0
Total capital ratio	15.4	16.3	15.8
Other information			
ATB Wealth's assets under administration *($ in thousands)*	$ 28,595,492	$ 28,555,986	$ 26,169,357
Dividends paid ($ in thousands)	25,000	-	-
Total clients	818,342	814,140	803,147
Team members (2)	5,350	5,238	5,431

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

INTRODUCTION

This is Management's Discussion and Analysis (MD&A) of the consolidated results of operations and the financial position of ATB Financial (ATB) for the three months ended June 30, 2024 and is dated August 14, 2024. (See the Glossary and Acronyms for our defined terms.) The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes for the period ended June 30, 2024 as well as the audited consolidated financial statements for the year ended March 31, 2024.

Caution Regarding Forward-Looking Statements

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

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

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

ECONOMIC OUTLOOK

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

As an Alberta-based financial institution, helping Albertans achieve their financial goals is at the forefront of everything we do. ATB regularly monitors provincial, national and international economies and considers how these may impact our clients, team members and operations.

Alberta's economy is poised to rebound in the latter half of 2024 and throughout 2025, driven by improved market access for energy, stronger home construction, and continued growth in emerging sectors. This resurgence follows a period of slowed economic activity last year amidst higher interest rates, a slowdown in the energy sector, and drought-related declines in agriculture activity. Households and businesses will continue to feel the drag from previous interest rate hikes and inflationary pressures.

Our latest forecast projects Alberta's real gross domestic product (GDP) to grow by 2.5% in 2024 and 2.7% in 2025, outpacing national growth.

This year has been a breakthrough year for market access in Alberta's energy sector. After years of constraints, oil producers now benefit from additional pipeline capacity as the Trans Mountain Pipeline Expansion (TMX) entered commercial operations in May. Similarly, the Coastal GasLink project provides new avenues for natural gas producers. As a result, we see significant improvements to energy production over the next two years, boosting GDP growth.

Despite ongoing inflation and the lingering effects of higher interest rates, the tide is slowly turning. The Bank of Canada's shift towards rate normalisation, with anticipated further rate cuts this year and next, is expected to bolster confidence and support consumer spending and housing activity in the latter half of 2024 and 2025.

Robust population growth, though easing from last year's record levels, will continue to drive Alberta's housing activity and spending. Relative housing affordability is expected to encourage continued migration from other provinces, albeit at a slower rate. The resurgence in home construction stands as a pivotal driver of Alberta's economic improvement in 2024.

Alberta's economic expansion is increasingly diversified, moving outside of the typical energy sector. While oil and gas investment remains on a lower track, growth is evident in sectors such as hydrogen, technology, biofuels, food manufacturing, carbon capture, aviation and petrochemicals. These sectors are building on Alberta's resource strength and greater emphasis on emissions reduction.

Implications for our clients

The economic challenges faced by our personal and business clients will spill over into their banking needs. Key economic issues that could impact our business decisions and practices include:

- Financial anxiety linked to geopolitical uncertainty.
- The cumulative impact of elevated inflation rates over the past two years will continue to stress household budgets and business operations.
- The impact of higher borrowing costs will continue (even after rate cuts) in the form of higher debt servicing costs and debt levels, housing affordability challenges, and mortgage stress.
- Financial challenges among agricultural sector clients due to drought conditions.
- Population growth and tight housing supply are driving price increases in the housing market and reducing days on market.
- Although the unemployment rate is not spiking, it is on the rise creating challenges for more households.

REVIEW OF CONSOLIDATED OPERATING RESULTS

Net Income

For the quarter ended June 30, 2024, net income (NI) increased from last quarter but decreased when compared to the same time last year. The quarterly increase was mainly due to lower loan loss provisions (LLP) and higher total revenue. The year-over-year decrease was mainly due to higher non-interest expense (NIE) and LLP, mostly offset by higher total revenue.

ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the GoA was $152.6 million, an increase from last quarter ($60.7 million) and a decrease from the same time last year ($171.4 million).

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). This quarter's total revenue was $533.6 million, comprising $352.4 million in NII and $181.2 million in OI. The increase from last quarter and same period last year was mainly 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 as well as securities holdings. This was partially offset by increased funding costs mainly due to higher deposit costs resulting from funding mix shifts as clients continue to migrate to higher-cost fixed-date deposits. Further contributing to the higher deposit cost is the increase in interest expense on savings accounts, influenced by the highly competitive market environment. Compared to the same period last year, NII increased due to higher rates and strong loan growth, mostly offset by increased funding costs.

Table 1: Changes in Net Interest Income

	June 30, 2024 vs. March 31, 2024			June 30, 2024 vs. June 30, 2023		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in		
($ in thousands)	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Assets						
Interest-bearing deposits with financial institutions and securities	$ 10,136	$ (858)	$ 9,278	$ 1,692	$ 5,025	$ 6,717
Loans	11,204	13,168	24,372	58,703	54,998	113,701
Change in interest income	**21,340**	**12,310**	**33,650**	**60,395**	**60,023**	**120,418**
Liabilities						
Deposits	7,582	12,760	20,342	14,364	43,989	58,353
Wholesale borrowings	1,442	(1,751)	(309)	19,464	13,629	33,093
Securitization Liabilities	1,333	1,042	2,375	(5,112)	7,461	2,349
Securities sold under repurchase agreements	3,697	1,236	4,933	4,689	1,322	6,011
Change in interest expense	**14,054**	**13,287**	**27,341**	**33,405**	**66,401**	**99,806**
Change in net interest income	**$ 7,286**	**$ (977)**	**$ 6,309**	**$ 26,990**	**$ (6,378)**	**$ 20,612**

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 2.37% from 2.40% last quarter and 2.41% last year. Although asset growth resulted in an increase in NII, the NIM decrease was driven by higher funding costs as deposit rates have risen alongside higher utilization of wholesale borrowings to support loan growth.

Other Income

OI consists of all revenue not classified as NII.

OI increased from last quarter and the same time last year. Compared to last quarter, OI increased mainly due to a sundry write-off that occurred last quarter. The increase in card fees and financial market revenue was driven by more transactions which were more than offset by losses from balance sheet management activities and lower credit fees.

Compared to the same time last year, growth came from all sources except balance sheet management activities. Capital markets revenue and financial markets revenue were boosted by improved market conditions and a number of higher value deals. Wealth management revenue increased due to market performance as well as higher assets under administration (AUA). Credit fees benefited from loan growth and higher value fees. Card fee growth was driven by a one-time fee received, as well as an increase in clients.

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 $13.0 million this quarter, a significant decrease from last quarter, and contrasts with the recovery recorded this time last year. The decrease was attributed to a higher Stage 3 impairment recorded in the previous quarter. The year-over-year increase was driven by a large Stage 3 recovery, fewer paydowns and write-offs recorded this time last year.

We remain committed to providing our clients with access to sound advice and a range of products and services in support of Alberta's economy, while taking appropriate measures to limit losses. As at June 30, 2024, gross impaired loans of $0.6 billion comprise 1.1% (March 31, 2024: 1.1%, June 30, 2023: 1.1%) of the total loan portfolio.

Non-Interest Expense

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

Compared to the previous quarter, NIE decreased mainly due to lower performance-related compensation and technology costs. The decrease was mostly offset by expenses related to the increase in the fair value of our achievement notes.

NIE increased from this time last year mainly due to the continued investment in our people, an insurance recovery last year related to a previous operational loss, as well as higher technology costs.

Efficiency Ratio

The efficiency ratio, measured as total NIE divided by total revenue, measures how much it costs ATB to generate revenue. A lower ratio indicates higher efficiency at generating income. Our efficiency ratio of 72.0% decreased compared to last quarter's 76.4% due to increased revenue but increased compared to 69.3% achieved the same time last year, with expense growth outpacing total revenue growth.

REVIEW OF OPERATING RESULTS BY AREA OF EXPERTISE

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

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

Everyday Financial Services

Table 2: EFS Financial Performance

For the three months ended *($ in thousands)*	**June 30 2024**	**March 31 2024**	**June 30 2023**
Net interest income	$ 143,062	$ 147,927	$ 139,932
Other income	40,263	40,478	35,919
Total revenue	183,325	188,405	175,851
Provision for loan losses	6,128	14,585	(3,779)
Non-interest expense (1)	143,220	146,361	138,950
Net income before payment in lieu of tax	33,977	27,459	40,680
Payment in lieu of tax	7,815	6,315	9,356
Net income	**$ 26,162**	**$ 21,144**	**$ 31,324**
Net loans	$ 21,772,404	$ 21,447,147	$ 20,421,460
Total deposits	20,231,850	19,943,162	18,597,200

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

EFS's NI increased from last quarter, driven by lower provision for loan losses and expenses, and was partially offset by lower NII. Compared to the same period last year, higher provision for loan losses and expenses offset the growth in total revenue, resulting in lower NI.

NII decreased from last quarter due to higher deposit costs on client savings accounts. Compared to the same period last year, NII increased due to the Bank of Canada prime rate increases and strong retail mortgage growth.

OI was consistent with last quarter. OI grew from the same time last year mainly due to client acquisitions that resulted in higher service charges, credit fees and card revenue.

LLP decreased from last quarter across all stages, with the largest reduction driven by a Stage 1 recovery. LLP increased year-over-year as a result of a recovery recorded last year in our credit card portfolio, combined with loan growth.

NIE decreased from last quarter mainly due to lower amortization, data processing costs and seasonality of project spend. This was partially offset by higher people costs. NIE increased from the prior year due to higher support costs, people costs and operational losses.

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

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

ATB Business

Table 3: ATB Business Financial Performance

For the three months ended ($ in thousands)	**June 30 2024**	**March 31 2024**	**June 30 2023**
Net interest income	$ 203,983	$ 200,200	$ 189,993
Other income	72,635	77,156	62,356
Total revenue	276,618	277,356	252,349
Provision for (recovery of) loan losses	5,884	59,137	(20)
Non-interest expense (1)	143,537	137,172	127,636
Net income before payment in lieu of tax	127,197	81,047	124,733
Payment in lieu of tax	29,255	18,641	28,689
Net income	**$ 97,942**	**$ 62,406**	**$ 96,044**
Net loans	$ 28,508,698	$ 28,230,581	$ 25,784,946
Total deposits	18,621,531	17,364,277	18,681,146

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

ATB Business's NI increased from last quarter due to lower LLP, slightly offset by higher expenses. NI increased from the same time last year due to higher total revenue, partially offset by higher LLP and expenses.

NII increased from last quarter and the same time last year. Growth from last quarter is attributed to higher loan yields, while the increase from last year was due to the Bank of Canada rate increases and loan growth primarily in the energy and extraction, real estate and agriculture sectors.

OI contracted from last quarter mainly due to seasonality of certain credit fees. Compared to the same time last year, OI increased, driven mainly by higher capital markets revenue as ATB Business continues to provide more value to existing clients. Additionally, loan growth over the year contributed to higher credit fees, while card revenue increased due to a one-time fee received.

LLP significantly decreased from last quarter as a result of fewer impairments and a decrease in loan losses on existing loans. The year-over-year increase was attributed to new impairments, an increase in loan loss expectations, and higher loan balances compared to this time last year.

NIE increased from last quarter, driven by higher technology and people costs. NIE increased from the same period last year due to revenue linked performance-based compensation and people costs.

Loans remained fairly consistent compared to last quarter. Loan growth from the same time last year is mostly due to energy and extraction, and real estate sectors.

Deposits grew compared to last quarter from strong client acquisition in the real estate sector and were consistent with the same time last year.

ATB Wealth

Table 4: ATB Wealth Financial Performance

For the three months ended *($ in thousands)*	**June 30 2024**	**March 31 2024**	**June 30 2023**
Net interest income	$ 10,737	$ 11,273	$ 10,487
Other income	70,444	69,069	66,098
Total revenue	81,181	80,342	76,585
Provision for (recovery of) loan losses	(161)	(171)	(82)
Non-interest expense (1)	83,082	74,115	70,043
Net income before payment in lieu of tax	(1,740)	6,398	6,624
Payment in lieu of tax	(400)	569	1,523
Net income	**$ (1,340)**	**$ 5,829**	**$ 5,101**
Net loans	$ 1,180,666	$ 1,177,272	$ 1,214,886
Total deposits	3,182,121	3,246,756	2,950,024
Total assets under administration	28,595,492	28,555,986	26,169,357

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

ATB Wealth's NI is lower than last quarter as well as the same period last year due to increased expenses, which more than offset the growth in total revenue.

NII decreased from last quarter due to higher deposit costs on client savings accounts. NII was consistent with the same period last year.

OI is higher than last quarter and the same period last year primarily due to the growth in AUA balances.

NIE increased from last quarter due to higher achievement note valuations. The increase from the same period last year was due to higher people costs as well as variable costs related to growth in AUA. Additionally last year's NIE included an insurance recovery on an operational loss.

Loan balances were consistent with last quarter, but contracted from the same time last year. Clients continue to pay down higher-rate personal lines of credit, and demand for mortgages is lower due to the higher interest rate environment.

Deposits are relatively consistent with last quarter but increased from the same time last year as clients moved funds to fixed-date deposits to take advantage of the higher interest rates.

ATB Wealth's AUA was consistent with last quarter, and increased year-over-year driven by strong market returns.

Strategic Support Units

Table 5: Strategic Support Units Financial Performance

For the three months ended *($ in thousands)*	**June 30 2024**	**March 31 2024**	**June 30 2023**
Net interest income (loss)	$ (5,343)	$ (13,270)	$ (8,585)
Other income (loss)	(2,153)	(27,268)	1,759
Total revenue (loss)	(7,496)	(40,538)	(6,826)
Provision for (recovery of) loan losses	1,173	967	972
Non-interest expenses (1)	14,435	28,583	8,432
Loss before payment in lieu of taxes	(23,104)	(70,088)	(16,230)
Recovery of tax	(5,314)	(15,216)	(3,732)
Net Income (loss)	**$ (17,790)**	**$ (54,872)**	**$ (12,498)**

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

NII increased compared to last quarter and the same time last year due to balance sheet management activities.

OI increased from last quarter due to a sundry write-off in the prior quarter, but decreased from the same time last year mainly due to balance sheet management activities.

LLP was consistent with last quarter and this time last year.

NIE decreased from last quarter primarily due to reduced people costs. NIE increased from this time last year as a result of higher people, premises and technology costs.

REVIEW OF FY2025 CONSOLIDATED FINANCIAL POSITION

Total Assets

Our total assets as at June 30, 2024, are $62 billion, which is higher than last quarter, driven by an increase in cash and loan growth, slightly offset by less securities. Assets are also higher compared to the same time last year, primarily driven by strong loan growth.

Loans

Net loans were $51.8 million, an increase from last quarter and the same time last year. Business loans and residential mortgages continue to drive the increase. This is slightly offset by a reduction in home equity line of credit (HELOCs) and other personal loans as clients continue to pay down high-rate debt.

The allowance for loan losses decreased from last quarter, with Stage 2 being the largest driver, the movement was attributed to an improved commodity price forecast. The year-over-year increase stems from the significant loan growth, and new impairments. 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. Total other assets were consistent quarter-over-quarter but decreased year-over-year. The decrease is primarily driven by fluctuations in foreign exchange rates, impacting the fair value of our foreign exchange portfolio. This decrease is associated with the decrease in derivative liabilities noted in Other Liabilities. (For more on how we use derivatives to manage risk, refer to the Derivatives section of the 2024 annual consolidated financial statements.)

Total Liabilities

Total liabilities ended the quarter at $56.6 billion, higher than last quarter, mainly driven by an increase in deposits. Liabilities are also higher compared to the same time last year, due to strong deposit growth, and an increase in wholesale borrowings to support our loan growth.

Deposits

ATB's principal sources of funding are client deposits. Balances have increased compared to last quarter and the same time last year, as clients continue holding more assets in higher-interest earning deposits.

Other Liabilities

ATB's other liabilities are composed primarily of securitization liabilities, wholesale borrowings 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 $9.0 billion. Compared to last quarter, wholesale borrowings are consistent. The increase in issuances year-over-year is to support our strong loan growth. Securitization liabilities include ATB's participation in the Canada Mortgage Bonds (CMB) program as well as securitization of credit card, agricultural loans and equipment finance receivables. Securitization liabilities declined compared to last quarter and last year from less participation in the CMB program.

Derivative liabilities decreased compared to last quarter and the same time last year as a result of a decrease in the fair value of our foreign exchange portfolio. This decrease is associated with the decrease in derivative assets noted in the Other Assets section.

Accumulated Other Comprehensive Income

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

Regulatory Capital

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, 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 2024 financial statements for more on ATB's regulatory capital.) As at June 30, 2024, ATB had a Tier 1 capital ratio of 12.6% and a total capital ratio of 15.4%, both exceeding our regulatory requirements.

The shaded areas of the MD&A represent a discussion related to credit, market and liquidity risk and form an integral part of the interim consolidated financial statements for the period ended June 30, 2024.

Credit Risk

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

Key measures as at June 30, 2024, are outlined below

Table 6: Credit Risk Exposure

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

As at *($ in thousands)*	**June 30 2024**	**March 31 2024**
Financial assets (1)	$ 61,147,946	$ 59,514,203
Other commitments and off-balance-sheet items (2)	27,465,628	24,393,968
Total credit risk	**$ 88,613,574**	**$ 83,908,171**

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

Table 7: Industry Concentration

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

	June 30 2024		**March 31 2024**	
As at *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 7,405,028	14.2%	$ 7,325,781	14.2%
Mining and oil-and-gas extraction	6,277,066	12.0%	6,548,369	12.7%
Agriculture, forestry, fishing and hunting	4,928,581	9.5%	4,763,852	9.2%
Largest borrower	$ 1,222,270	2.3%	$ 1,143,833	2.2%

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

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

As at *($ in thousands)*		June 30 2024		March 31 2024	
Residential mortgages	Insured (1)	$ 10,924,253	59.7%	$ 10,945,130	60.9%
	Uninsured	7,388,071	40.3%	7,025,932	39.1%
Total residential mortgages		**$ 18,312,324**	**100.0%**	**$ 17,971,062**	**100.0%**
Home equity lines of credit	Uninsured	**$ 1,884,527**	**100.0%**	**$ 1,927,062**	**100.0%**
Total home equity lines of credit		**$ 1,884,527**	**100.0%**	**$ 1,927,062**	**100.0%**
	Insured	**$ 10,924,253**	**54.1%**	**$ 10,945,130**	**55.0%**
Total	**Uninsured**	**9,272,598**	**45.9%**	**8,952,994**	**45.0%**

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

Table 9: Real Estate Secured Lending (Amortization Period)

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

As at	June 30 2024	March 31 2024
Less than 25 years	96.9%	97.9%
25 years and above	3.1%	2.1%
Total	**100.0%**	**100.0%**

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

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

As at	June 30 2024	March 31 2024
Residential mortgages	65.1%	63.8%
Home equity lines of credit	56.8%	55.7%

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 6.9% of total mortgages as at June 30, 2024, and 7.3% at March 31, 2024.

Market Risk

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

Interest Rate Risk

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

Table 11: Interest Rate Sensitivity

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

As at *($ in thousands)*	**June 30 2024**	**March 31 2024**
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 48,032	$ 54,015
200 basis points	95,859	108,251
Decrease in interest rates of:		
100 basis points (1)	(56,545)	(59,022)
200 basis points (1)	(125,984)	(128,985)

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

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

Foreign Exchange Risk

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

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

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

ATB is within our Board-approved minimum limits as at June 30, 2024, and March 31, 2024.

Liquidity Risk

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

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

As at June 30, 2024, the LCR is 138.5% (March 31, 2024: 128.5%), above the Board-approved minimum limit.

Table 12: Long-Term Funding Sources

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

	June 30 2024		**March 31 2024**	
As at *($ in thousands)*	**Long-term funding**	**Percentage of total**	**Long-term funding**	**Percentage of total**
Wholesale borrowings	$ 4,876,375	41.9%	$ 4,948,500	42.0%
Securitization Liabilities	6,749,806	58.1%	6,839,797	58.0%
Total long-term funding	**$ 11,626,181**	**100.0%**	**$ 11,788,297**	**100.0%**

CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

As at *($ in thousands)*	Note	June 30 2024	March 31 2024	June 30 2023
Cash		$ 2,854,277	$ 1,492,755	$ 3,161,115
Interest-bearing deposits with financial institutions		164,654	182,371	300,799
Total cash resources		**3,018,931**	**1,675,126**	**3,461,914**
Securities measured at fair value through profit or loss		391,269	115,150	103,532
Securities measured at fair value through other comprehensive income		4,595,879	4,735,559	4,534,473
Securities purchased under reverse repurchase agreements		400,108	806,964	-
Total securities	6	**5,387,256**	**5,657,673**	**4,638,005**
Business		29,279,248	29,059,731	26,197,864
Residential mortgages		18,312,324	17,971,062	17,193,207
Personal		3,762,000	3,843,806	4,175,786
Credit card		787,746	757,574	757,933
Total gross loans		**52,141,318**	**51,632,173**	**48,324,790**
Allowance for loan losses	8	(353,790)	(366,016)	(323,401)
Total net loans	7	**51,787,528**	**51,266,157**	**48,001,389**
Derivative financial instruments		837,756	928,723	1,283,540
Property and equipment		200,113	208,371	203,421
Software and other intangibles		162,203	174,024	206,639
Other assets		648,078	472,206	535,402
Total other assets		**1,848,150**	**1,783,324**	**2,229,002**
Total assets		**$ 62,041,865**	**$ 60,382,280**	**$ 58,330,310**
Transaction accounts		$ 13,102,427	$ 12,644,253	$ 13,183,196
Saving accounts		10,001,767	9,981,121	10,543,467
Notice accounts		6,546,757	6,064,005	5,920,417
Non-redeemable fixed-date deposits		10,178,091	9,693,531	9,223,463
Redeemable fixed-date deposits		2,263,886	2,199,907	1,459,070
Total deposits		**42,092,928**	**40,582,817**	**40,329,613**
Securitization liabilities	9	6,712,478	6,820,589	7,576,445
Wholesale borrowings		4,852,484	4,919,593	2,653,388
Derivative financial instruments		934,384	1,070,555	1,518,013
Securities sold under repurchase agreements		299,899	141,724	-
Obligations related to securities sold short		233,171	-	-
Other liabilities		1,522,489	1,587,506	1,375,985
Total other liabilities		**14,554,905**	**14,539,967**	**13,123,831**
Total liabilities		**56,647,833**	**55,122,784**	**53,453,444**
Retained earnings		5,393,442	5,313,468	5,096,593
Accumulated other comprehensive income (loss)		590	(53,972)	(219,727)
Total equity		**5,394,032**	**5,259,496**	**4,876,866**
Total liabilities and equity		**$ 62,041,865**	**$ 60,382,280**	**$ 58,330,310**

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

Curtis Stange

Dan Hugo

President and Chief Executive Officer

Chief Financial Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

For the three months ended *($ in thousands)*	Note	June 30 2024	March 31 2024	June 30 2023
Loans		$ 694,734	$ 670,362	$ 581,033
Securities		62,992	61,776	64,022
Interest-bearing deposits with financial institutions		32,407	24,345	24,660
Interest income		**790,133**	**756,483**	**669,715**
Deposits		318,455	293,180	254,091
Wholesale borrowings		51,395	51,704	18,302
Securitization		67,844	65,469	65,495
Interest expense		**437,694**	**410,353**	**337,888**
Net interest income		**352,439**	**346,130**	**331,827**
Wealth management		69,347	67,830	65,286
Service charges		24,302	24,179	23,040
Card fees		26,375	23,394	22,640
Credit fees		14,168	21,437	11,144
Financial markets		20,616	15,860	16,413
Capital markets		19,580	19,293	15,231
Foreign exchange		(330)	4,872	3,529
Insurance		4,975	6,911	5,260
Net gains (losses) on derivative financial instruments		(374)	(4,124)	(348)
Net gains (losses) on securities		2,482	4,360	1,799
Sundry		48	(24,577)	2,138
Other income		**181,189**	**159,435**	**166,132**
Total revenue		**533,628**	**505,565**	**497,959**
Provision for (recovery of) loan losses	8	**13,024**	**74,518**	**(2,909)**
Salaries and employee benefits		219,237	221,542	202,403
Data processing		49,226	50,295	40,463
Premises and occupancy, including depreciation		18,525	20,849	18,489
Professional and consulting costs		19,725	25,213	16,843
Deposit guarantee fee		14,742	13,138	14,143
Equipment, including depreciation		3,244	2,783	2,937
Software and other intangibles amortization		20,026	21,713	22,982
General and administrative		20,648	20,364	19,116
ATB agencies		4,525	4,389	4,270
Other		14,376	5,945	3,415
Non-interest expense		**384,274**	**386,231**	**345,061**
Income before payment in lieu of tax		**136,330**	**44,816**	**155,807**
Payment in lieu of tax	10	31,356	10,309	35,836
Net income		**$ 104,974**	**$ 34,507**	**$ 119,971**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

For the three months ended *($ in thousands)*	June 30 2024	March 31 2024	June 30 2023
Net income	$ 104,974	$ 34,507	$ 119,971
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Unrealized net gains (losses) on securities measured at fair value through other comprehensive income (loss)			
Unrealized net gains (losses) arising during the period	3,813	14,922	12,454
Net losses (gains) reclassified to net income	(5,697)	8,109	863
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges			
Unrealized net gains (losses) arising during the period	2,429	(68,443)	(130,229)
Net losses (gains) reclassified to net income	43,253	48,558	50,397
Items that will not be reclassified to profit or loss			
Remeasurement of defined-benefit plan liabilities	10,764	18,340	6,490
Other comprehensive income (loss)	**54,562**	**21,486**	**(60,025)**
Comprehensive income (loss)	**$ 159,536**	**$ 55,993**	**$ 59,946**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

For the three months ended *($ in thousands)*	June 30 2024	March 31 2024	June 30 2023
Retained earnings			
Balance at beginning of the period	$ 5,313,468	$ 5,278,961	$ 4,976,622
Net income	104,974	34,507	119,971
Dividends	(25,000)	-	-
Balance at end of the period	**5,393,442**	**5,313,468**	**5,096,593**
Accumulated other comprehensive income (loss)			
Securities measured at fair value through other comprehensive income			
Balance at beginning of the period	65,315	42,284	18,177
Other comprehensive income (loss)	(1,884)	23,031	13,317
Balance at end of the period	**63,431**	**65,315**	**31,494**
Derivative financial instruments designated as cash flow hedges			
Balance at beginning of the period	(193,758)	(173,873)	(249,310)
Other comprehensive income (loss)	45,682	(19,885)	(79,832)
Balance at end of the period	**(148,076)**	**(193,758)**	**(329,142)**
Defined-benefit-plan liabilities			
Balance at beginning of the period	74,471	56,131	71,431
Other comprehensive income (loss)	10,764	18,340	6,490
Balance at end of the period	**85,235**	**74,471**	**77,921**
Accumulated other comprehensive income (loss)	**590**	**(53,972)**	**(219,727)**
Equity	**$ 5,394,032**	**$ 5,259,496**	**$ 4,876,866**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

For the three months ended *($ in thousands)*	June 30 2024	March 31 2024	June 30 2023
Cash flows from operating activities			
Net income	$ 104,974	$ 34,507	$ 119,971
Adjustments for non-cash items and other items	-		
Provision for (recovery of) loan losses	13,024	74,518	(2,909)
Depreciation and amortization	31,296	32,429	33,319
Net losses (gains) on securities	(2,482)	(4,360)	(1,799)
Losses (gains) on foreign-denominated wholesale borrowings	8,086	15,704	(5,425)
Adjustments for net changes in operating assets and liabilities			
Loans	(529,700)	(526,740)	(798,373)
Deposits	1,512,131	393,877	851,782
Trading securities	(185,555)	-	-
Derivative financial instruments	478	42,838	(6,632)
Prepayments and other receivables	(159,249)	26,173	(12,207)
Accounts receivable—financial market products	(208)	(10)	(6,420)
Due to (from) clients, brokers and dealers	179,319	(8,274)	(8,099)
Deposit guarantee fee payable	(48,178)	15,900	(43,368)
Accounts payable and accrued liabilities	(146,314)	(17,632)	51,431
Accounts payable—financial market products	71	(9,739)	13,085
Liability for payment in lieu of tax	(69,261)	10,308	(92,137)
Net interest receivable and payable	(23,333)	38,090	24,891
Change in accrued-pension-benefit liability	858	1,507	463
Obligations related to securities sold short	233,171	-	-
Other	28,361	1,418	(7,882)
Net cash provided by (used in) operating activities	**947,489**	**120,514**	**109,691**
Cash flows from investing activities			
Purchase of securities, other than trading	(3,086,950)	(3,030,373)	(1,376,676)
Proceeds from sales and maturities of securities, other than trading	3,595,078	2,912,006	2,640,685
Change in interest-bearing deposits with financial institutions	17,717	7,851	(33,041)
Purchases and disposals of property and equipment, software and other intangibles	(11,217)	(26,841)	(21,714)
Net cash provided by (used in) investing activities	**514,628**	**(137,357)**	**1,209,254**
Cash flows from financing activities			
Dividends	(25,000)	-	-
Issuance of wholesale borrowings	2,250,539	2,283,892	350,000
Repayment of wholesale borrowings	(2,358,025)	(2,405,130)	(200,000)
Issuance of collateralized borrowings	628,526	131,095	286,019
Repayment of collateralized borrowings	(746,020)	(284,989)	(554,666)
Change in securities sold under repurchase agreements	158,175	141,712	(122,556)
Repayment of lease liabilities	(8,790)	(8,583)	(8,326)
Net cash provided by (used in) financing activities	**(100,595)**	**(142,003)**	**(249,529)**
Net increase (decrease) in cash	1,361,522	(158,846)	1,069,416
Cash at beginning of the period	1,492,755	1,651,601	2,091,699
Cash at end of the period	**$ 2,854,277**	**$ 1,492,755**	**$ 3,161,115**
Net cash provided by (used in) operating activities includes:			
Interest paid	$ (446,722)	$ (359,945)	$ (316,587)
Interest received	797,652	761,679	672,630

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 (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 (LGIC). Under the Alberta Public Agencies Governance Act (APAGA), ATB is recognized as a government commercial enterprise and remains operationally independent from the provincial government. The address of the head office is 2100, 10020-100 Street, Edmonton, Alberta, Canada, T5J 0N3.

ATB is exempt from Canadian federal and Alberta provincial income taxes but pays an amount to the Government of Alberta (GoA) designed to be in lieu of such charges. (See Note 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 2024 annual consolidated financial statements. The accounting policies, methods of computation and presentation of these interim statements are consistent with the most recent annual consolidated financial statements. These interim statements were approved by the Audit Committee on August 14, 2024.

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 2024 annual consolidated financial statements. Adoption of newly effective standards and amendments did not have a material impact on our financial statements.

Interest Rate Benchmark Reform Phase 2

The final publication of all tenors of the Canadian Dollar Offered Rate (CDOR) was made on June 28, 2024, and publication has now permanently ceased. Financial instruments with CDOR exposure are expected to transition to alternative reference rates throughout the period ending on September 30, 2024.

Hedging Relationships Impacted by the Interest Rate Benchmark Reform

The following table presents the notional amount of our hedging instruments as at June 30, 2024, and at March 31, 2024, which reference CDOR that will expire after June 30, 2024. The notional amounts of our hedging instruments also approximate the extent of the risk exposure we manage through hedging relationships. Changes in our exposures during the period did not result in significant changes to the risks arising from transition. In the normal course of business, our derivative notional amounts may fluctuate with no significant impact to our CDOR transition plans.

As at *($ in thousands)*	**June 30** **2024**	**March 31** **2024**
Interest rate swaps		
CDOR	**$ -**	$ 24,827,849

Non-Derivative Financial Assets and Undrawn Commitments

The following table reflects ATB's exposure to CDOR non-derivative financial assets, non-derivative financial liabilities and undrawn commitments that mature after June 30, 2024 and are subject to remediation to amend the benchmark rates. Changes in our exposures during the period did not result in significant changes to the risks arising from transition.

As at *($ in thousands)*	**June 30** **2024**	**March 31** **2024**
Non-derivative financial assets (1)	**$ 552,807**	$ 3,372,818
Non-derivative financial liabilities (2)	**1**	249,351
Authorized and committed undrawn commitments	**133,145**	182,185

(1) Non-derivative financial assets include carrying amounts of loans.
(2) Non-derivative financial liabilities include carrying amounts of deposits.

Future Accounting Policy Changes

Accounting standards and amendments that are effective for future years are detailed in Note 3 to the 2024 annual consolidated financial statements with updates provided below.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The amendments include clarification related to the classification of financial assets with environmental, social, and governance (ESG) and similar features as well as derecognition for settlement of financial liabilities through electronic payment systems, introducing an accounting policy option to allow derecognition of a financial liability before it delivers cash on the settlement date if specified criteria are met. The amendments also introduce additional disclosure requirements for fair value through other comprehensive income (FVOCI) equity investments and financial instruments with contingent features.

ATB is currently assessing the impact of the amendments, which are effective for reporting periods beginning on or after January 1, 2026, and are applied retrospectively with an adjustment to retained earnings, with earlier application permitted. The amendments will take effect on April 1, 2026—the start of ATB's FY2027.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements.* The new standard will replace IAS 1 *Presentation of Financial Statements* as the primary source of requirements for financial statement presentation. The new standard includes new requirements related to income statement structure and subtotals and management-defined performance measure disclosures, as well as new principles for grouping financial statement information.

ATB is currently assessing the impact of the new standard, which is effective for reporting periods beginning on or after January 1, 2027, and is applied retrospectively, with earlier application permitted. IFRS 18 will take effect on April 1, 2027—the start of ATB's FY2028.

4 Financial Instruments

Classification and Carrying Value

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

As at June 30, 2024 *($ in thousands)*	Carrying value: Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 2,854,277	$ 2,854,277
Interest-bearing deposits with financial institutions (1)	-	164,654	-	-	-	164,654
Total cash resources	-	164,654	-	-	2,854,277	3,018,931
Securities	391,195	74	4,491,663	104,216	-	4,987,148
Securities purchased under reverse repurchase agreements	-	-	-	-	400,108	400,108
Total securities (1)	391,195	74	4,491,663	104,216	400,108	5,387,256
Total net loans (2)	-	-	-	-	51,787,528	51,787,528
Derivative financial instruments	837,756	-	-	-	-	837,756
Other assets (1) (6)	-	-	-	-	497,553	497,553
Total other assets	837,756	-	-	-	497,553	1,335,309
Total financial assets	**$ 1,228,951**	**$ 164,728**	**$ 4,491,663**	**$ 104,216**	**$ 55,539,466**	**$ 61,529,024**
Financial liabilities						
Total deposits (3)	-	-	-	-	42,092,928	42,092,928
Securitization liabilities (4)	-	-	-	-	6,712,478	6,712,478
Wholesale borrowings (5)	-	-	-	-	4,852,484	4,852,484
Derivative financial instruments (1)	934,384	-	-	-	-	934,384
Securities sold under repurchase agreements (1)	-	-	-	-	299,899	299,899
Obligations related to securities sold short	233,171	-	-	-	-	233,171
Other liabilities (1) (6)	-	-	-	-	1,434,213	1,434,213
Total other liabilities	1,167,555	-	-	-	13,299,074	14,466,629
Total financial liabilities	**$ 1,167,555**	**$ -**	**$ -**	**$ -**	**$ 55,392,002**	**$ 56,559,557**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $52,984,453.
(3) The fair value of deposits is estimated at $41,666,897.
(4) The fair value of securitization liabilities is estimated at $6,641,689.
(5) The fair value of wholesale borrowings is estimated at $4,828,863.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

As at March 31, 2024 ($ in thousands)	Carrying value Financial instruments classified as FVTPL	Financial instruments designated as FVTPL	Financial instruments classified as FVOCI	Financial instruments designated as FVOCI	Financial instruments measured at amortized cost	Total carrying value
Financial assets						
Cash (1)	$ -	$ -	$ -	$ -	$ 1,492,755	$ 1,492,755
Interest-bearing deposits with financial institutions (1)	-	182,371	-	-	-	182,371
Total cash resources	-	182,371	-	-	1,492,755	1,675,126
Securities	84,172	30,978	4,632,365	103,194	-	4,850,709
Securities purchased under reverse repurchase agreements	-	-	-	-	806,964	806,964
Total securities (1)	84,172	30,978	4,632,365	103,194	806,964	5,657,673
Total net loans (2)	-	-	-	-	51,266,157	51,266,157
Derivative financial instruments	928,723	-	-	-	-	928,723
Other assets (1) (6)	-	-	-	-	338,084	338,084
Total other assets	928,723	-	-	-	338,084	1,266,807
Total financial assets	**$ 1,012,895**	**$ 213,349**	**$ 4,632,365**	**$ 103,194**	**$ 53,903,960**	**$ 59,865,763**
Financial liabilities						
Total deposits (3)	-	-	-	-	40,582,817	40,582,817
Securitization liabilities (4)	-	-	-	-	6,820,589	6,820,589
Wholesale borrowings (5)	-	-	-	-	4,919,593	4,919,593
Derivative financial instruments (1)	1,070,555	-	-	-	-	1,070,555
Securities sold under repurchase agreements (1)	-	-	-	-	141,724	141,724
Obligations related to securities sold short	-	-	-	-	-	-
Other liabilities (1) (6)	-	-	-	-	1,426,173	1,426,173
Total other liabilities	1,070,555	-	-	-	13,308,079	14,378,634
Total financial liabilities	**$ 1,070,555**	**$ -**	**$ -**	**$ -**	**$ 53,890,896**	**$ 54,961,451**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $51,956,855.
(3) The fair value of deposits is estimated at $39,946,090.
(4) The fair value of collateralized borrowings is estimated at $6,703,858.
(5) The fair value of wholesale borrowings is estimated at $4,847,500.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

Fair-Value Hierarchy

The following tables present the level within the fair-value hierarchy as described in Note 4 of the 2024 annual consolidated financial statements, of ATB's financial assets and liabilities measured at fair value. Transfers between fair-value levels can result from additional, revised or new information about the availability of quoted market prices or observable market inputs. For the three months ended June 30, 2024, and the year ended March 31, 2024, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

As at *($ in thousands)*	Level 1	Level 2	Level 3	Total
June 30, 2024				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 164,654	$ -	$ 164,654
Securities				
Securities measured at FVTPL	298,875	-	92,394	391,269
Securities measured at FVOCI	4,491,663	-	104,216	4,595,879
Other assets				
Derivative financial instruments	-	837,756	-	837,756
Total financial assets	**$ 4,790,538**	**$ 1,002,410**	**$ 196,610**	**$ 5,989,558**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	233,171	-	-	233,171
Derivative financial instruments	-	934,384	-	934,384
Total financial liabilities	**$ 233,171**	**$ 934,384**	**$ -**	**$ 1,167,555**
March 31, 2024				
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 182,371	$ -	$ 182,371
Securities				
Securities measured at FVTPL	31,109	-	84,041	115,150
Securities measured at FVOCI	4,632,365	-	103,194	4,735,559
Other assets				
Derivative financial instruments	-	928,723	-	928,723
Total financial assets	**$ 4,663,474**	**$ 1,111,094**	**$ 187,235**	**$ 5,961,803**
Financial liabilities				
Wholesale borrowings	$ -	$ -	$ -	$ -
Other liabilities				
Securities measured at FVTPL	-	-	-	-
Derivative financial instruments	-	1,070,555	-	1,070,555
Total financial liabilities	**$ -**	**$ 1,070,555**	**$ -**	**$ 1,070,555**

Valuation of Level 3 Instruments

For direct investments in private companies—as there is no observable market price as at the balance sheet date—ATB estimates the fair value using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies. Specifically, the expected earnings before interest, income tax, depreciation and amortization (EBITDA). For direct investments in capital funds, the net asset value is used in estimating the fair value of ATB's interest.

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

			June 30 2024		March 31 2024	
			Range of input values		Range of input values	
Product	**Valuation technique**	**Significant unobservable inputs**	**Low**	**High**	**Low**	**High**
Equity	Valuation multiple	Enterprise value/EBITDA multiple	3.8	7.6	3.1	7.2
		Enterprise value/revenue multiple	5.2	5.5	5.5	5.7
	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 $10.4 million increase and $6.2 million decrease in fair value (March 2024: $8.7 million increase and $3.5 million decrease in fair value). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in
Note 2 of the 2024 annual consolidated financial statements.

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

($ in thousands)	**Securities designated as FVOCI**	**Securities classified as FVTPL**
Fair value as at March 31, 2024	$ 103,194	$ 84,041
Total realized and unrealized gains (losses) included in net income	-	1,059
Total realized and unrealized gains (losses) included in other comprehensive income	(311)	-
Purchases and issuances	1,333	7,294
Sales and settlements	-	-
Fair value as at June 30, 2024	$ 104,216	$ 92,394
Change in unrealized gains included in income regarding financial instruments held as June 30, 2024	$ -	$ 1,059

Fair value as at March 31, 2023	$ 54,141	$ 82,913
Total realized and unrealized gains (losses) included in net income	-	(945)
Total realized and unrealized gains (losses) included in other comprehensive income	46,408	-
Purchases and issuances	2,645	12,266
Sales and settlements	-	(10,193)
Fair value as at March 31, 2024	**$ 103,194**	**$ 84,041**
Change in unrealized gains included in income regarding financial instruments held as March 31, 2024	$ -	$ (4,418)

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

5 Financial Instruments—Risk Management

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

6 Securities

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

As at *($ in thousands)*	Within 1 year	1 to 5 years	Over 5 years	No maturity	Total carrying value
June 30, 2024					
Securities measured at FVTPL					
Investments - issued or guaranteed by the federal, provincial or municipal government	$ 26,822	$ -	$ -	$ -	$ 26,822
Trading - issued or guaranteed by the federal, provincial or municipal government	3,730	83,586	98,239	-	185,555
Other securities (1)	81	11	58,966	119,834	178,892
Total securities measured at FVTPL	**$ 30,633**	**$ 83,597**	**$ 157,205**	**$ 119,834**	**$ 391,269**
Securities measured at FVOCI					
Investments - issued or guaranteed by the federal, provincial, or municipal government	$ 2,210,108	$ 2,211,623	$ 69,932	$ -	$ 4,491,663
Other securities (1)	-	-	104,216	-	104,216
Total securities measured at FVOCI	**$ 2,210,108**	**$ 2,211,623**	**$ 174,148**	**$ -**	**$ 4,595,879**
Securities purchased under reverse repurchase agreements					
Investments - issued or guaranteed by the federal or provincial government	400,108	-	-	-	400,108
Total securities purchased under reverse repurchase agreements	**$ 400,108**	**$ -**	**$ -**	**$ -**	**$ 400,108**
March 31, 2024					
Securities measured at FVTPL					
Investments - issued or guaranteed by the federal, provincial or municipal government	$ 30,911	$ -	$ -	$ -	$ 30,911
Trading - issued or guaranteed by the federal, provincial or municipal government		-	-	-	-
Other securities (1)	112	21	54,605	29,501	84,239
Total securities measured at FVTPL	**$ 31,023**	**$ 21**	**$ 54,605**	**$ 29,501**	**$ 115,150**
Securities measured at FVOCI					
Investments - issued or guaranteed by the federal, provincial or municipal government	$ 1,349,744	$ 3,166,760	$ 115,861	$ -	$ 4,632,365
Other securities (1)	-	-	103,194	-	103,194
Total securities measured at FVOCI	**$ 1,349,744**	**$ 3,166,760**	**$ 219,055**	**$ -**	**$ 4,735,559**
Securities purchased under reverse repurchase agreements					
Investments - issued or guaranteed by the federal or provincial government	806,964	-	-	-	806,964
Total securities purchased under reverse repurchase agreements	**$ 806,964**	**$ -**	**$ -**	**$ -**	**$ 806,964**

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

As at June 30, 2024, and at March 31, 2024, we had no securities classified as held-to-maturity.

7 Loans

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

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

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

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

Credit Quality

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

As at *($ in thousands)*				June 30 2024				March 31 2024
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 7,169,336	$ 7,801	$ -	$ 7,177,137	$ 7,243,651	$ 100,289	$ -	$ 7,343,940
Low risk	18,338,615	284,778	-	18,623,393	17,745,074	447,654	-	18,192,728
Medium risk	2,447,899	168,083	-	2,615,982	2,442,178	203,991	-	2,646,169
High risk	-	314,197	-	314,197	-	328,887	-	328,887
Not rated (1)	34,548	5,101	-	39,649	32,505	5,123	-	37,628
Impaired	-	-	508,890	508,890	-	-	510,379	510,379
Total business	**27,990,398**	**779,960**	**508,890**	**29,279,248**	**27,463,408**	**1,085,944**	**510,379**	**29,059,731**
Very low risk	9,249,433	6,690	-	9,256,123	8,951,589	6,689	-	8,958,278
Low risk	6,122,762	21,535	-	6,144,297	6,017,445	14,431	-	6,031,876
Medium risk	2,210,515	38,829	-	2,249,344	2,265,991	40,611	-	2,306,602
High risk	517,639	97,120	-	614,759	525,446	103,669	-	629,115
Not rated (1)	5,528	97	-	5,625	5,086	-	-	5,086
Impaired	-	-	42,176	42,176	-	-	40,105	40,105
Total residential mortgages	**18,105,877**	**164,271**	**42,176**	**18,312,324**	**17,765,557**	**165,400**	**40,105**	**17,971,062**
Very low risk	1,685,939	5,123	-	1,691,062	1,698,375	7,135	-	1,705,510
Low risk	1,205,406	76,511	-	1,281,917	1,294,964	16,954	-	1,311,918
Medium risk	526,167	50,598	-	576,765	583,065	22,939	-	606,004
High risk	121,991	45,899	-	167,890	135,232	44,249	-	179,481
Not rated (1)	8,105	527	-	8,632	8,692	241	-	8,933
Impaired	-	-	35,734	35,734	-	-	31,960	31,960
Total personal	**3,547,608**	**178,658**	**35,734**	**3,762,000**	**3,720,328**	**91,518**	**31,960**	**3,843,806**
Very low risk	128,087	2,152	-	130,239	116,342	2,290	-	118,632
Low risk	333,682	16,980	-	350,662	318,135	16,564	-	334,699
Medium risk	189,543	19,141	-	208,684	187,156	19,055	-	206,211
High risk	28,719	11,714	-	40,433	28,651	11,758	-	40,409
Not rated (1)	48,081	5,306	-	53,387	46,243	6,689	-	52,932
Impaired	-	-	4,341	4,341	-	-	4,691	4,691
Total credit card	**728,112**	**55,293**	**4,341**	**787,746**	**696,527**	**56,356**	**4,691**	**757,574**
Total loans	**50,371,995**	**1,178,182**	**591,141**	**52,141,318**	**49,645,820**	**1,399,218**	**587,135**	**51,632,173**
Total allowance for loan losses	(86,943)	(81,531)	(185,316)	(353,790)	(87,446)	(89,104)	(189,466)	(366,016)
Total net loans	**$ 50,285,052**	**$ 1,096,651**	**$ 405,825**	**$ 51,787,528**	**$ 49,558,374**	**$ 1,310,114**	**$ 397,669**	**$ 51,266,157**

(1) Loans where the client account-level risk rating has not been determined have been included in the "not rated" category.

As at *($ in thousands)*				June 30 2024				March 31 2024
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 5,066,143	$ 9,195	$ -	$ 5,075,338	$ 5,078,519	$ 8,295	$ -	$ 5,086,814
Low risk	1,166,721	81,196	-	1,247,917	1,206,935	11,162	-	1,218,097
Medium risk	174,197	15,219	-	189,416	191,775	3,499	-	195,274
High risk	18,730	3,933	-	22,663	20,220	3,912	-	24,132
Not rated (1)	15,789	81	-	15,870	12,136	79	-	12,215
Total undrawn loan commitments—retail	**6,441,580**	**109,624**	**-**	**6,551,204**	**6,509,585**	**26,947**	**-**	**6,536,532**
Total allowance for loan losses (2)	(14,582)	(2,896)	-	(17,478)	(15,064)	(2,621)	-	(17,685)
Total net undrawn—retail	**$ 6,426,998**	**$ 106,728**	**$ -**	**$ 6,533,726**	**$ 6,494,521**	**$ 24,326**	**$ -**	**$ 6,518,847**
Very low risk	$ 8,007,843	$ 39,758	$ -	$ 8,047,601	$ 6,854,423	$ 106,888	$ -	$ 6,961,311
Low risk	9,957,401	104,880	-	10,062,281	9,269,635	168,616	-	9,438,251
Medium risk	585,745	27,523	-	613,268	617,706	33,956	-	651,662
High risk	2,701	75,105	-	77,806	3,191	86,812	-	90,003
Not rated (1)	146,482	3,553	-	150,035	144,716	4,051	-	148,767
Total undrawn loan commitments—non retail	**18,700,172**	**250,819**	**-**	**18,950,991**	**16,889,671**	**400,322**	**-**	**17,289,993**
Total allowance for loan losses (2)	(19,760)	(11,367)	-	(31,127)	(20,343)	(12,422)	-	(32,765)
Total net undrawn—non-retail	**$ 18,680,412**	**$ 239,452**	**$ -**	**$ 18,919,864**	**$ 16,869,328**	**$ 387,900**	**$ -**	**$ 17,257,228**

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

Loans Past Due

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

As at *($ in thousands)*	Business	Residential mortgages	Personal	Credit card	Total	Percentage of total gross loans
June 30, 2024						
Up to 1 month (1)	$ 51,026	$ 151,360	$ 29,664	$ 29,950	$ 262,000	0.5%
Over 1 month up to 2 months	52,053	41,479	35,674	8,499	137,705	0.3%
Over 2 months up to 3 months	19,129	13,048	8,219	3,737	44,133	0.1%
Over 3 months	4,177	1,521	317	4,040	10,055	0.0%
Total past due but not impaired	**$ 126,385**	**$ 207,408**	**$ 73,874**	**$ 46,226**	**$ 453,893**	**0.9%**
March 31, 2024						
Up to 1 month (1)	$ 35,476	$ 115,946	$ 18,967	$ 27,731	$ 198,120	0.4%
Over 1 month up to 2 months	106,840	83,117	47,357	8,044	245,358	0.5%
Over 2 months up to 3 months	24,572	10,070	11,485	3,805	49,932	0.1%
Over 3 months	501	1,136	930	4,743	7,310	0.0%
Total past due but not impaired	**$ 167,389**	**$ 210,269**	**$ 78,739**	**$ 44,323**	**$ 500,720**	**1.0%**

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

8 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking expected credit losses (ECLs) approach, as required under IFRS 9. This process involves complex models, with inputs and assumptions requiring a high degree of judgment to assess forecasts of macroeconomic variables and significant increases in credit risk. Our estimates and assumptions consider a range of possible scenarios, including the current interest rate environment. We continue to closely monitor external conditions and their impacts on our clients. Due to the unique conditions in the current environment, uncertainty in judgments and assumptions remains elevated as at June 30, 2024.

Key Inputs and Assumptions

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

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

Forward-Looking Information

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

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

	Baseline scenario			**Optimistic scenario**			**Pessimistic scenario**		
As at	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
June 30, 2024									
GDP *(%)*	2.5	2.7	2.4	4.5	3.8	2.5	(0.9)	0.6	1.2
Unemployment rate *(%)*	6.4	6.0	5.7	5.6	4.8	4.5	7.8	8.0	7.8
Housing starts	42,894	42,561	38,699	48,658	49,551	45,173	32,600	30,200	25,421
Oil prices *(WTI,* USD/bbl*)*	78	76	74	91	95	93	65	57	56
3m T-bill yield *(%)*	4.9	3.7	3.3	5.7	4.6	4.1	4.1	2.7	2.4

	2024	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
March 31, 2024									
GDP *(%)*	2.1	2.7	2.4	5.3	3.8	3.2	(1.6)	1.3	1.3
Unemployment rate *(%)*	6.2	5.9	5.7	4.7	4.0	3.9	7.8	7.9	7.7
Housing starts	40,423	39,533	35,139	51,680	51,116	47,246	28,476	27,271	22,287
Oil prices *(WTI,* USD/bbl*)*	75	73	69	93	91	86	58	55	51
3m T-bill yield *(%)*	4.5	3.5	3.3	5.6	4.4	4.1	3.5	2.6	2.4

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

For the three months ended ($ in thousands)	Balance at beginning of period	Provision for (recovery of) loan losses	Net write-offs	Discounted cash flows on impaired loans and other	Balance at end of period	Comprises	
						Loans	Other credit instruments (1)
June 30, 2024							
Business	$ 335,963	$ 6,283	$ (13,409)	$ (5,092)	$ 323,745	$ 293,608	$ 30,137
Residential mortgages	9,957	449	(305)	143	10,244	9,121	1,123
Personal	40,730	2,544	(5,586)	206	37,894	28,275	9,619
Credit card	29,816	3,748	(3,052)	-	30,512	22,786	7,726
Total	**$ 416,466**	**$ 13,024**	**$ (22,352)**	**$ (4,743)**	**$ 402,395**	**$ 353,790**	**$ 48,605**
June 30, 2023							
Business	$ 309,589	$ 1,309	$ (24,020)	$ (2,720)	$ 284,158	$ 263,622	$ 20,536
Residential mortgages	8,815	356	(342)	144	8,973	8,288	685
Personal	39,935	2,832	(5,274)	303	37,796	31,337	6,459
Credit card	39,657	(7,406)	(2,290)	78	30,039	20,154	9,885
Total	**$ 397,996**	**$ (2,909)**	**$ (31,926)**	**$ (2,195)**	**$ 360,966**	**$ 323,401**	**$ 37,565**

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

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

	June 30, 2024				June 30, 2023			
	Performing		Impaired		Performing		Impaired	
For the three months ended ($ in thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Allowance for loan losses—business loans								
Balance at beginning of period	$ 79,036	$ 82,741	$ 174,186	$ 335,963	$ 57,462	$ 77,943	$ 174,184	$ 309,589
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	3,045	(2,915)	(130)	-	2,703	(2,481)	(222)	-
Transfers into (out of) Stage 2 (1)	(12,001)	12,045	(44)	-	(628)	1,842	(1,214)	-
Transfers into (out of) Stage 3 (1)	(1,197)	(466)	1,663	-	(396)	(755)	1,151	-
New originations (2)	17,286	-	-	17,286	2,271	-	-	2,271
Repayments (3)	(3,539)	(6,780)	(210)	(10,529)	(1,394)	(5,563)	(556)	(7,513)
Remeasurements (4)	(2,387)	(9,830)	11,743	(474)	12,845	(7,902)	1,608	6,551
Total provision for (recovery of) loan losses	**1,207**	**(7,946)**	**13,022**	**6,283**	**15,401**	**(14,859)**	**767**	**1,309**
Write-offs	-	-	(13,782)	(13,782)	-	-	(24,206)	(24,206)
Recoveries	-	-	373	373	-	-	186	186
Discounted cash flows on impaired loans and other	46	(6)	(5,132)	(5,092)	(62)	(9)	(2,649)	(2,720)
Balance at end of period	**$ 80,289**	**$ 74,789**	**$ 168,667**	**$ 323,745**	**$ 72,801**	**$ 63,075**	**$ 148,282**	**$ 284,158**

Allowance for loan losses—residential mortgages								
Balance at beginning of period	$ 5,887	$ 2,711	$ 1,359	$ 9,957	$ 4,997	$ 2,711	$ 1,107	$ 8,815
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	533	(383)	(150)	-	577	(555)	(22)	-
Transfers into (out of) Stage 2 (1)	(68)	127	(59)	-	(63)	167	(104)	-
Transfers into (out of) Stage 3 (1)	(1)	(119)	120	-	(1)	(104)	105	-
New originations (2)	83	-	-	83	95	-	-	95
Repayments (3)	(39)	(21)	(106)	(166)	(42)	(47)	(19)	(108)
Remeasurements (4)	112	(65)	485	532	47	99	223	369
Total provision for (recovery of) loan losses	**620**	**(461)**	**290**	**449**	**613**	**(440)**	**183**	**356**
Write-offs	-	-	(341)	(341)	-	-	(364)	(364)
Recoveries	-	-	36	36	-	-	22	22
Discounted cash flows on impaired loans and other	-	-	143	143	-	-	144	144
Balance at end of period	**$ 6,507**	**$ 2,250**	**$ 1,487**	**$ 10,244**	**$ 5,610**	**$ 2,271**	**$ 1,092**	**$ 8,973**

(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)	June 30, 2024 Performing Stage 1	Stage 2	Impaired Stage 3	Total	June 30, 2023 Performing Stage 1	Stage 2	Impaired Stage 3	Total
Allowance for loan losses—personal loans								
Balance at beginning of period	$ 22,483	$ 7,025	$ 11,222	$ 40,730	$ 23,065	$ 7,856	$ 9,014	$ 39,935
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	3,825	(3,324)	(501)	-	2,193	(1,936)	(257)	-
Transfers into (out of) Stage 2 (1)	(648)	893	(245)	-	(486)	846	(360)	-
Transfers into (out of) Stage 3 (1)	(273)	(1,050)	1,323	-	(163)	(673)	836	-
New originations (2)	976	-	-	976	766	-	-	766
Repayments (3)	(467)	(235)	(207)	(909)	(311)	(232)	(238)	(781)
Remeasurements (4)	(6,774)	2,722	6,529	2,477	(4,234)	1,579	5,502	2,847
Total provision for (recovery of) loan losses	**(3,361)**	**(994)**	**6,899**	**2,544**	**(2,235)**	**(416)**	**5,483**	**2,832**
Write-offs	-	-	(5,610)	(5,610)	-	-	(5,289)	(5,289)
Recoveries	-	-	24	24	-	-	15	15
Discounted cash flows on impaired loans and other	-	-	206	206	-	-	303	303
Balance at end of period	**$ 19,122**	**$ 6,031**	**$ 12,741**	**$ 37,894**	**$ 20,830**	**$ 7,440**	**$ 9,526**	**$ 37,796**
Allowance for loan losses—credit card								
Balance at beginning of period	$ 15,447	$ 11,670	$ 2,699	$ 29,816	$ 19,173	$ 18,215	$ 2,269	$ 39,657
Provision for (recovery of) loan losses								
Transfers into (out of) Stage 1 (1)	3,138	(3,138)	-	-	11,558	(11,558)	-	-
Transfers into (out of) Stage 2 (1)	(395)	395	-	-	(471)	471	-	-
Transfers into (out of) Stage 3 (1)	(30)	(345)	375	-	(32)	(636)	668	-
New originations (2)	237	-	-	237	255	-	-	255
Repayments (3)	(111)	(1,165)	-	(1,276)	(228)	(1,128)	-	(1,356)
Remeasurements (4)	(2,921)	5,307	2,401	4,787	(12,276)	3,996	1,975	(6,305)
Total provision for (recovery of) loan losses	**(82)**	**1,054**	**2,776**	**3,748**	**(1,194)**	**(8,855)**	**2,643**	**(7,406)**
Write-offs	-	-	(6,054)	(6,054)	-	-	(5,335)	(5,335)
Recoveries	-	-	3,002	3,002	-	-	3,045	3,045
Discounted cash flows on impaired loans and other	2	-	(2)	-	(16)	(6)	100	78
Balance at end of period	**$ 15,367**	**$ 12,724**	**$ 2,421**	**$ 30,512**	**$ 17,963**	**$ 9,354**	**$ 2,722**	**$ 30,039**
Total balance as at end of period	**$ 121,285**	**$ 95,794**	**$ 185,316**	**$ 402,395**	**$ 117,204**	**$ 82,140**	**$ 161,622**	**$ 360,966**
Comprises: Loans	$ 86,943	$ 81,531	$ 185,316	$ 353,790	$ 88,204	$ 73,575	$ 161,622	$ 323,401
Comprises: Other credit instruments (5)	34,342	14,263	-	48,605	29,000	8,565	-	37,565

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

9 Securitization Liabilities

Residential Mortgage Loans Securitization

ATB periodically securitizes insured residential mortgage loans (RMLs) and certain securities by participating in the *National Housing Act* Mortgage-Backed Security (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The sale of mortgage pools and certain securities that comprise the MBSs does not qualify for derecognition as outlined in IFRS 9 *Financial Instruments*, as ATB retains the prepayment, credit and interest rate risks, which represent substantially all of the risks and rewards. Therefore, it is accounted for as a collateralized borrowing. (For more on the program, refer to Note 15 of the 2024 annual consolidated financial statements.)

Credit Card Securitization

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

Equipment Finance Securitization

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

Synthetic Securitization

Effective May 8, 2024 ATB began the synthetic securitization of certain loan assets. This allows ATB to purchase credit protection against eligible credit events on these loans through the issuance of interest-bearing guarantee linked notes to third-party investors. The loans remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. As at June 30, 2024, ATB issued $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 ATB's RMLs, agricultural loans under synthetic securitization, credit card and equipment finance receivables, as well as, assets pledged as collateral for the associated liability recognized in the consolidated statement of financial position:

As at *($ in thousands)*	June 30 2024	March 31 2024
Principal value of mortgages pledged as collateral	$ 5,905,096	$ 5,865,807
ATB mortgage-backed securities (MBSs) pledged as collateral through repurchase agreements	485,718	1,004,258
Externally purchased MBSs	-	32,568
Principal value of credit card receivables pledged as collateral	702,970	689,770
Principal value of equipment finance receivables pledged as collateral	29,822	26,756
Principal value of Agricultural loans under synthetic securitization	750,000	-
Total	**$ 7,873,606**	**$ 7,619,159**
Associated liabilities	$ 6,712,478	$ 6,820,589

10 Payment in Lieu of Tax

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

For the three months ended June 30, 2024, ATB has accrued a total of $31.4 million (March 31, 2024: $10.3 million and June 30, 2023: $35.8 million) for PILOT.

11 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the three months ended June 30, 2024, ATB declared and paid dividends of $25 million (March 31, 2024: nil and June 30, 2023 : nil).

Subsequent to June 30, 2024, ATB's Board of Directors declared a $25 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, the ASFIs, while supporting the continued growth of our business.

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

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of wholesale borrowings and the collective allowance for loan losses. (For more details, refer to Note 25 of the 2024 annual consolidated financial statements.)

As at June 30, 2024, and at March 31, 2024, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at *($ in thousands)*	**June 30 2024**	**March 31 2024**
Tier 1 capital		
Retained earnings	$ 5,393,442	$ 5,313,468
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,138,955	1,304,469
Collective allowance for loan losses	217,079	227,000
Total Tier 2 capital	**$ 1,356,034**	**$ 1,531,469**
Deductions from capital		
Software and other intangibles	162,203	174,024
Total capital	**$ 6,587,273**	**$ 6,670,913**
Total risk-weighted assets	$ 42,753,650	$ 40,769,954
Risk-weighted capital ratios		
Tier 1 capital ratio	12.6%	13.0%
Total capital ratio	15.4%	16.3%

13 Segmented Information

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

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

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

Basis of Presentation

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

NII is attributed to each AOE according to ATB's internal funds transfer pricing (FTP) system: assets earn NII to the extent that external revenues exceed internal FTP expense, and liabilities earn NII to the extent that internal FTP revenues exceed external interest expenses. LLP is allocated based on the loans the AOE has issued and is determined based on the methodology outlined in Notes 2 and 9 of the 2024 annual consolidated financial statements.

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

For the three months ended ($ in thousands)	Everyday Financial Services	ATB Business	ATB Wealth	Strategic support units	Total
June 30, 2024					
Net interest income (loss)	$ 143,062	$ 203,983	$ 10,737	$ (5,343)	$ 352,439
Other income (loss)	40,263	72,635	70,444	(2,153)	181,189
Total revenue (loss)	183,325	276,618	81,181	(7,496)	533,628
Provision for (recovery of) loan losses	6,128	5,884	(161)	1,173	13,024
Non-interest expense (1)	143,220	143,537	83,082	14,435	384,274
Income (loss) before payment in lieu of tax	33,977	127,197	(1,740)	(23,104)	136,330
Payment in lieu of (recovery of) tax	7,815	29,255	(400)	(5,314)	31,356
Net income (loss)	**$ 26,162**	**$ 97,942**	**$ (1,340)**	**$ (17,790)**	**$ 104,974**
Total assets	$ 32,211,185	$ 27,998,940	$ 1,637,367	$ 194,373	$ 62,041,865
Total liabilities	19,646,126	19,936,903	1,747,257	15,317,547	56,647,833
March 31, 2024					
Net interest income (loss)	$ 147,927	$ 200,200	$ 11,273	$ (13,270)	$ 346,130
Other income (loss)	40,478	77,156	69,069	(27,268)	159,435
Total revenue (loss)	188,405	277,356	80,342	(40,538)	505,565
Provision for (recovery of) loan losses	14,585	59,137	(171)	967	74,518
Non-interest expense (1)	146,361	137,172	74,115	28,583	386,231
Income (loss) before payment in lieu of tax	27,459	81,047	6,398	(70,088)	44,816
Payment in lieu of (recovery of) tax	6,315	18,641	569	(15,216)	10,309
Net income (loss)	**$ 21,144**	**$ 62,406**	**$ 5,829**	**$ (54,872)**	**$ 34,507**
Total assets	$ 31,703,318	$ 25,970,322	$ 1,714,136	$ 994,504	$ 60,382,280
Total liabilities	19,272,793	18,287,055	1,800,673	15,762,263	55,122,784
June 30, 2023					
Net interest income (loss)	$ 139,932	$ 189,993	$ 10,487	$ (8,585)	$ 331,827
Other income (loss)	35,919	62,356	66,098	1,759	166,132
Total revenue (loss)	175,851	252,349	76,585	(6,826)	497,959
Provision for (recovery of) loan losses	(3,779)	(20)	(82)	972	(2,909)
Non-interest expense (1)	138,950	127,636	70,043	8,432	345,061
Income (loss) before payment in lieu of tax	40,680	124,733	6,624	(16,230)	155,807
Payment in lieu of (recovery of) tax	9,356	28,689	1,523	(3,732)	35,836
Net income (loss)	**$ 31,324**	**$ 96,044**	**$ 5,101**	**$ (12,498)**	**$ 119,971**
Total assets	$ 30,092,944	$ 26,200,303	$ 1,560,261	$ 476,802	$ 58,330,310
Total liabilities	18,081,999	19,434,720	1,588,338	14,348,387	53,453,444

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

14 Comparative Amounts

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

GLOSSARY

(unaudited)

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

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

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

ACRONYMS

(unaudited)	
AOCI	Accumulated other comprehensive income
AOE	Area of expertise
ASFI	Alberta Superintendent of Financial Institutions
AUA	Assets under administration
BRR	Borrower risk rating
CAR Guideline	*Capital Adequacy Requirements* Guideline
CARR	Canadian Alternative Reference Rate working group
CDOR	Canadian Dollar Offered Rate
CMB	Canada Mortgage Bonds
CORRA	Canadian Overnight Repo Rate Average
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EFS	Everyday Financial Services
FICO	Fair Isaac Corporation
FTE	Full-time equivalent
FTP	Funds transfer pricing
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign exchange
FY	Fiscal year (e.g., FY2025)
GDP	Gross domestic product
GLN	Guarantee Linked Note
GoA	Government of Alberta
HELOC	Home equity line of credit
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
LCR	Liquidity coverage ratio
LIBOR	London Interbank Offered Rate
LLP	Loan loss provision (also "provision for loan losses")
MBS	Mortgage-backed security
MD&A	Management's discussion and analysis
NI	Net income
NIE	Non-interest expense
NII	Net interest income
NIM	Net interest margin
OI	Other income
PILOT	Payment in lieu of tax
RML	Residential mortgage loan
SSU	Strategic support unit