

CHAPTER ONE

ATB Financial[®]

BUSINESS PLAN

Financial Year 2016

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Introducing the

THE ATB STORY

We can transform banking. Reimagine it.
Make banking work *for* people.

Because we carry the outrageous belief that
banking can change people's lives for the better.
Make their time richer, their aspirations closer,
their happiness deeper.

How will we do this? By doing things other banks
wouldn't do. By being ever loyal to our customers,
relentlessly inventive, and steadfastly genuine in
our pursuit of Albertans' greater good. By using
banking to create happiness.

Why happiness? Because good things happen
when happiness becomes your purpose.

That's why ATB will always be more than a bank.

OUR STRATEGIC DIRECTION

Innovation and technology is rapidly changing the banking environment, and “non-banks” are increasingly providing products and services that previously were the exclusive domain of banks. Meanwhile, questions about the core elements of Alberta’s economy are being raised as we continue to see lower oil prices and uncertainty around pipeline approvals.

All of this creates the impetus for ATB to be more intentional and purposeful, and to be different from the rest of the banks. The opportunity is for ATB to serve our customers and attract new ones starting with a clear story about what makes ATB different.

We’ll become better at asking what customers want and need

from us and better at listening and finding innovative ways to deliver. We’ll continue to deepen our relationships with customers and introduce them to other team members who can help.

We’ll build on where we already excel while looking for opportunities to develop new strengths, with all our decisions and actions driven by the pursuit of our customers’ success. And with the success of customers will come the growing success of Alberta. The transformation of banking that ATB will undertake will be an important accelerant to strengthening Alberta’s future.

To achieve that, our strategic business plan will focus on:

The ATB Story (The Story)

We’re introducing The Story as the foundation for everything we do as an organization, with our purpose firmly grounded in transforming banking and making banking work for people.

Two Differentiators

We’re infusing two new differentiators to help bring The Story to life:

- The “ATBs” – 10 principles to guide how team members deliver a consistent customer experience not expected from banks. We’re being very intentional about the kind of experience our customers receive, and we’re holding ourselves accountable for delivering it, every time.
- The “stadium” – All the things that must be done behind the scenes to make sure our team members have the best tools, processes, environments, and products to allow them to do their best work and deliver exceptional experiences and results for our customers. The stadium initiatives will make banking easy for our customers and make us more efficient.

Higher Gear – Stage 2

We’re continuing the key initiatives and approaches outlined in last year’s Higher Gear strategy. Focusing on key roles for each of the areas of expertise, which will see:

- Retail Financial Services acquiring more low-cost deposits, attracting net-new customers, and connecting customers with ATB experts
- Business and Agriculture acquiring more low-cost deposits and higher-yielding loans and driving strong growth in other income
- Corporate Financial Services optimizing their portfolio and operating in concert with Treasury to increase the quality and quantity of deposits in order to secure our required liquidity
- ATB Investor Services acquiring new customers and non-margin fee income
- Using our Connections strategy to surround customers with experts and deepen their relationships with ATB
- Investing in channels and payments to introduce new tools to make it easier for customers to access, move, and manage their money

WHY

The Story

HOW

**Higher
Gear**

**The
ATBs**

**The
Stadium**

WHAT

The Place

**Loved &
Respected**

#1

EXTRAORDINARY RESULTS

WHERE WE'RE GOING

We expect net income for fiscal 2015–16 to be between \$270 million and \$300 million, which is a decrease from fiscal 2014–15. This is driven by an expected increase in loan losses that is largely a result of low oil prices and slower growth than previously expected. ATB's experts will work closely with our customers to help them through these difficult times, mitigating the impact of loan losses on our expected earnings outlook. We are doing business as usual with an abundance of caution.

In addition to tracking our financial results, ATB tracks key metrics that allow us to assess whether or not we're meeting our three goals of being the place to work, being number one in the markets we're in, and being loved and respected by Albertans. Based on our results for fiscal 2014-15 and the impact of ATB's various strategies, tempered by the current economic environment, we expect to be on track to achieve the following results over the next three years.

METRICS

The place to work	FY2015	FY2016	FY2017	FY2018
Engagement	84%	83%	85%	85%

Loved and respected by Albertans	FY2015	FY2016	FY2017	FY2018
Willingness to bank <i>(non-customers)</i>	84%	83%	85%	85%
J.D. Power	730	742	763	775

#1 in every market we're in <i>(Customer market share)</i>	FY2015	FY2016	FY2017	FY2018
Consumer	14.1%	15.1%	17.0%	17.4%
Business	21.1%	21.9%	22.0%	22.1%

Extraordinary results <i>(\$ millions)</i>	FY2015	FY2016	FY2017	FY2018
Net Income <i>(February 2015 base case)</i>	\$345	\$290	\$340	\$488

STRATEGIC PRIORITIES

From a corporate-wide perspective, in fiscal 2015-16 we will focus on introducing The ATB Story and ensuring team members understand its meaning and intent; taking steps to infuse the ATBs across the organization as the first step in what will undoubtedly be a longer-term shift in our culture; finalizing plans and taking steps to improve

processes in the stadium; and, of course, moving ahead with the plans identified by each area of expertise, in spite of a clearly challenging economic time. The following sections of the business plan outline in more detail the specific steps we will take in various parts of the organization to implement our strategies, particularly in fiscal 2015-16.



RETAIL FINANCIAL SERVICES

Our goal is to be respected as one of the best-run retail financial institutions in the world, to transform banking, to reimagine it...to make banking work for people. To optimize ATB's financial performance, we will focus on acquiring low-cost deposits, attracting new customers, and connecting clients with ATB experts. For fiscal 2015-16, RFS will focus on the following priorities:

Executing Extraordinary Leadership:

We will continue to improve branch productivity, client acquisition, and financial performance, with even greater focus on team member capability, accountability, and proficiency. We will also enhance our leadership review program and make sure we are getting the most out of internal leadership programs.

Maximizing Team Member Contribution:

We will place more emphasis on performance and recognition programs to reward results that align with ATB's goals.

Creating Rules That Let Customers Choose:

We will remember that the best rules are the ones that let us do our job right and that let our customers, once informed, choose what works best for them.

Being First to Trust:

We will develop the competence and authority to think "yes" and do the right thing. This approach enables front-line team members to make on-the-spot decisions for customers



BUSINESS AND AGRICULTURE

Our goal is to continue to elevate our reputation in Alberta as being number one for business banking and to build on the love and respect of our customers. For fiscal 2015–16, B&Ag will focus on the following priorities:

Improving Customer Experiences:

Realigning our leadership, sales, and support teams will produce a more nimble area of expertise and enable our team members to spend more time building relationships with their customers. With the Business Banking Centre now operational, we will grow our capabilities in serving our customers through this new channel, creating outstanding customer experiences. Through our Business and Agriculture Centres of Expertise, we will raise the bar by building more sophisticated solutions for our business and agriculture customers. This also means helping our customers diversify their businesses, access new markets, and ensure they are positioned to succeed regardless of the present state of the oil and gas market.

Leveraging Our Channels and Payments Solutions and Technology:

We will use new technology provided through channels and payments services to offer our entrepreneurial clients enhanced security and innovative products and solutions. We will also continue to look at how we can use information that is available from the banking system to help us run an even better business.

Managing Our Deposit Book:

We will continue to develop our expertise in managing our deposit book to maximize growth. This will allow us to fund ATB's asset growth and ensure we have the liquidity required to fund higher-margin loans.

Establishing ATB Capital:

We will launch ATB Capital, an initial \$25-million fund aimed at injecting capital into established and profitable Alberta companies, to support their opportunities to grow or diversify, or meet their succession requirements. This “blue-collar equity” will fill a gap by allowing these small and mid-sized business owners to access equity without having to give up control of their companies.

Using Data Science:

We are learning to use data science to understand and predict customer behaviours, build smarter credit models, provide better insights to our customers, and design a better business. Millions of data points will allow us to get smarter about where we invest and which strategies are most important for achieving higher levels of success.



CORPORATE FINANCIAL SERVICES

CFS's goal is to become significant in its markets while being a focused and substantial contributor to ATB's Higher Gear strategy. In support of enterprise financial performance, CFS will focus on optimizing its portfolio and, in concert with Treasury, increasing the quality and quantity of our deposits to secure required liquidity. For fiscal 2015–16, CFS has outlined a number of priorities, including:

Investing in Personal Equity and Extraordinary Leadership:

We will execute on strategies that develop, support, and inspire our teammates and align with our plan to be the place to work. Together with People and Culture, we will deliver best-in-class programs to CFS leaders that are designed to further develop excellence in client relations, market building, and influence.

Continuing to Develop Industry Specialization:

We will continue to develop new industry specializations and increasingly concentrate on renewable and clean energy, technology, project finance, and financial services sectors. We will pursue these industries, while striving to be number one in each sector that drives Alberta's economy, and further expand our focus on sectors that support our strategy.

Leveraging Channels and Payments Technology and Shared Connections:

As we continue to leverage our banking system, we will connect our teams and deliver new cash-management solutions for our clients, which will include more robust payment solutions and cash-pool capabilities. By connecting our exceptional teams with the right solutions, tools, processes, and experts, we will sustain our high level of client advocacy.

Expanding the CFS Presence and Capturing More:

We will deliver on strategies that deepen our relationships and make ATB a leader in our market. As we develop new capabilities, such as ATB Equipment Finance Team, we will aggressively pursue both client and prospect markets throughout Alberta. We will lead more syndicated transactions for Alberta-based companies and position ourselves to lead the entire spectrum of client solutions, not just capital requirements.



ATB INVESTOR SERVICES

ATBIS is committed to achieving ATB's goals of being the place to work and of being loved and respected by Albertans, while continuing our drive to be number one in the markets we are in. To optimize financial performance, ATBIS will focus on acquiring new customers and non-margin fee income. For fiscal 2015–16, ATBIS's priorities are:

Coaching Through Mastery Evolution:

To ensure our advisors continue to develop their competencies, we will provide one-on-one coaching and group learning workshops. This effort will result in high client retention, larger wallet share, and referrals from satisfied customers. We will also introduce new program content to coach advisors to think and act strategically and set effective short- and long-term goals that will help them drive more business by working smarter, not harder. A focus on competency development and coaching support will also be important.

Growing Connections:

We will use data to identify opportunities for surrounding our clients with experts and to increase awareness of the expertise that exists at ATBIS. With support from RFS and B&Ag, we will launch Group Investment Services (GIS), a part of ATB's new Group Financial Services offering, which will give employers the ability to set up savings plans for employees. GIS will attract over a thousand new clients to ATB this year. We will continue to work closely with the Alberta Private Client group to surround our high-net-worth clients with specialized services and products. By growing connections,

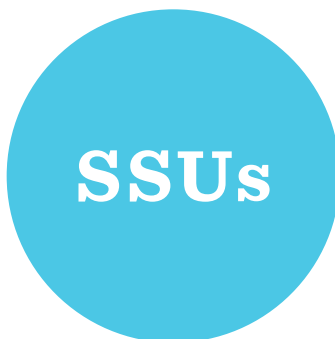
we will bring in new clients and increase assets, resulting in a gain in market share.

Improving Our Tools and Processes:

To achieve our productivity goals, we will continue to improve processes, tools, and technology. Driven by client feedback, we will make it easier for customers to access information that's important to them, when and how they want it. ATBIS accounts will be included on ATB TrackIt, and our outdated Investor Connect site will be replaced with a new online client portal with improved functionality to allow clients to choose electronic statements.

Enhancing the Online Advice Channel (Mass Market):

We will improve our Online Advice tool by introducing proactive initiatives to attract new clients and retain existing clients, as our team of goal-planning advisors re-establishes relationships with specific branches and strengthens our connections. In addition, our mastery strategy will be introduced to the mass market channel to ensure we understand what is required to deliver a first-class client experience.



OUR STRATEGIC SERVICE UNITS

CFO Portfolio:

We will make advancements in financial management information and further improve the sophistication of our capital and liquidity management practices.

People and Culture:

We will focus our energy on leading cultural change through every corner of the organization.

Reputation and Brand:

Our focus will be on revitalizing ATB's brand to reflect our story, building our presence in the marketplace, redesigning tools so team members can easily access the information they need, and expanding our focus on digital and social marketing.

Risk Management:

We will continue to ensure ATB's safety and soundness, with a particular focus on helping guide the company and our customers through the challenges that may surface as a result of recent declines in oil prices.

Strategy and Operations:

Our focus will be on leading the stadium work to transform tools and processes that will enable ATB's team members to do their best work and deliver exceptional experiences and value for our customers.

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