




ATB

2022 Annual Report

In Alberta, everything is possible

The world is ever-changing, and throughout the past year, Albertans have kept pace by navigating new challenges and celebrating new beginnings together. No matter what each day brings, we have shown one another time and again that support, reassurance and an optimistic outlook are abundant across our great province.

As the world reopens, ATB is having conversations with Albertans—with our team members, clients, businesses and communities. Realities and circumstances have shifted in the past year, and by learning what's needed most now, we can continue to refine our offering and operation to promote a better Alberta for all of us to share. As we look to the future, anything is possible.

ATB exists to help Albertans do remarkable things. That foundational philosophy informs every decision we make, fuels every new idea we pursue and inspires us to help people reach their goals every day. If you aspire to be an innovator, have plans as an entrepreneur or are thinking about your future—we're here for you.

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Message from President and CEO

Curtis Stange

> “Being ready for tomorrow requires curiosity, adaptability and expertise. We know that more volatility and uncertainty are on the horizon but we choose to look at this as a time of incredible possibility and opportunity.”
>
> **Curtis Stange,** President and CEO

The Oak and the Reed is an old fable, yet today its message is more timely than ever. The story sees the mighty oak tree stand rigid in the face of a raging storm, only to eventually break and be uprooted in the wind. The reed, on the other hand, expertly navigates around the upheaval, adjusting and adapting to the strong winds, and ultimately survives the storm.

As I reflect on this past fiscal year, I am confident that our team members, clients and business leaders have much more in common with the resilient reed than the unmoving oak tree. Our strength comes not from rigidity, but flexibility, as we weather the many storms of the pandemic and ongoing economic volatility, and emerge on the other side showing the mettle of our character, forged anew by our shared experiences.

At ATB Financial, thanks to the commitment of more than 5,000 team members, we serve as a much-needed beacon of hope for our clients, bringing new opportunities forward and driving economic recovery here in Alberta and beyond.

Throughout the year, we deepened our expertise and provided our business clients with creative solutions, tailored financial and investment advice and offered quality products and services to help them reach their goals. We dove into the realms of digital innovation and artificial intelligence, forged ahead in the worlds of energy and renewables and showed up as a key player in the environmental, social and governance (ESG) space.

We helped more than 800,000 clients continue to believe in the art of the possible, through a full range of in-person and digital services. With our deep knowledge of the economy and the businesses that drive it, we guided our clients through the tumultuous ups and downs of the volatile market, customizing each experience and keeping their needs and aspirations at the forefront, always.

Knowing that communities are the backbone of our province, we expanded our commitment to ATB's Greater Good strategy and championed efforts to improve access to mental health supports, education and information and communications. By improving the overall well-being of Albertans, we can help to make it possible for future generations—and ATB—to thrive.

And because our team members are the heart of our organization, we invested in our culture, pledging to become an organization deeply rooted in diversity, inclusion and belonging. We continue to promote mental health and foster a psychologically safe workplace. I am unbelievably proud of the talent within our company, and I'm reminded daily that when you bring together people with expertise, passion and empathy, anything is possible.

With our eyes to the future and in a position of strength, ATB will remain resilient like the reed. We will continue to grow and lean toward opportunities. We're a team who's driven to perform and built to explore—mastering new skills, practicing fierce accountability and applying innovative thought to challenges big and small. For us, impact isn't just an outcome—it's the foundation of how we do business.

We are confident that more volatility and uncertainty are on the horizon, but we choose to look at this as a time of incredible possibility. Built to help Albertans, ATB Financial is well-positioned to lead through disruption, spark economic growth and drive meaningful change.

Our promise to you, through the fable of the oak tree and the reed, is that regardless of the strength of the storm, ATB Financial will always put our clients first, live our purpose and make it possible.

Curtis Stange
President and CEO

Message from Board Chair

Joan Hertz

> “A new fiscal year is upon us and it brings definite signs of promise. ATB is standing strong and will continue to be here as a stable influence to support Albertans and their businesses.”
>
> **Joan Hertz,** Board Chair

> “It always seems impossible until it’s done.”
>
> Nelson Mandela

Five waves of COVID-19, the re-emergence of restrictions, and the on and off nature of the pandemic tested Albertans’ resilience at a whole new level. Together we learned that recovery doesn’t always happen at our pace.

Despite this, ATB Financial remained focused on our outcomes of ensuring returns to our Shareholder—the Government of Alberta—and making investments that would elevate the social and economic well-being of Albertans. We leaned into technology and digitization to identify innovative ways of working and communicating with Albertans. We honed our ability to anticipate client needs, solidifying our reputation as a trusted advisory engine. We helped businesses leverage opportunities in an ever-changing economy and supported them as they carved out new niche markets for themselves.

We leaned into ESG in a uniquely Alberta and ATB way, which included showing up in our communities, supplying loans across our province and providing financial support as Alberta's bank.

While I'm fascinated by how the pandemic accelerated connectivity across the globe, it forced us to do things differently, and this has required patience from us all. The pandemic tested our strength and resilience as a province in more ways than we could have imagined, but a new fiscal year is upon us and it brings definite signs of promise. ATB is standing strong and will continue to be here as a stable influence to support Albertans and their businesses. As a supplier of capital and an engine of expertise that provides insight into Alberta's diverse industries, we will continue finding innovative ways to transform the banking experience for all Albertans while making courageous investments that build upon our future.

With hope and optimism in the air, I'd like to take a moment to thank ATB Financial's Board of Directors for encouraging us to hold on to the unshakable belief that recovery was on the way. I am proud of the way this seasoned group of individuals provided oversight while ensuring we were not only living up to ATB's mandate of generating returns and investing in the future growth of Alberta, but also exceeding it. The terms of two directors, Diane Brickner and Patrick Lor, come to an end this year—I'd like to extend a special thanks to them both for the excellent insights they provided. I'd also like to thank ATB's Strategic Leadership Team and all ATB team members for navigating unimaginable challenges under the direction of President and CEO Curtis Stange. Finally, I'd like to thank our dearly departed colleague and former Board Chair, Brian Hesje, whom we said goodbye to this year. He made an incredible impact on ATB and me personally.

It's been a challenging year—no question—but as hard of a year as it was, it's been an absolute honour to be part of this organization and work alongside this incredible team. It's taken an unbelievable amount of patience to push through the last 12 months, but the promise of a better year is upon us. It only seems impossible until it's done—and ATB exists to make it possible.

Joan Hertz
Board Chair

Brian Hesje

Honouring One of ATB's Most Influential Leaders

On December 5, 2021, we lost one of ATB's most influential leaders—Brian Hesje.

With heavy hearts, we continue to mourn his passing. He was a friend, philanthropist, long-time business leader and one of ATB Financial's founding Board members.

Well-known for his incredible character, wit and humour, ready smile and sage advice, Brian spent two decades at ATB. During this time, he held many positions in accounting and business and served as Board Chair from 2011 to 2018. His business acumen and work ethic helped to shape the dedicated, financially strong and purpose-driven organization we are today. He led with strong governance practices and built a diverse ATB Board with a strategic, client-first approach.

“On behalf of the ATB Board of Directors, we honour Brian’s two decades of service to Alberta’s largest financial institution and we thank him for building exceptional governance with his trademark common-sense approach.”

Joan Hertz, Board Chair

“Brian and I served together on the ATB Board of Directors, and he was integral to my appointment as his successor as Chair of the Board of ATB Financial. He was a man of integrity and wit, inspiring everyone who had the pleasure to meet or work with him. Simply put, he raised the bar and I will miss him dearly. On behalf of the ATB Board of Directors, we honour Brian’s two decades of service to Alberta’s largest financial institution and we thank him for building exceptional governance with his trademark common-sense approach.”

Joan Hertz, Board Chair, ATB Financial

“There is no single individual who has had more of an impact on ATB than Brian, with his two decades of service to our organization. I was honoured to be chosen by Brian as ATB Financial’s President and CEO back in 2018 and greatly benefited from his teachings, his example of what lifelong learning means to a business leader and his personal and fierce commitment to Alberta. Thanks to you Brian, we are a financially strong, purpose-driven organization dedicated to Albertans.”

Curtis Stange, President and CEO, ATB Financial

Mr. Brian Hesje was an unforgettable Albertan who made an undeniable impact on many—he will not be forgotten.

Forever in our hearts,
Your ATB Family

Our Strategic Leadership Team

Curtis Stange

President and CEO

Biography

Camille Weleschuk

VP, Office of the CEO and Government Relations

Biography

Chris Turchansky

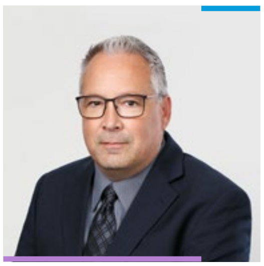
Chief Experience Officer

Biography

Dan Hugo

Chief Financial Officer

Biography



Darren Eurich

CEO, ATB Capital Markets, and SVP and Interim Co-Head, Business

Biography

Innes Holman

Interim Chief Technology Officer

Biography

John Tarnowski

EVP, Everyday Financial Services

Biography

Lisa McDonald

Chief Risk Officer

Biography

Myron Feser

SVP and Interim Co-Head, Business

Biography

Stuart McKellar

Chief Legal and Sustainability Officer and Corporate Secretary

Biography

Tara Lockyer

Chief People Officer

Biography

Ursula Holmsten

CEO, ATB Wealth, and EVP, ATB Financial

Biography

Business Highlights

Numbers help demonstrate how we've worked to make things possible for Albertans. Here are a few highlights of how we were able to step up over the past year for our communities, the economy and the greater good of our province.

Invested in Alberta's growth, with $22.8 billion in new and renewed lending

Achieved $1.9 billion in total revenue

ATB Wealth saw a $1.3 billion increase in Assets Under Administration

Administered nearly $1.7 billion (total to date) through pandemic relief programs

Raised $596,000 through team member fundraising, volunteer and giving efforts, with an additional $3.2 million in corporate donations

Raised nearly $4.8 million for charities through ATB Cares

Delivered virtual Junior ATB to 93 schools, reaching nearly 8,000 students across Alberta

Joined Canada's Sustainable Finance Action Council and the International Sustainability Standards Board new task force

“We are confident that more volatility and uncertainty are on the horizon, but we choose to look at this as a time of incredible possibility. Built to help Albertans, ATB Financial is well-positioned to lead through disruption, spark economic growth and drive meaningful change.”

Curtis Stange, President and CEO

Received 3 awards from Great Place To Work® Canada, including being one of the Best Workplaces in Canada

ATB Investment Management Inc., a subsidiary of ATB Financial, won a Refinitiv Lipper award for Best Mixed Asset Group for 2021

Received the Responsible AI Institute Corporate Leader Award

President and CEO Curtis Stange named one of The Financial Technology Report’s Top 50 Financial Technology CEOs of 2022

Today and Tomorrow, the Trust of Albertans Is Ours to Earn

Two years ago, ATB launched a 10-year strategic plan that courageously advances our clients' and province's futures, with focus on the long-term sustainability of our business and value creation for all of ATB's stakeholders. This convergence of people, planet and prosperity has shaped ATB's overall ESG efforts and has allowed ATB to mature its Greater Good strategy.

As such, this sustainability report reflects on our past fiscal year, while presenting an opportunity to reaffirm the forward momentum that has been established.

Change is the only constant. We continue to see an ever-increasing pace of challenging socio-economic issues—provincially and globally—that have an impact on our clients and our communities. How we monitor and manage these issues is critical as we support the success of our clients and the province. The responsible stewardship and sustainability of our business must go beyond simply being a good corporate citizen.

We will do this by continuing to enhance our data-driven approach to identifying and positively impacting Alberta's greatest socio-economic challenges. We will also focus on material ESG topics while contributing to the growth of our economy—issues that matter most to our enterprise and stakeholders.

The socio-economic impacts of an organization can create or erode value for its stakeholders, and so it is important to ATB that we reflect a balanced dialogue through our sustainability reporting, in which transparency and trust are the cornerstones.

We are enhancing our approach to ESG by adopting a more stakeholder-centric methodology. Our goal is to provide the most relevant information about ATB's sustainability performance, which will align with global sustainability standards and frameworks such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). This creates a foundation for consistency, comparability and accountability.

We also recognize that ESG areas of focus are not tackled in isolation—they are deeply interconnected. To further build on an enterprise-wide approach that addresses this opportunity, ATB appointed its first Chief Legal and Sustainability Officer (CLSO)—Stuart McKellar—who is leading a new portfolio focused on the development of ATB's ESG strategy. This will include establishing ATB's unique approach and position to sustainability and to being a responsible steward for both our organization and the province.

Sustainability Governance

Our approach to sustainability and broader ESG strategy, which includes corporate social responsibility (CSR), is evolving and involves a range of activities that encompass not only charitable giving and corporate citizenship, but also an expectation that companies like ATB will contribute in broader ways to the well-being of society.

This is achieved by providing oversight for all aspects of our ESG and CSR governance, such as strategic alignment of our policies, donations, fundraising, partnerships and reporting.

Corporate Governance

ATB's Board of Directors reviews ESG and CSR policies, governance and performance, which are intended to directly support ATB's strategic business goals and create value for stakeholders impacted by ATB's operations. That includes but is not limited to team members, clients, directors, our Shareholder—the Province of Alberta—and all Albertans. ATB senior management is responsible for ensuring that day-to-day practice and processes are outlined and adhered to.

ATB recognizes that measurement, transparency and accountability are central to our sustainability. ATB is committed to measuring the impacts of our operations, setting targets for continuous improvement and making this information publicly available.

More information on how ATB's governance is structured to achieve this can be found in the **Corporate Governance** section of this annual report.

Corporate Donations Committee

The committee reviews and approves funding for donation requests at the broader organizational level, based on guidance within ATB's CSR policy. It provides direction and monitors progress for all our social impact partnerships. The Director of Social Impact Partnerships chairs the committee.

Market Donations and Sponsorship Committees

The Corporate Donations committee guides three Market Donations committees, which review and approve funding for donation requests at the regional level. To ensure a coordinated approach to giving, a member of the Corporate Donations committee sits on each Market Donations committee.

Scorecard Advisory Committee

For more information on this committee, please see **About This Report**.

Stakeholder Engagement

ATB was built to help Alberta and Albertans. To fulfil this, we engage with our clients, team members, suppliers and community partners to understand how we might better uplift the financial, economic and social well-being of the communities we serve.

We use different channels to connect with each stakeholder group and different metrics to track our progress.

Stakeholder	Engagement channels	Indicator
Our Shareholder (Province of Alberta)	• ATB provides regular updates to the Government of Alberta on how ATB creates value for Albertans. • ATB provides information to the Alberta Superintendent of Financial Institutions (ASFI) on an ongoing basis, consistent with the requirements of ATB's Mandate and Roles document.	Return on risk-weighted assets
Our team members	• ATB has developed its own proprietary index to measure cultural health. • Instead of one annual team member survey, we send quarterly pulse surveys that are shorter, more timely and more effective at gaining insights. Actionable results are disseminated to leaders. • ATB launched the Anytime Feedback mechanism for team members to provide spontaneous feedback—an idea or suggestion, question or concern on anything related to ATB. Team members have the option to continue the conversation or remain anonymous. • Our intranet, ATB Connect, promotes ongoing team member interaction and engagement. • Each week, ATB's CEO spends at least 30 minutes with all team members in a segment called Fridays In 30, during which he shares insights and responds to questions. • During a monthly Wellness Wednesday livestream, our CEO speaks to guest experts who are brought in to discuss matters such as physical, mental, financial and spiritual wellness. • Team members are also able to contact any member of the Strategic Leadership Team directly, with relevant inquiries.	Cultural Health Index (CHI)

Stakeholder	Engagement channels	Indicator
Our team members *(continued)*	• Each area of expertise (AOE) and strategic support unit (SSU) has regularly scheduled meetings or broadcasts where leaders share high-level updates and team members are encouraged to ask questions. • ATB has a whistleblower program that serves as a mechanism for team members to anonymously report issues that matter to them, such as those related to ethics and the code of conduct. Submissions are received and reviewed by the Chair of ATB's Board of Directors.	Cultural Health Index (CHI)
Our clients	• Client-Obsessed Value (COV) supports ATB's strategic goal to grow in a way that delights clients. COV ensures we are growing based on healthy client relationships by measuring the value generated from our clients, adjusted for how well we are meeting their needs (Client Obsession Index, or COI). • ATB Wealth introduced a set of service commitments to deliver more customer-centric and consistent experiences to every ATB Wealth client. The Six Commitments are based on client pain points, their evolving needs and industry changes, ensuring the client is put first. • Our Client Experience Operational (CX Op) metrics provide insights about specific ATB processes. They are informed by how our clients engage with our products and services, identifying actions a team can take to improve the client experience relating to that process. CX Op metrics are tracked in three categories: Personal Service, Product and Digital. • Service Evaluation studies are completed with new clients who are joining ATB and with clients who are leaving ATB. We use what we learn to improve our products, processes and services. • The My Two Cents Panel is an ATB-owned and -operated client panel our in-house researchers use to run studies with clients. • The Client Intelligence team collects client feedback, analyzes the data and then allows us to incorporate the insights into business decisions. • Calls to ATB Client Care are mined for insights that might be used to enhance client experience. • We have a formalized Client Feedback Policy that guides customers with concerns. • We use social media to directly engage clients.	Client-Obsessed Value, Client Obsession Index and Six Commitments Score

Stakeholder	Engagement channels	Indicator
Our clients *(continued)*	• We engage small- and medium-sized business owners through our Business AOE and our Entrepreneur Centres. • The Owl is a daily economic forecast produced by our economists. • Based on a deep understanding of the unique features of Alberta's economy, ATB's Alberta Economic Outlook presents a forecast for gross domestic product (GDP) and employment growth. • The Future Of podcast, hosted by ATB's Chief Economist, connects with leaders, who share their unique insight to help listeners navigate into the future. • ATB leaders and experts participate in business and community events across the province. • Marketing campaigns invite Albertans to engage in conversations with ATB. • Quarterly, we engage with a representative sample of Albertans who do not use ATB, to assess their willingness to bank with ATB and their perceptions of ATB as a company.	Client-Obsessed Value, Client Obsession Index and Six Commitments Score
Our suppliers	• As a Crown corporation (government business enterprise), ATB is subject to the Canadian Free Trade Agreement and the New West Partnership Trade Agreement. • The ATB Supplier Resources web page provides information for suppliers interested in partnering with ATB. • The Alberta Purchasing Connection (APC) is the Province of Alberta's online portal for managing public purchasing opportunities. Suppliers can sign up for notifications from APC for access to notifications and opportunities.	Money spent on goods and services from suppliers
Our community partners	• ATB's Social Impact team engages with our community partners on an ongoing basis. • ATB's Community Initiatives team manages our corporate sponsorships across the province. • We have an online application portal for donation and sponsorship requests on atb.com. • We use socialimpact@atb.com to address inquiries regarding applications for funding.	Community scorecard

ATB's Inaugural ESG Materiality Assessment

What Is Materiality?

Our definition of *materiality* or a *material topic* is informed by the GRI—the most widely used sustainability reporting standard. Material topics are the economic, environmental and social topics that influence the decisions, actions and performance of an organization or its stakeholders.

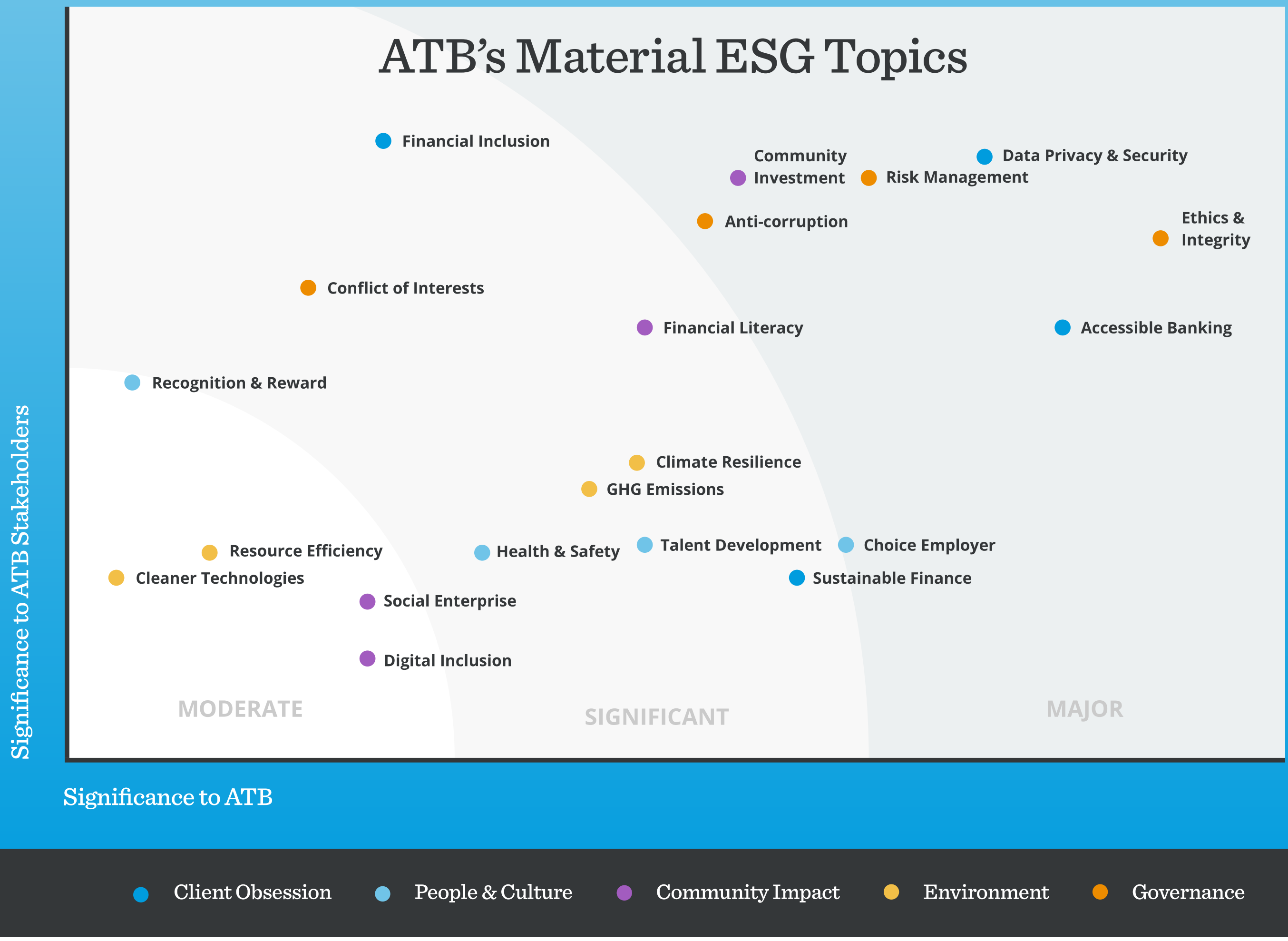
This year, we conducted our first materiality assessment. We included our stakeholders and assessed the level of significance of different ESG topics to them. We followed the approach recommended by the GRI.

Assessing Materiality: Our Approach

We worked with a third-party consultation partner to identify relevant, material ESG topics. Selections were made through a review of information from stakeholder engagement, peers, ESG reporting standards and frameworks setters, and ESG rating agencies.

We then conducted a survey asking respondents to identify ESG topics that were most significant to them. More than 3,000 survey responses were received from across our stakeholder groups.

Topics spanned five broader categories and the top four topics from each category were plotted on a materiality matrix. The matrix shows the significance of each topic to our stakeholders and to our business. The closer a topic is to the upper right corner, the more material it is deemed.



After reviewing the results, we consolidated related topics to create a list of 10:

1. **Data Privacy and Security**
2. **Access to Banking** | Accessible banking and financial inclusion
3. **World-Class Talent** | Choice employer, talent development and recognition and reward
4. **Health, Safety and Well-Being**
5. **ESG Governance** | Risk management
6. **Ethics and Integrity** | Anti-corruption and conflicts of interest
7. **Community Impact** | Community investment, social enterprises, financial literacy and digital inclusion
8. **Sustainable Finance**
9. **Resource Management** | Resource efficiency, greenhouse gas emissions and clean technologies
10. **Climate Resilience**

Each of these consolidated topics—and ATB's approach to managing them—are described throughout this sustainability report.

Measuring Our Performance

ATB's commitment to the well-being of Alberta begins with holding ourselves accountable for our impacts, both positive and negative, inside our organization and externally. We must communicate our performance transparently, quantitatively and in a way that our stakeholders will understand.

In this year's sustainability section of our annual report, we have provided a consolidated view of our overall performance spanning the various environmental, social and governance topics that have been identified as important to our stakeholders and to our business.

There continue to be significant changes that are shaping the sustainability reporting landscape and influencing which metrics organizations use to report on their impacts. We are evaluating these changes and will continue to evolve our approach to effectively and meaningfully communicate our performance on the topics that matter most to our stakeholders.

Client Obsession

Metric	FY2020	FY2021	FY2022	FY2023 target	Action plan
Client Obsession Index (COI)[1 2]	**n/a**	**60%**	**58%**	**59%**	To better influence client perceptions (COI), we are establishing operational metrics (op metrics) in three CX categories: Personal Service, Product and Digital. The intent of these op metrics is to closely monitor processes that have a critical impact on the client experience.
Client-Obsessed Value (COV)[3 4]	**n/a**	**$ 863 million**	**$ 905 million**	**$ 958 million**	Engage with key internal stakeholders to review their COV and op metric targets, performance and drivers. Discuss opportunities to refine and drive CX improvement.
ATB Wealth Six Commitments Score	**n/a**	**n/a**	**66**	**67**	Our focus on building a planning-oriented offering, supporting wealth transfer for Albertans while increasing digital presence and use will help us connect with our clients and improve the value they receive from their ATB Wealth relationships.
Substantiated reports of privacy infringement	**213**	**197**	**155**	**0**	ATB's privacy team continues to work with key stakeholders to monitor trends and make suitable recommendations to reduce the number of complaints and breaches received across the organization.

[1] ATB started measuring COI in FY2021 and it is calculated as a percentage using survey results from ATB clients in four key areas: recommend, defend, value and effort.

[2] The drop in COI was driven by a decline in customers' defend, value and recommend ratings. Although effort ratings were stable over FY2022, they remain substantially lower than the other COI dimensions.

[3] ATB started measuring COV in FY2021 and it is calculated as COV ($) = ETR ($) x COI (%).

[4] FY2022 COV growth was driven entirely by economic total revenue (ETR), the value generated by clients.

People and Culture

Metric	FY2020	FY2021	FY2022	FY2023 target	Action plan
Compensation ratio men vs. women	**1.00**	**1.00**	**1.00**	**Parity**	Ensure compensation plans are fair and equitable.
Executives who are women	**43%**	**41%**	**42%**	**Parity**	Work toward more balanced gender representation, along with other dimensions of diversity, on our executive team.
Board directors who are women	**50%**	**46%**	**50%**	**Parity**	Support our existing Board Diversity Policy.

Diversity indicators among all team members (as a % of population)	FY2020	FY2021	FY2022	FY2023 target	Action plan
Women	**(no data)**	**60.8%**	**60.5%**	Increase representation of Indigenous Peoples, people with disabilities and LGBTQI2S+ team members.	Identify gaps in hiring for those who identify with one or more diversity indicators. Continue to grow awareness and create an inclusive workplace through team member networks (TMNs).
Indigenous Peoples		**2.6%**	**3.4%**		
Visible minorities		**29.7%**	**34.3%**		
LGBTQI2S+		**7.0%**	**9.3%**		
Persons with disabilities		**3.9%**	**5.2%**		
Cultural Health Index (CHI)[1]	**n/a**	**78%**	**68%**	**70%**	CHI measures the effectiveness of a broad range of culture, work enablement and people-focused initiatives. We will continue immersing team members in our new ATB ID culture and welcoming them back to our extensively revamped corporate workspaces.

[1] A substantial drop in CHI occurred during FY2022. While the three dimensions of CHI (adapting, thriving and performing) dropped, most team members continued to score highly in one or two dimensions. Team members also continued to cope with the stressors of the pandemic, and benchmarking organizations have reported similar results in 2021.

People and Culture

Percentage of ATB team members who responded positively to the CHI statements	FY2020	FY2021	FY2022	FY2023 target	Action plan
I would not hesitate to recommend my team within ATB to anyone looking for an inclusive workplace.	**n/a**	**90%**	**85%**	**87%**	Continue immersion in our ATB ID traits of One ATB, Champions of Belonging and Driven to Perform.
I can courageously be myself around here.	**n/a**	**86%**	**81%**	**84%**	
I feel a strong sense of belonging at work.	**n/a**	**84%**	**76%**	**79%**	
I am offered training or development to further myself professionally.	**84%**	**81%**	**80%**	**82%**	
I feel good about the ways we contribute to the community.	**95%**	**89%**	**89%**	**91%**	Formation of our Sustainability, Relationships & Impact team.
Absenteeism	**8.2 days**	**5.5 days**	**6.6 days**	**n/a**	We have opted not to set targets on absenteeism. We do not want to discourage team members from taking time off when they are not feeling well or are experiencing symptoms of illness.
Range of ratios of standard entry-level wages compared to local minimum wage at significant locations of operation[2]	**1.063:1**	**1.063:1**	**1.074:1**	**1.087:1**	Continue to keep entry-level wages above minimum wage and in line with other similar jobs in the market.

[2] Entry-level wages are set via our union agreement, which states that our entry-level wage will increase again in January 2023. Target assumes the Alberta minimum wage remains stable.

Community Impact

Metric	FY2020	FY2021	FY2022	FY2023 target	Action plan
Corporate donations	**$ 3.0 million**	**$ 3.0 million**	**$ 3.2 million**	**$ 2.8 million**	Continue to align donations with ATB's Greater Good strategy and opportunity for greatest impact.
Fundraising and team member donations[1]	**$ 1.2 million**	**$ 811,000**	**$ 596,000**	Target in development	Continue to build and integrate meaningful opportunities for team members to engage in giving and volunteerism.
Employee volunteerism	**$ 106,000** in grants **35,000** volunteer hours	**$ 42,000** in grants **14,000** volunteer hours	**$ 55,000** in grants **28,000** volunteer hours		
ATB Cares[2]	**$ 5.5 million** in donations **$250,000** matched by ATB **$ 5.8 million** total donated to charities	**$ 6.8 million** in donations **$ 402,000** matched by ATB **$ 7.2 million** total donated to charities	**$ 4.3 million** in donations **$ 423,000** matched by ATB **$ 4.7 million** total donated to charities		More closely integrate our internal (Uplift) and external (ATB Cares) programs and experience.
Sponsorships[3]	**$ 7.6 million**	**$ 2.2 million**	**$ 2.5 million**	**$ 6.0 million**	Bring ATB's brand closer to Albertans through sponsorships and experiences that unite communities, build relationships and bring meaningful engagements that drive value back to ATB.
Junior ATB[4]	**84 schools**	**61 schools**	**93 schools**	**110 schools**	Focus on growing the number of schools participating and further expanding Junior ATB's presence in rural markets.

[1] During FY2022, ATB introduced its new team member giving platform, Uplift. Due to a change in the payroll giving process, there is the appearance of a significant decline during FY2022; however, if the process had remained unchanged, a result consistent to FY2021 would have been achieved.

[2] Many external giving programs, as supported by aggregated data from our platform partner, Benevity, saw a similar trend in declining donations during FY2022 compared to FY2021. Recent program changes also saw a significant decline in donations to religious organizations based on ATB Cares donation matching criteria.

[3] Events continued to see cancellations due to the continuation of public health measures during FY2022.

[4] ATB was able to achieve this result safely through a fully virtual format of Junior ATB.

Environment

Metric	2019	2020	2021	2022 Target	Action plan
Total emissions[1] [2]	**37,522 tCO_2e**	**27,963 tCO_2e**	**23,217 tCO_2e**	Despite uncertainty in use, we aim to keep our emissions below 2019 levels as team members return to the workplace.	Continue to improve monitoring, tracking and reporting for reliability and accuracy of information while assessing the impact of returning to the workplace post-pandemic.

Scope 1 – Direct emissions	2019	2020	2021	2022 Target	Action plan
Natural gas	**6,353 tCO_2e**	**5,648 tCO_2e**	**5,787 tCO_2e**	Despite uncertainty in use, we aim to keep our emissions below 2019 levels as team members return to the workplace.	Assess the impact of returning to the workplace and the opportunities to optimize corporate and branch space. This will also include asset life cycle analysis and upgrades for more efficient consumption and reduced emissions.
ATB fleet	**36 tCO_2e**	**11 tCO_2e**	**16 tCO_2e**		

Scope 2 – Indirect emissions	2019	2020	2021	2022 Target	Action plan
Electricity	**19,349 tCO_2e**	**16,801 tCO_2e**	**13,589 tCO_2e**	Despite uncertainty in use, we aim to keep our emissions below 2019 levels as team members return to the workplace.	Assess the impact of returning to the workplace and the opportunities to optimize corporate and branch space. This will also include asset life cycle analysis and upgrades for more efficient consumption and reduced emissions.

[1] ATB's carbon assessment results are reflective of the 2021 calendar year, consistent with previous reporting cycles.

[2] Total emissions continued to fall in FY2022 as a result of ATB's space optimization, remote working arrangements and the decarbonization efforts of Alberta's electricity grid.

Environment

Scope 3 – Other indirect emissions	2019	2020	2021	2022 Target	Action plan
Business travel (air)	**519 tCO_2e**	**35 tCO_2e**	**38 tCO_2e**	Despite uncertainty in use, we aim to keep our emissions below 2019 levels as team members return to the workplace.	Leverage technology to improve and optimize distance communication and collaboration.
Hotel	**195 tCO_2e**	**19 tCO_2e**	**17 tCO_2e**		
Business travel (other)	**1,729 tCO_2e**	**157 tCO_2e**	**336 tCO_2e**		
Employee commuting	**8,978 tCO_2e**	**5,100 tCO_2e**	**3,200 tCO_2e**		Support remote work strategies when available while also encouraging alternative transportation such as bike-to-work initiatives that include secure bike-parking areas and lockers.
Waste	**254 tCO_2e**	**144 tCO_2e**	**184 tCO_2e**		Waste audits and education programs will be reassessed within our post-pandemic workplace strategy.
Paper usage	**83 tCO_2e**	**58 tCO_2e**	**50 tCO_2e**		Continue to drive paperless solutions for ATB communications.

Governance

Metric	FY2020	FY2021	FY2022	FY2023 target
Total percentage of team members who have completed ATB's Code of Conduct training or are in progress and within the allowable completion period[1]	**n/a**	**n/a**	**98.2%**	Target in development

[1] FY2022 serves as our baseline year for disclosing this metric. Completion of Code of Conduct training is a requirement of employment with ATB.

Economic Impact

Metric	FY2020	FY2021	FY2022
Net income	**$ 101.9 million**	**$ 210.5 million**	**$ 586.4 million**
Direct economic value generated and distributed	Economic value generated: **$ 1.7 billion** Economic value distributed: **$ 1.6 billion** Economic value retained: **$ 101.9 million**	Economic value generated: **$ 1.8 billion** Economic value distributed: **$ 1.6 billion** Economic value retained: **$ 210.5 million**	Economic value generated: **$ 1.9 billion** Economic value distributed: **$ 1.3 billion** Economic value retained: **$ 586.4 million**
Economic profit	**$ 81.6 million**	**$ 107.1 million**	**$ 103.7 million**
Societal impact	**$ 0.9 billion**	**$ 1.0 billion**	**$ 1.6 billion**
Money spent on goods and services from suppliers	**$ 544.8 million**	**$ 558.5 million**	**$ 616.5 million**

For additional context regarding financial results, see **Review of 2021-22 Consolidated Operating Results** in the Management's Discussion and Analysis.

Access to Banking

Our Definition and Approach

ATB's mandate is to provide Albertans access to financial services, foster competition in the financial services marketplace and promote economic growth and investment.

We can earn the trust of our Everyday Financial Services (EFS), ATB Business and ATB Wealth clients by anticipating their needs and offering everyone a high calibre of advice.

We responsibly address societal and economic gaps by making financial inclusion a priority. Delivering relevant financial products and services to underserved and vulnerable communities gives everyone the opportunity to become financially empowered.

Our digital platform will enable ATB to keep pace with new technology and improve our offerings in step with client expectations. That includes expanded self-service options, the ability to customize preferences, and other conveniences that technology makes possible.

Quantifying Our Client Obsession

We endeavour to create and deliver truly remarkable client experiences, and it's important that we measure the success, impact and reception of those efforts.

The COV takes a holistic view of our clients across all products and areas of expertise (AOEs) and surveys their experience. We then use insights from these comprehensive COV measures to systematically improve the client experience in the categories of people, processes and technology. COV includes measures of Economic Total Revenue (ETR) and our Client Obsession Index (COI).

Our ATB Wealth team measures how they are delivering on client experience through a set of six commitments, which state that clients are entitled to:

1. **Have an advisor they trust (earned by living Our Values).**
2. **Understand the wealth plan we've created with them.**
3. **Hear from us—how and when they want to.**
4. **Provide feedback to continuously make us better.**
5. **Be introduced to ATB experts to support their needs.**
6. **Better understand their relationship with money.**

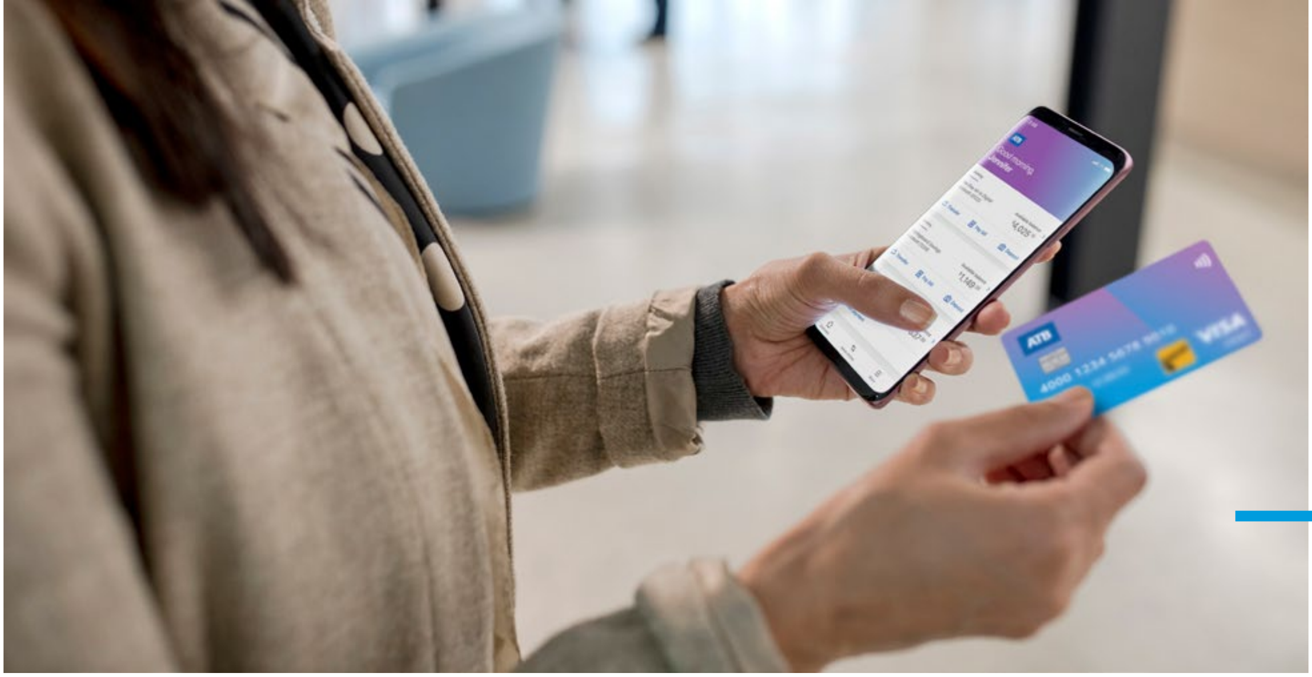
The Six Commitments are designed to foster a results-oriented work environment that is grounded in client obsession and delivers on our commitment to put clients' interests at the core of everything we do.

Scaling Digital Enablement

A Focus on Digitalization

Banking can be an everyday necessity. During times when in-person banking isn't possible—such as during a pandemic—digital access becomes even more important.

This year, ATB's EFS area established the Digital Integration and Growth team, with a mandate to grow ATB's digitally active client base and maintain the pace of conversion necessary to achieving longer-term digitalization. As a result, self-serve transactions continue to rise.



Digital transactions free up ATB team members to spend more time providing advice to our clients, raising the likelihood of positive experiences while lowering the overall cost per transaction.

Over 160 new automated banking machines (ABMs) were installed this year, helping our clients access self-serve options such as multi-denomination cash withdrawals, cash deposits without holds and cheque images printed on receipts.

Approximately 84% of business client transactions completed in FY2022 were initiated using self-serve channels.

Humans of 2030+

ATB Ventures' Humans of 2030+ is a human-centred foresight framework designed to help companies and individuals plan for the future.

It uses psychometric data to predict how humans will respond to technological and societal change, based on emotional, financial, occupational, physical and social wellness indicators. As users browse future scenarios, the psychometric model assesses how each aspect of wellness would change.

This includes:

- A Baseline scenario that follows the current state trajectory.
- A Growth scenario that sees social and economic drivers cause improvements.
- A Decay scenario marked by social and economic instability.
- A New Equilibrium scenario that shows major technological change leading to good and bad social restructuring.

This initiative has the potential to support our clients, providing relevant information and recommendations based on their unique financial journeys.

Additional Highlights

Enhancing Online Banking

On March 29, 2022, all personal banking clients who are digital users were moved to the new ATB Personal web banking platform, which offers faster and simpler management of everyday banking via the ATB Personal app.

Our business clients also continue to be migrated to the new ATB Business platform and are now enjoying a faster client experience, with enhancements like two-factor authentication to ensure secure digital transactions.

Chatbot Integration

ATB was the first full-service financial institution in North America to successfully facilitate payments using chatbots. Chatbots have been integrated into all self-serve client support channels. They create convenience for clients by responding to inquiries, making suggestions and taking only seconds to process requests.

Personalized Recommendations

Our Next Best Conversation platform is a personalized recommendation engine ATB developed using machine-learning algorithms.

By analyzing over 200 client attributes, the engine can generate a mix of suggestions like advice, alerts, solutions, release limits, support and product offers.

Client-facing team members can use those suggestions to make relevant and meaningful client connections and value-based sales.

Here for Albertans

Pandemic Relief

We are proud to have supported Albertans and Alberta businesses during a very difficult and unpredictable time. We were able to quickly implement the programs and processes necessary to ensure that funds could be distributed to our clients when they were needed most.

ATB has funded nearly $1.7 billion through various relief programs, such as the Canada Emergency Business Account (CEBA), the Highly Affected Sectors Credit Availability Program (HASCAP), the Business Credit Availability Program (BCAP) and the Business Development Bank of Canada (BDC) Mid-Market Financing Program. To date, ATB has issued 877 loans in the amount of $225 million under the HASCAP program. As of January 2022—as reported by the BDC—ATB had provided 32% of all HASCAP loans and loan amounts in Alberta.

Additionally, ATB has funded 17% of total CEBA loan amounts in the province.

In addition to facilitating pandemic relief programs, ATB also proactively worked with clients who were impacted by the pandemic and resulting economic shock, to help them navigate financial uncertainties.

Agricultural Client Support

ATB supported farmers and ranchers affected by adverse agricultural conditions this past year. We worked with our clients to defer payments on their loans—with a combined outstanding balance of more than $63 million.

Mortgage Renewal Squads

An easier and more convenient way for clients to renew their mortgages became a priority during the pandemic. Mortgage renewal squads were introduced to reduce the need for in-person transactions—which fell from 95% to 20% in the first quarter they were introduced. The mortgage renewal squads continue to test and refine their approach to elevating client experience through the mortgage renewal process.

Wealth and the Evolution of Advice

The ATB Wealth team spent the year focused on bringing together three core initiatives: wealth planning, wealth transfer and behavioural finance.

This advisory model creates a personalized and holistic financial advice experience for clients, their families and their businesses. It empowers our advisors to give the right advice at the right time and ensures that ATB Wealth can meet its clients' current needs and future expectations.

Financial Inclusion

Women in Business

ATB is committed to supporting our business clients who are women, and we aspire to become the leader in the women's business market amongst financial institutions that operate within Alberta. We are building a foundation within ATB Business to support an intentional, sustainable and horizontal approach.

Our market share growth will be driven by a client-centric experience that goes beyond financial needs and provides a trusted advisor who recognizes and can champion the unique needs of female business owners and leaders.

The strategy includes enabling advisors with Gender Intelligence and Unconscious Bias training and creating a Talent Development program for high-potential female talent within ATB Business. We will also be implementing the internal infrastructure required for data, reporting and analytics and developing the tools and resources our clients who are women need to succeed.

Indigenous Businesses

ATB also aspires to be the leader, amongst Alberta financial institutions, in providing Indigenous business owners the products, services and advice needed for their businesses to be successful. Similar to our strategy for serving women in business, we are building an approach within ATB Business to support the unique needs of Albertan Indigenous business owners.

As a foundation for this approach, ATB partnered with a third party to analyze and highlight the economic contributions of the 313,000 Indigenous Peoples living in Alberta—and to understand the potential for growth, in the pursuit of parity.

According to the report **Opening the Door to Opportunity**, to benefit the long-term prosperity of Alberta, there needs to be an increase of support for Indigenous participation in the labour market, Indigenous entrepreneurship and the growth of Indigenous-owned businesses.

We continue to develop and build strategies around data governance as it relates to our Indigenous clients, with the goal of using that data to enhance the experience and offerings specific to Indigenous businesses and their success.

Artists and Entrepreneurs

ATB continued its support of Alberta's creative community and entrepreneurs through two unique offerings: the **Branch for Arts and Culture** and our **Entrepreneur Centres**.

Our Branch for Arts and Culture has grown substantially over the years, while working with Alberta artists whose career ambitions and financial needs often aren't accounted for by standard banking policies. Branch for Arts and Culture clients now have more than $55 million on deposit and hold more than $22 million in active loans.

Our Entrepreneur Centres are known for providing both personal and business banking advice and services and for making event space available for networking and learning opportunities. Events have included business planning workshops, sessions about hiring practices, wellness and tax planning, and spotlights on Alberta's economy. In 2021, the Entrepreneur Centre hosted events online, delivering approximately 30 webinars on similar topics.

Four Directions Financial

ATB and Boyle Street Community Services opened Four Directions Financial in 2016 as a way to remove banking barriers for underserved and sometimes vulnerable community members in Edmonton.

Removing barriers includes navigating the sometimes complex sequence of acquiring and maintaining ID in order to open and access a bank account. Cross-trained staff also ask about new clients' housing needs, inquire about mental health and addiction issues and offer cultural support. When they can't help, they refer clients to an organization that can.

After five years in operation, Four Directions has more than 1,500 clients, with 303 new accounts opened over the last year. Clients have maintained an average savings balance of just over $700.

Empower U

ATB and United Way are entering the 10th year of partnership for Empower U—a financial literacy and matched savings program for people experiencing low income or poverty. Including the match component of the program, participants have saved $1 million over the program's 10-year history. According to a recent review of participant demographics, the program is made up of approximately 30% Indigenous Peoples and approximately 25% immigrants, and 61% of participants are single women with or without children.

In 2021, financial empowerment sessions continued both in-person and virtually, ensuring that those in need could still participate. As a result, 218 newly enrolled participants have been able to save more than $22,000 and accessed more than $18,000 in matched savings.

Data Privacy and Security

Our Definition and Approach

Our clients trust us to safeguard their data. To keep that trust and uphold our commitments, we continue to strengthen security and ensure that private data remains private. We also continue to evolve our responsible data policy so nothing is left to chance when it comes to protecting information shared by clients and employees.

We perform a continuous and rigorous testing process of our systems—and the systems of those we partner with—ensuring that everything meets or exceeds industry standards. When gaps are identified, they are proactively managed and addressed.

Detailed information and FAQs can be found on our **Privacy and Security** web page.

ATB's Approach to Data Governance

Over the past year, ATB has continued to heighten its awareness and due diligence in data governance.

We engaged the services of leading organizations to ensure that our approach to using data with artificial intelligence (AI) products is both responsible and strategic. By establishing an AI Centre of Excellence, we are also promoting an internal culture that embraces the importance of responsible AI. That includes enhancing our ethical testing practices, as well as identifying and remediating any data quality issues.

Our rollout of e-signature capability continues to expand, providing clients with secure access to documents, while reducing our reliance on paper and shrinking our environmental footprint.

When we wanted to dynamically secure the data in our enterprise data platform—and no commercially available products met our standards for access and security—we developed our own unique solution. A provisional patent application was filed for this innovation.

All ATB Areas of Expertise have been onboarded to our Data Exposure Enablement Platform environment, which has a user satisfaction rating of 75%—exceeding our target of 70%. This has allowed us to gain insights and begin to sunset some of our legacy systems.

Self-Sovereign Digital Credentials

To prevent the unintended sharing of private data, clients need to be able to exercise their personal consent using verifiable credentials. Traditional identity solutions are challenged by accessibility, privacy concerns and data insecurity—issues that have prompted governments, financial institutions and consumers to agree that self-sovereign digital credentials are a necessity.

Our research and innovation arm, ATB Ventures, is collaborating with the federal government's Innovation, Science and Economic Development Canada department to provide the technology platform required to support its national Digital Trust Service proof of concept. This initiative has resulted in ATB Ventures being recognized with the 2022 Channel Innovation Award for Emerging Technologies Guru, with the work underway described as "one of the important emerging technologies in Canada."

ATB Venture's blockchain identity management solution, Oliu™, and digital credential wallet, Proof, allow businesses and regulators to develop use cases and issue, use and verify digital credentials in a secure environment.

Self-sovereign identity is now a global movement, and adoption is accelerating. With national identity programs being launched around the world every day, industry standards are emerging to promote compatibility between disparate identity systems. As more individuals are mobile, people are demanding seamless access to services across borders, making interoperability a key driver of success for digital IDs.

Beyond its work with the Government of Canada, ATB Ventures is piloting digital credentials with a diverse range of private sector organizations. We've also aligned with key strategic partners like the Digital ID and Authentication Council of Canada as they establish national digital ID interoperability standards.

President and CEO Curtis Stange with team members at our ATB Place branch in Edmonton.

World-Class Talent

Our Definition and Approach

ATB strives to be an employer of choice by providing a workplace where team members feel proud and engaged to make a difference.

To deliver world-class client experiences, we need world-class talent. Attracting, developing and retaining that talent is foundational to building a workforce with diverse skills, competencies, experiences and perspectives. We provide fair rewards and compensation in alignment with market, business and individual performance.

Our approach includes creating parity of experience in ATB workspaces, regardless of position and location. To achieve this, we consider accessibility, spatial diversity that suits a multitude of workstyles, inclusion of remote team members in celebrations and team building, recording key conversations and meetings for those who cannot attend and encouraging different modes of communication and interaction.

The Great Resignation

The Great Resignation—also known as the Big Quit and the Great Reshuffle—is an ongoing worldwide trend of voluntary resignation that began during the 2021 calendar year. Resignations at ATB nearly doubled between 2020 and 2021, from 242 to 429.

The turnover rate of 13% was the highest we've experienced in five years, but is still below national and global benchmarks. The 2021 Canadian company employee turnover average was 21%.

The top reasons team members are leaving ATB, as identified through exit surveys, are career opportunity/progression, new and challenging work and higher compensation. As ATB is a Crown corporation of the Government of Alberta, our organization has been impacted by restrictions, introduced in 2018, related to increasing our team members' base salaries.

The impact is being seen most notably in our Technology, Innovation and Engineering; Experience Office; ATB Wealth and ATB Business teams. The resignations present an opportunity to tap into a high-quality talent market of candidates who are seeking flexibility and opportunities to work within a purpose-driven organization. A talent acquisition squad is focused on attracting people to prioritized roles, and the hiring volume of new team members has increased from 655 in 2020 to 1,244 in 2021.

To support the improvement of retention rates, there has been a focus on recognizing top talent, with an emphasis on providing development opportunities and aligning high-potential team members to the most critical work.

ATB ID

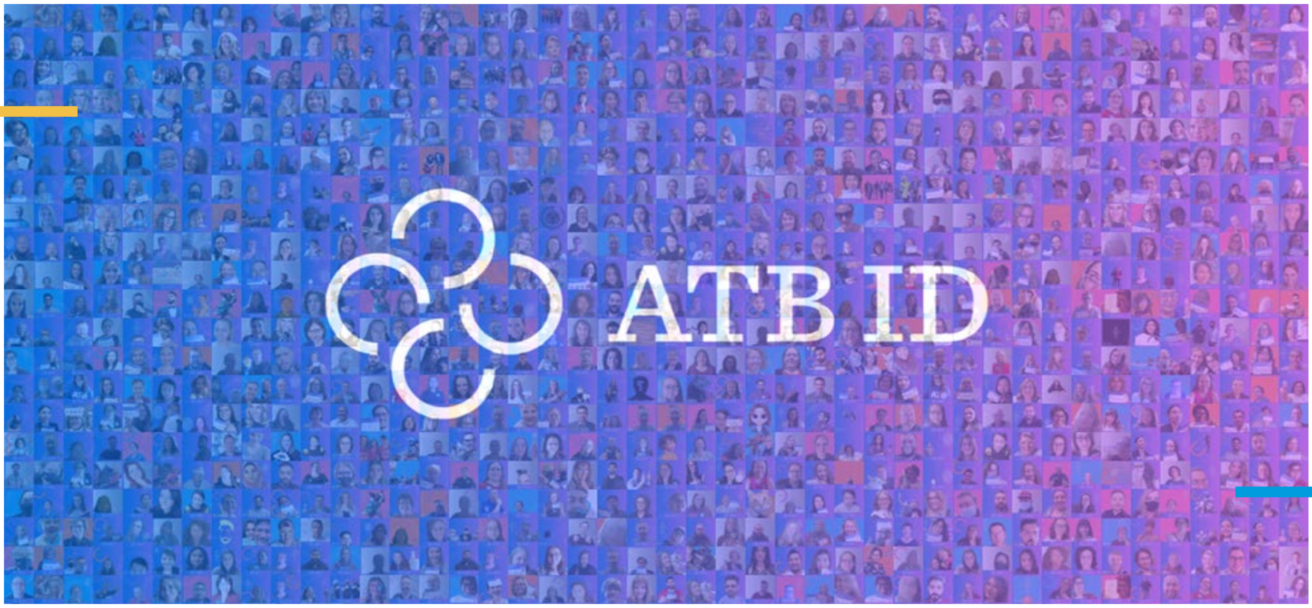
In April 2021, we launched ATB ID—a collection of shared values and behaviours that aligns with our updated Purpose and Strategy and represents how we will execute on our strategies and remain purpose-driven.

ATB ID was built using input and feedback from more than 1,200 team members. It combines the best of what we already were with the behaviours and mindsets we must adopt to be successful in the future.

Our ATB IDs are:

- **Client Obsessed:** Engaging with intense curiosity, serving with deep expertise, building and maintaining client trust and delivering value.
- **Driven to Perform:** Pursuing growth and expertise, seeking and sharing feedback, executing with fierce accountability and celebrating.
- **Champions of Belonging:** Celebrating diversity, enabling a culture of inclusion, building safe and equitable spaces and bringing our whole selves to work.

- **One ATB:** Putting our purpose first, busting silos and building networks, focusing on the strategy and making data-based decisions.



Following the introduction of ATB ID, more than 1,500 team members used a virtual photo booth to celebrate and embrace our new identity.

We introduced ATB ID with a fully remote live event attended by over 4,600 team members. The event included executive-sponsored activities, team member stories and learning programs. As a takeaway, everyone was asked to consider how the ATB IDs can enhance their role, participation and contributions within ATB, to positively impact our clients and their experiences.

Investing in Critical Roles at ATB

We recently conducted an assessment to identify the critical roles required to execute against our 10-year strategy. The output will be an enterprise heat map of roles that are emerging, evolving and dissolving. The map will be used to inform our overall reskilling strategy.

This work includes designing our new leader system and multi-dimensional curriculum. The leader system and organization-wide core skills are key components to our learning strategy, as they identify the capabilities needed to both execute on our 10-year strategic plan and enable team members for future success.

Two programs for leaders were piloted in 2021: a Situational Leadership program and the Ignite Greatness program, which includes a 360° assessment. Both programs are foundational for leaders to understand who they are as leaders and to identify areas for growth.

Upskilling and Re-skilling Our Team

Degreed Intelligence is a learning platform that supports our team members in quickly and easily understanding, building and activating skills.

Learning teams use the platform to create personalized development plans that continuously engage team members with the tools, content and people that matter to them. Team members create a dynamic profile that reflects the skills, experience and achievements they possess. Profiles update as team members consume learning content and track skill development.

Skills, not roles, are the new currency that helps team members be more mobile within the organization and allows ATB to maximize transferable skills across the organization as we flex to meet the needs of our clients.

In FY2022, we implemented Degreed to help support our future strategy of a talent marketplace. Advanced analytics help us understand the supply and demand for skills at ATB by providing real-time insights we can use to focus upskilling and re-skilling efforts.

Belonging at ATB

Diversity and inclusivity contributes to attracting and retaining the best and brightest team members.

ATB is a great place to work because our workforce has diverse skills, backgrounds, experiences and perspectives. Creating an environment where everyone can feel like they belong and are included is something each of us must make a conscious effort to ensure every day.

National Day for Truth and Reconciliation

In recognition of the inaugural National Day for Truth and Reconciliation, ATB launched an enterprise-wide learning initiative that leverages the University of Alberta's Indigenous Canada course. Approximately 50 to 100 team members gathered in small sharing circles biweekly to discuss the previous module. We do this in order to redress the legacy of residential schools and advance the process of Canadian reconciliation.

Count Yourself In

Count Yourself In is a program that helps ATB be more intentional about meeting the needs of diverse team members.

Team members are encouraged to provide demographic data, including gender identity, sexual orientation, Indigenous identity, disability status, race, religious affiliation and dependent(s) status.

While information collected is kept strictly confidential and cannot be used to identify any individual team member in the system, it will help us to better understand and meet their needs as we navigate processes like equitable statutory holidays, parental leaves and accessibility. It also enables additional analyses related to the unbiased and equitable application of our policies and procedures.

Gender Equity Assessment

ATB participated in the Target Gender Equality accelerator program facilitated by Global Compact Network Canada—the Canadian chapter of the United Nations Global Compact.

Participating in this assessment provided us with baseline data and will support the building of targets and next steps to increase gender equity at ATB.

Our result was a score of 27% ("improver"). While not as high as Canada's national average of 34%, it presents a rich opportunity for growth. For example, ATB scored well for our Workplace Harassment policy, but one area where we can improve is the effective communication of this policy.

The findings from this assessment will help to narrow our focus as we define next steps.

ATB 101

Our ATB 101 program is focused on growing student work experience and engagement. It gives students the unique opportunity to contribute to ATB through challenging, meaningful and diverse opportunities.

The traditional capstone project—in which students would research, develop and present solutions for ATB in various areas of our business—shifted its focus this year to giving back to the community.

Students worked to find and implement solutions for gaps faced by three organizations that empower Indigenous youth: Spirit North, the Alberta Native Friendship Centres Association (ANFCA) and the Inner City Youth Development Association.

This unique ATB 101 opportunity resulted in $10,000 being distributed among the three organizations. These funds were used to:

- Help Spirit North address the transportation issues they are facing.
- Buy podcasting equipment so ANFCA could develop a podcast that connects Elders to Indigenous youth.
- Hold two open houses at the Inner City High School, which allowed them to exceed their student recruitment targets for the year.

Team Member Networks

Team member networks (TMNs) are ATB employee resource groups created by team members who share certain interests or identities. TMNs help to build awareness and create inclusive, safer spaces for members and allies of that community. TMNs give communities a powerful voice in influencing the important equity-based matters of the organization, representing diverse perspectives across diverse demographics.

An important addition to our TMNs has been the Inclusion Council—a collective of team members from TMNs, including TMN chairs and co-chairs, and representation from our Diversity, Inclusion and Belonging team, who work collaboratively on diversity and inclusion issues.

A new governance model for the Inclusion Council and TMNs will establish an executive council of senior leaders who will provide guidance, sponsorship and support to the TMNs.

Everyday Heroes

Our recognition program, Everyday Heroes (EDH), allows team members to thank each other in meaningful ways, while allowing others across the organization to see and join in. An average of 500 recognitions are exchanged daily. In 2021, our Employee Appreciation Day campaign resulted in 13,200 recognitions in a single day. Monthly, 76% of team members and 91% of people leaders participate.

In addition to our quarterly EDH awards—which recognize high-performing individuals and have been a staple of our program for a number of years—the recently introduced YES Award recognizes achievements by groups who had a positive and wide impact on business initiatives and team members. There were 1,293 YES Award recipients over the past year.

We also have the ability to activate campaigns through which team members can donate their EDH points to causes. EDH campaigns in 2021 included Stop Asian Hate, International Women's Day, Support for Ukraine, National Depression Screening Day, Access to Education through United Way, and observing Canada Day with donations to Native Counselling Services of Alberta. These campaigns resulted in more than $24,000 in donations.

Health, Safety and Well-Being

Our Definition and Approach

ATB wants team members to bring their best self to work every day by having Total Health—a commitment to balance in all aspects of life, including physical, mental, spiritual and financial wellness.

We believe in providing a safe, respectful and healthy workplace and that team members have a voice in what that means at ATB.

Our commitment to health, safety and well-being extends beyond the walls of our organization, as we recognize that many of our internal programs and policies can also have a positive impact on our clients and the communities we serve.

Team members from across the province competed in a "Get Outside" contest, with winners joining President and CEO Curtis Stange for a cross-country ski lesson at the Canmore Nordic Centre.

Occupational Health and Safety at ATB

ATB prioritizes the health and safety of all team members, who complete Occupational Health and Safety (OH&S) learning as a requirement of our annual compliance training and recertification process.

All OH&S policies and documents are reviewed and updated annually. ATB's OH&S Management System is also reviewed as legislation evolves. Our Joint Health and Safety Committee is led by team members, providing a conduit for team feedback about OH&S concerns.

Annual hazard assessments for each work site are conducted to determine if existing controls are adequate. To streamline incident reporting and investigation, OH&S launched a new incident reporting app. The app has led to a 30% increase in reporting volume, resulting in hazards being addressed and team members and clients receiving prompt medical attention, as required.

ATB also completes annual Certificate of Recognition audit certification to ensure provincial OH&S standards are met or exceeded. To support team members who work statically in an office setting each day, more than 200 virtual ergonomic assessments were completed in 2021. Our OH&S team has provided self-serve ergonomic resources to create spaces that are designed for health and comfort.

Places and Spaces

Our Workplace 2030 strategy focuses on the intentional connection of people, space and technology to optimize culture, performance and real estate.

A particular focus in this area has been on hybrid design—where work is best performed and how to leverage the best of onsite and remote work.

We recognize that hybrid work arrangements, combined with distributed teams, create an ongoing need for virtual social connection. We are currently evaluating virtual platforms that further our goal of creating spaces that foster creativity and collaboration, enhance enterprise culture and strengthen productivity and performance.

Total Wellness at ATB

Throughout the pandemic, we have monitored team member mental health and stress via voluntary pulse surveys.

Anonymized reporting from ATB's employee and family assistance program (EFAP) provider reflects that the most prevalent personal issues were stress, depression and anxiety. Workplace stressors were primarily related to workload, work-life balance and lack of control.

Our digital EFAP has been accessed by 27% of team members, with a satisfaction rating of 91%. We continue to promote the digital EFAP, the Headversity app (providing mental health supports and resilience training for team members) and leader learning through the Working Mind (a training program designed to promote mental health and reduce stigma in the workplace). We also ensure that mental health emergency numbers are accessible across our platforms.

Our holistic approach to total wellness includes EQ Care—a digital solution for physical health. This 12-month pilot is a direct-to-physician digital health solution that reduces the time spent in waiting rooms, lessens the need to take time off work and provides access to a physician or healthcare provider in as little as two minutes. Activities like checking test results, submitting requests for prescription refills and communicating with doctors can all be done online. Since EQ Care launched, 21% of team members have signed up to use the service.

Update on COVID-19 at ATB

As COVID-19 variants continued throughout 2021, we were able to leverage existing procedures and introduce new measures—such as rapid testing and vaccination requirements—to keep ATB aligned with shifting public health measures.

That experience has emphasized the importance of having a robust process in place in case of potential future events.

We are now focused on creating safe and welcoming spaces for team members who have been working remotely and are returning to the workplace. This includes daily professional cleaning of our sites and providing access to masks, sanitizer and disinfectant wipes.

We will also continue to offer team members the hybrid option of remote and on-location work, to support them after their return.

Mobile Vaccination Clinic

Led by the Industry for Vaccination Coalition of Alberta, through the Business Council of Alberta, more than 20 corporate partners banded together to help end the pandemic by making COVID-19 vaccines more accessible.

ATB's support helped the mobile vaccination clinic bus visit 40 rural and remote communities, including 11 Indigenous communities, between November 2021 and January 2022. More than 1,000 vaccinations were administered.

The mobile vaccination clinic is considered a success story for how business and government can come together to solve societal challenges.

NHL broadcaster and ATB ambassador Harnarayan Singh supporting ATB's South Asian Team Member Network's annual Vaisakhi food bank drive

Community Impact

Our Definition and Approach

ATB is committed to uplifting the financial, economic and social well-being of Albertans and to contributing to the greater good of the Province through data, programs and partnerships.

Community impact includes topics such as our investment and support for local community organizations and social enterprises that are closing societal and economic gaps.
As a financial institution, we believe financial empowerment and education is both a core competence and something every Albertan should have access to. Digital inclusion initiatives that improve society's ability to learn, work and participate in an increasingly digital world are becoming more critical each day.

We will continue to evolve how we measure the community outcomes that result from our programs and partnerships, to inform how we direct our efforts with intention, deliver maximum value and address society's greatest challenges.

A Data-Driven Approach to Uplifting Albertans

GDP isn't always the best indicator of the overall health of a region or country.

ATB partnered with the Social Progress Imperative (SPI), a not-for-profit organization that provides decision-makers and citizens with relevant data about social and environmental health—helping them prioritize actions that accelerate social progress.

Our partnership focuses on understanding some of the greatest socio-economic challenges faced across Alberta, within 35 different regions, which can be viewed on an **interactive map.**

This has enabled us to identify three initial areas for focus (mental health, education and accessibility to information and communications) and the partnerships and programs that might have the greatest impact in Alberta.

The SPI score for Alberta (currently 49 out of 100) signifies considerable room for improvement. With the help of people and partnerships across the province, we want to raise it to 60 by 2030, prioritizing social progress to foster conditions that uplift the well-being of Albertans.

Access to Mental Health

To reduce the stigma related to mental health, and to make our communities stronger, ATB has worked to promote wellness and support access to services for those struggling with trauma, depression and other mental health issues.

With help from ATB's "Pawsitivity" bears, President and CEO Curtis Stange presents funds raised by team members and Albertans in support of the Mental Health Foundation.

2021 Teddy for a Toonie Campaign

Close to 20% of Canadian youth are affected by a mental illness or disorder, and only one out of five of those is receiving the mental health care they need.

Albertans participating in ATB's annual Teddy for a Toonie fundraiser raised a total of $185,000 to support youth mental health.

Our 2021 ATB Teddy partner, Kickstand, is addressing a gap in mental health support for those between the ages of 12 and 24 by focusing on prevention, early intervention and care.

While this was the final year of Teddy for a Toonie, ATB will continue to seek out opportunities to support mental health access for all Albertans.

Addressing the Toll of the Pandemic on Mental Health

In fall 2021, at the beginning of the fourth wave of the pandemic, we asked community partners what their biggest needs were and how ATB could help.

Mental health concerns were identified as a top priority, steadily on the rise since the beginning of the pandemic. ATB made a series of donations totalling $100,000 to help nine Alberta not-for-profits providing urgent mental health support to meet the demand.

Resources for Residential School Survivors

In June 2021, after much discussion with Indigenous organizations and Elders, ATB announced a $50,000 partnership with Native Counselling Services of Alberta to create mental health resources for survivors of residential schools and their families.

National Depression Screening Day

A mental health check-in can be the first step to getting needed support. While COVID-19 continued to impact our communities, this year's National Depression Screening Day (NDSD) may have been more important than ever.

NDSD helps to address not just depression, but also the larger challenge of stigma around mental health and seeking help.

ATB supported the campaign, which was led in Alberta by the Calgary Counselling Centre. Albertans and team members were encouraged to complete the short screening questionnaire and were then provided with feedback and directed to resources based on their answers. More than 10,000 people completed the screening this year.

ATB Financial Classic

ATB has been involved with PGA TOUR Canada for the past 25 years and has sponsored the ATB Financial Classic tournament since 2007.

Discussions about mental illness have recently become more common in the golfing world, so ATB added something new to this year's tournament for the players: a subscription to the Inkblot therapy platform.

The tournament raised more than $40,000 for the Alberta division of the Canadian Mental Health Association.

Access to Education

ATB is focused on helping unemployed and underemployed Albertans find new ways to access education and return to the province's workforce. We also recognize the importance of improving high school graduation rates, post-secondary enrollment and skills that will be needed in the future. Finding opportunities to support these areas will be critical to Alberta's economic recovery and long-term success.

Access to Education Fundraising Campaign

The pandemic has impacted the emotional and mental health of many youth in Alberta.

School closures affected all children, with the impact felt most by those lacking the equipment or support needed to learn virtually. Recent statistics also show that one in five students in Alberta will not finish high school on schedule.

Our campaign partner, United Way, funds a number of programs giving students the tools and support to address these barriers. ATB's United Way 2021 campaign placed much-needed funds in the hands of initiatives like the All in for Youth program, which helps vulnerable youth finish high school and embrace a healthy lifestyle. The month-long campaign raised $85,000 in donations.

First Peoples' House and Iniskim Centre

ATB supported the University of Alberta's First Peoples' House and Mount Royal University's Iniskim Centre. Both organizations work to reduce barriers to post-secondary education for Indigenous students by empowering First Nations, Métis and Inuit learners to achieve personal and academic growth. They increase the engagement and success of Indigenous students while also raising awareness of Indigenous Peoples and cultures.

NPower

We continued our partnership with NPower Canada, a not-for-profit that provides digital and professional skills training to youth, as it scaled its workforce development programs. The programs are designed to equip Alberta youth—including those who have been disproportionately impacted by the pandemic—with technology and IT skills.

In 2021, 263 Albertans enrolled, with 86% successfully graduating and 82% of graduates either securing employment or pursuing further education in a related field.

NPower also continues to scale its operations in Alberta, which now includes a presence in Calgary, Edmonton, Red Deer and Lethbridge.

MindFuel

MindFuel brings STEM to life, both inside and outside the K-12 classroom.

The skills encouraged through its programs are innovation, design thinking, entrepreneurialism, computational thinking, nanotechnology, robotics, synthetic biology, energy and the environment.

In 2021, ATB supported MindFuel's Tech Futures Challenge program.

Fourteen student teams from grades 7 to 12 and post-secondary—including Indigenous teams from Dene Tha' First Nation and Siksika Nation—created and presented projects that address real-world problems related to sustainability. Each team received feedback from a panel of STEM mentors and experts.

Access to Information and Communications

ATB is addressing the fundamental need for Albertans to have reliable and equitable access to technology and the internet. Improved connectivity can provide access to education and employment, reduce isolation and make it possible for everyone to participate in Alberta's economy.

Community Safety and Wellness Accelerator

ATB supported Alberta's new Telus Community Safety and Wellness (CSW) Accelerator. It is a unique global accelerator that uses data, AI and machine learning to ethically support tech companies and social enterprises that offer solutions to Alberta's societal problems.

The accelerator's partners include Telus, the Edmonton Police Foundation, the Alberta Machine Intelligence Institute, the University of Alberta and Motorola.

It is powered by Alchemist Accelerator, a Silicon Valley firm that is ranked the #1 accelerator program in North America.

The CSW Accelerator offers a bi-annual, 12-week program that builds six participants' business skills so they can gain traction in markets, scale their solutions and connect with mentors.

The first cohort of 19 companies launched in January 2022.

Mage Networks Partnership

In many rural communities, access to high-speed internet is sporadic. This is a challenge that affects employment, education and other aspects of daily life.

ATB is partnering with Mage Networks to bring reliable high-speed internet to rural and remote communities, beginning in Foremost, AB. The partnership has helped Mage build infrastructure in the village so it can offer service, including six months of free Wi-Fi in the town centre.

Mage's new, affordable technology involves a relay network of "points of presence" that ensures reliable signals regardless of weather and terrain.

Student Tech Donations

In partnership with the United Way, ATB committed $100,000 to support the distribution of essential tech like Chromebooks to students most in need at schools across the province.

Start Alberta

ATB supported the launch of Start Alberta—a world-class database and the first of its kind in North America—which nurtures the growth of Alberta's digital economy and connects tech companies with potential investors.

ATB also sponsored Start Alberta's 2021 Impact Award, which recognizes a business prioritizing the raising of social standards. This year's focus was specific to diversity, equity and inclusion.

Our Diverse Communities

ATB celebrates and honours the diversity that exists within our communities, throughout the province. We support organizations, programs and initiatives that uplift the well-being of equity-seeking communities.

Progressive Aboriginal Relations (PAR) Certification

ATB is actively pursuing the Canadian Council for Aboriginal Business's PAR certification to better support and uplift Indigenous Albertans through our business operations. Work is currently underway to develop a sustainable internal governance model for the program, and ATB anticipates that we will submit our PAR Phase 3 report in the fall of 2022 as the next step in the certification process.

Support for Ukraine

Alberta is home to a large Ukrainian community, and ATB has many Ukrainian team members. Across the organization, concern for Ukraine and Ukrainian people has been loud and clear.

ATB donated $50,000 to the Canadian Red Cross Ukraine Humanitarian Crisis Appeal to provide immediate and ongoing relief efforts on behalf of team members, clients and Albertans.

We also matched team member donations through our internal giving platform, Uplift, and our recognition program, Everyday Heroes, and we promoted the Red Cross on our ATB Cares website. This has resulted in nearly $95,000 in additional donations and matching, in support of those impacted by the war.

Our Ongoing Commitment to Pride

In celebration of Calgary Pride, ATB partnered with Local Laundry and Monogram Coffee to support the work of the Centre for Sexuality.

We were especially excited to be the title sponsor for the second annual Cochrane Pride. The event fosters visibility and celebrates equality, inclusion and safer spaces for all generations of the LGBTQI2S+ community in Cochrane and surrounding areas.

In Calgary, ATB partnered with Local Laundry, Monogram Coffee and the Centre for Sexuality again, to raise funds for youth gay-straight alliance (GSA) programs supported by the Centre. GSAs are school-based groups that are student-run with teacher support. They work to create safe, caring, supportive and inclusive spaces for LGBTIQ2S+ students, staff and their allies. Different groups use different names for GSAs, but two other common ones are gender and sexuality alliance (GSA) and queer-straight alliance (QSA). More than $13,000 was raised as a result of this initiative.

We also partnered with local artist Bri Strong to create incredible works of sidewalk art outside our downtown Calgary Branch for Arts and Culture during Calgary's Pride celebrations. ATB strives to support local artists—Indigenous, LGBTQI2S+ and others—who are connected to and making a difference in the communities where we live and work.

Action, Chinese Canadians Together Foundation

ATB added our voice to the thousands of people and organizations who want to #StopAsianHate. There has been a rise of racism toward Asian people in Canada, which escalated following the murders of Asian people in Atlanta, Georgia.

To demonstrate our solidarity with all equity-seeking communities, including Canadians of Asian heritage, ATB donated $10,000 to the Action, Chinese Canadians Together Foundation, which builds the capacity of Chinese Canadian leaders committed to creating a more equitable society.

National Indigenous Peoples Day

To celebrate National Indigenous Peoples Day, we featured Indigenous entrepreneurs in the Indigenous Market on ATB's crowdfunding platform, BoostR, in partnership with the Alberta Native Friendship Centres Association. ATB matched all purchases and donations made through the BoostR marketplace up to $10,000.

Supporting the Arts

In 2021, ATB partnered with the Edmonton International Fringe Festival, the Calgary Folk Music Festival and the Calgary International Film Festival.

Many of the artists who make these festivals possible have not been able to perform or exhibit their work during the pandemic. ATB's support helped each festival reach audiences with a hybrid of online and in-person events.

Edmonton International Fringe Festival

This was ATB's seventh year partnering with the festival. Over 10,000 attendees viewed more than 100 online performances, putting more than $350,000 of ticket sales into the hands of local artists.

Calgary International Film Festival

The film festival used a hybrid of in-person and online screenings and received a record number of film submissions—an 18% increase from 2020. Over 27,000 viewers attended.

Calgary Folk Music Festival

This was the fourth year of ATB's sponsorship of the music festival. Close to 12,000 people attended performances, and livestreams of Folk Fest TV and were viewed 90,000 times. ATB partnered with the artists and purchased their merchandise to give to the audience, putting approximately $11,000 into the hands of performers.

Empowering Financial Futures

Junior ATB and Stepping Stones

Students from Hillside Community School in Grande Prairie are among the roughly 8,000 Alberta youth who participated in our Junior ATB program this year.

Junior ATB aims to set up Alberta youth for future financial success by teaching financial empowerment topics—like saving and protecting money—to students in grades 4 to 6. This year, our 86 team member volunteers facilitated nearly 500 sessions, reaching roughly 8,000 Alberta youth.

This year, 93 schools participated—up from 61 the year prior, and the most in Junior ATB's 12-year history. When asked if they found value in the concepts presented and if they felt like they could apply them, 98% of students responded positively.

The success of Junior ATB helped us recognize that we could fill a similar gap for junior high and high school students. The Stepping Stones program was developed and introduced with content similarly themed to Junior ATB, but designed for older youth. A total of 96 Stepping Stones sessions have been delivered, and positive feedback was received.

Financial Pathways Collaborative

Financial Pathways Collaborative is a group of organizations, including other financial institutions, that help individuals and families experiencing poverty achieve financial stability and independence.

Workshops were pivoted to virtual delivery, which allowed them to continue during the pandemic. In 2021, 846 individuals benefited from Each One Teach One (EOTO)—a financial education and literacy program.

A total of 71 EOTO workshops were held, and 10 of those were facilitated by ATB volunteers.

Enabling Team Member and Community Giving

ATB Uplift

To further demonstrate our commitment to the greater good, we introduced a new team member giving platform. ATB Uplift is a social impact platform that connects our team members with opportunities to donate, fundraise and volunteer in support of the causes most important to them. ATB amplifies these contributions through matching and volunteer rewards, which are distributed back to our team members' causes.

- More than half of our 5,000+ team members participated, either by donating or recording volunteer time in Uplift.
- Causes were supported with more than $122,000 in donations from team members and nearly $42,000 in donation matching by ATB.

- A total of 28,000 volunteer hours were logged, resulting in an additional $55,000 in rewards being distributed to team members' causes.

In total, ATB and our team members donated over $596,000 this past year through fundraising, volunteering and giving efforts in support of organizations that are uplifting the well-being of our communities.

ATB Cares

For more than 10 years, the ATB Cares platform has enabled Albertans to donate to the causes most important to them, with ATB matching those donations. Over the past year, more than 11,000 donations totalling more than $4.3 million were received, benefiting 1,038 charities. ATB matched donations with an additional $423,000.

December Glow of Giving

In December 2021, ATB gave a combined nearly $99,000 through our internal program Uplift's matching offer, volunteer rewards and our holiday giving incentive.

Team members donated more than $45,000 of their own money to support causes that mattered to them, while also logging 245 volunteer hours.

A total of $1.8 million was raised through our external program ATB Cares from November 30 to December 31, 2021, supporting 3,756 organizations. ATB contributed nearly $134,000 in donation matching through ATB Cares.

Sustainable Finance

Our Definition and Approach

Sustainable finance means taking ESG factors into consideration in our role as a responsible, Alberta-based financial institution.

As an important source of both traditional and renewable energy sector capital in Alberta, ATB recognizes the opportunity to continue enabling a responsible transition to sustainable energy in our province. This means supporting clients who are navigating this transition within their existing operations, while also providing capital to those innovating in this space.

We are committed to developing sustainable lending and investment products and services, while also being a trusted advisor for our clients and a catalyst for growth by encouraging the innovation and adoption of sustainable practices and technologies, and renewable energy.

Our Role and the Future of Sustainable Finance

This past year has seen ATB join and contribute to the Sustainable Finance Action Council (SFAC). Our focus has been on providing an Alberta-based perspective regarding the role financial institutions will play by offering products and services that enable a sustainable future for people and the planet.

The SFAC is a group of 25 banks, insurance firms and major pension providers whose work will influence what sustainable finance looks like in Canada.

The council will bring together public and private sector financial expertise to support the growth of a strong, well-functioning and sustainable finance market. Financial sector leaders will provide input on the foundational market infrastructure needed. A stable, reliable and sustainable finance market in Canada would boost investor confidence and drive economic growth.

These conversations have similar themes and challenges. Western Canada—and Alberta specifically—must create a new, strong and unbiased narrative about our contributions and commitment to Canada.

We must align on a responsible transition for our energy sector and find a path that leads to both job creation and prosperity.

As a leading Alberta institution and participant in these national-level conversations, we will actively lean into the creation of this new narrative. Ultimately, a strong Alberta will mean a strong Canada.

Work Already Underway

ATB recognizes that a global energy evolution is taking place and that we are showing leadership by working with current energy sector customers as they innovate. This includes financing low-bleed methane gas pumps, participating in the Alberta Carbon Trunk Line pipeline and providing financing for projects that advance more environmentally friendly ways of transporting crude by rail.

We are also working to solidify our position as a provider of capital in the emerging renewable energy market. ATB's support for renewable energy projects includes providing financing for solar farms, hydroelectric projects and wind farms in Alberta.

ESG Analysis in Capital Markets

Team members at ATB's Capital Markets, our full-service investment dealer, have continued to become accredited by the Sustainability Accounting Standards Board (SASB). Financial data alone represents an incomplete picture of how an organization manages sustainability issues, and SASB training has enabled team members to further incorporate financial metrics into their ESG analysis.

The capital markets group also produced an inaugural report kicking off the implementation of ESG analytics. The report introduces ATBesg—ATB's ESG analysis that begins with SASB standards—but also incorporates recommendations in respect of governance criteria from the CFA Institute and the International Corporate Governance Network (ICGN). The report provides access to valuable ESG institutional research and insights.

Resource Management

Our Definition and Approach

ATB endeavours to support the efficient use of resources in our operations and partnerships. This means encouraging the adoption of sustainable technologies, renewable energy, low carbon transition and zero waste principles.

We also recognize the value of having a robust framework or process in place to determine the impacts of resource management, consumption and emissions beyond the walls of our own operations. This presents an opportunity to enhance our strong system of governance by incorporating and addressing these impacts.

2021 Carbon Footprint Study

We conducted our eighth carbon assessment, covering the 2021 calendar year. Our first assessment was conducted in 2008 and we have been completing them annually since 2017.

Understanding the carbon footprint associated with our operations is critical to identifying areas where we can make meaningful change, like optimizing consumption and reducing overall emissions. Examples include our branch retrofit projects—which used LED lighting and automated temperature controls to reduce electricity consumption—and the recent branch recommissioning upgrades discussed below.

Actions taken as a result of these assessments have resulted in a reduction of approximately 39% in total emissions between 2014 and 2019 (pre-pandemic).

While our overall emissions fell an additional 17% from our previous reporting period, we recognize that much of this is a result of a shift in our operations throughout the pandemic, with a large portion of our team members working remotely, avoiding emissions associated with usage of ATB spaces, commuting and business travel as examples.

We are committed to continuously improving our practices regarding responsible consumption and the reduction of emissions related to our operations. An overview of our Scope 1, 2 and 3 emissions can be found in the **environment scorecard** section included in this report.

Recommissioning Analysis and Upgrades

In 2021, we began a recommissioning project, targeting buildings that show a high rate of energy consumption.

Using a data-driven approach, two ATB locations were identified as good candidates for a pilot program. Activities included:

- A review of energy data through invoicing, building location and archetype, and then determining if any anomalies existed.
- A review of HVAC settings through building automation systems and thermal scans to identify any insulation concerns.
- Finding an optimal setup between industry-recognized standards and increased efficiency in consumption, while ensuring our team members have a comfortable environment to work in.

As more data is collected, we will better understand the impact of these pilots and prioritize additional recommissioning projects.

Ducks Unlimited Canada Land Reclamation Update

Our partnership with Ducks Unlimited Canada resulted in the creation of the ATB Financial Legacy Fund. This fund provides for the purchase of lands through the Revolving Land Conservation Program. Other funds may be used to restore the land for waterfowl and other wildlife and for diverse ecosystem services, including carbon storage and nutrient removal.

Typically, this means that drained wetlands are restored and grasslands are rejuvenated. The lands purchased and restored through this partnership have a significant impact on avoided emissions and on carbon sequestration (carbon sinks) and storage. A key fundamental of this program is also aimed at ensuring agricultural lands are being used responsibly.

Since 2017, the ATB Financial Legacy Fund has been used to secure 11,900 acres across 37 projects in Alberta. Of the 244,001 tonnes of carbon stored, 26,933 tonnes were sequestered and 217,068 tonnes were avoided emissions.

Other notable figures include:

- **80,597 kilograms per year of nitrogen filtration**
- **8,140 kilograms per year of phosphorus filtration**
- **2.1 million cubic metres of water storage**

Two new projects were purchased in 2021, representing more than 300 acres and 45 intact wetland habitats.

Renewable Energy

Our commitment to renewable energy hasn't wavered and, as in previous years, we used the savings from our power bill to buy renewable energy certificates (RECs) equivalent to 12,000 megawatts of electricity.

We continue to operate the electric vehicle (EV) charging stations that were installed at our Calgary Campus location. The need for additional charging infrastructure is assessed through team member surveys, and we will use this data as the basis for future EV charging station projects.

Reducing Paper Consumption

We continue to leverage DocuSign's digital signing technology in an effort to reduce paper consumption.

The 250,970 digital envelopes sent via DocuSign during the 2021 calendar year have saved:

- **68,820 kilograms of wood, or roughly 428 trees**
- **1,476,235 litres of water**
- **33,177 kilograms of solid waste**
- **475,541 kilograms of carbon emissions**

Climate Resilience

Our Definition and Approach

Climate resilience means having processes in place to identify, assess and manage physical and transition risks and opportunities related to climate change in our operations and in our business.

ATB seeks purposeful opportunities to support those who are advancing environmental stewardship within Alberta through our products and services, investments and partnerships.

Our CSR policy—originally approved by the Board in 2018—sets out ATB's commitment to minimize negative environmental impact.

Key practices include:

- Adhering to all environmental practices set out in municipal, provincial and federal requirements and certifying to the Board quarterly that environmental compliance obligations have been met.
- Identifying opportunities to invest in organizations working to steward Alberta's environment.
- Supporting sustainability through corporate banking expertise.
- Measuring and reporting on ATB's own environmental impact, while actively seeking to reduce the business's footprint.
- Conducting enterprise efforts focused on carbon footprint assessments and best practices.

ATB considers climate-related risk to be a key risk category, and it is among the risks considered in ATB's Risk Appetite Statement and Risk Management Framework. Continuing to develop our climate risk measurement capabilities will inform the steps we take to advance the integration of climate risks into our policies and procedures.

Significant climate-related risks at ATB stem from the physical and transition impacts of climate change. They are highly connected to ATB's other risk categories, both financial and non-financial.

Climate risks

Climate risks are the risks of a possible financial loss or reputational damage resulting from the physical, transition and liability impacts of climate change.

Transition risks

Transition risks are the financial and reputational risks to ATB and our clients stemming from the economic, political, legal and technology changes expected to occur as society transitions to a lower-carbon economy to address climate change. ATB is closely monitoring industry practices to inform the selection of reasonable methodologies and appropriate time horizons to enhance ongoing risk identification and assessment practices.

Physical risks

Physical risks are risks caused by events such as severe weather and longer-term shifts in climate patterns, such as chronic drought, that may impact the financial performance of ATB or our clients directly, indirectly or through cascading effects.

Liability risks

Liability risks relate to potential exposure to the risks associated with climate-related litigation.

ATB's current credit risk process includes an assessment of event-driven physical and liability risks—particularly for certain high-risk industries and/or geographical sectors. We are currently developing a comprehensive set of tools and guidance documents to identify and assess more chronic physical risks.

ATB supports the reporting framework developed by the TCFD and is focused on building capabilities to effectively integrate climate change considerations into our existing risk management practices across all business lines, as well as assets and liabilities classes.

ATB is building out climate-related scenario analysis, including stress-testing capabilities, to capture physical and transition climate risk–related issues and potential implications for the organization. The results of ongoing scenario analysis will continue to inform ATB's identification, assessment, management and disclosure of climate-related risks and further development of ATB's climate risk management program.

ESG Governance

Our Definition and Approach

To be responsible stewards for our organization, our clients and the communities we serve, we must embed ESG considerations into our decision-making.

We are leveraging the strong system of governance already in place at ATB while incorporating material sustainability issues and a lens for what is important for our business and stakeholders. It is critical to responsible management—and ultimately our success—that organizational decision-making is supported by a system of transparency, clear accountability and processes that enable effective risk management practice.

ESG Materiality Assessment

In 2021, ATB partnered with a third party to design and build our inaugural materiality assessment, which was used to determine which ESG topics were most important to a broad range of stakeholders. More than 3,000 stakeholders—clients, community partners, vendors, team members and board members—were consulted.

As a part of the assessment, ATB formed an ESG advisory council consisting of senior leaders from across the organization. The council provided invaluable expertise and insights throughout.

This work will inform our management of stakeholder sentiment, establish which ESG factors are the most material for ATB and show us where we can focus our efforts to improve competitive differentiation, risk mitigation and ATB's long-term business value.

Evolving ATB's Disclosure Practice

As stakeholder expectations continue to evolve, so must ATB's reporting practice. Our goal is to be transparent in disclosing our ESG performance—outcomes and impact, both positive and negative—as we meaningfully engage with ATB stakeholders about the topics that are most important to them.

By promoting understanding of ATB's overall approach to ESG topics, we can proactively seek opportunities and mitigate risks related to anticipated policy and regulatory changes. Using global sustainability frameworks and standards, such as the GRI, we can demonstrate ATB's performance on the ESG topics most important to our business and stakeholders. We can also provide greater comparability and benchmarking, within and across industries.

We have also begun to incorporate recommendations from the TCFD into our risk management process.

There continue to be significant changes that are shaping the sustainability reporting landscape and influencing which metrics organizations use to report on their impacts. We are evaluating these changes and will continue to evolve our approach to effectively and meaningfully communicate our performance on the topics that matter most to our stakeholders.

International Sustainability Standards Board

Along with 40 other organizations, ATB supported a bid to establish the International Financial Reporting Standards (IFRS) Foundation's newly formed International Sustainability Standards Board (ISSB) in Canada.

The ISSB's goal is to create a comprehensive and consolidated set of sustainability reporting standards for organizations to disclose their most important ESG topics—an increasingly critical decision point for investors and clients.

ATB is also engaging with the IFRS Foundation, the Government of Canada and the City of Montreal about the envisioned structure and the arrangements associated with locating the ISSB office in Canada, and we intend to play a role in setting standards.

Ethics and Integrity

Our Definition and Approach

It is important that ATB operates with a foundation of trust among our team members, clients and communities.

At every opportunity, we demonstrate our commitment to ethical business practices with regards to topics such as anti-corruption, anti-bribery and conflicts of interests, which are addressed through ATB's Code of Conduct and Ethics and our compliance training program. ATB's Board reviews and approves our Code of Conduct with our Ethics Committee (which includes ATB's Ethics Officer) overseeing the Code's compliance. We endeavour to hold ourselves and our partners to the highest standards of ethical conduct and are aligned with the regulatory policies and legal requirements expected of Canadian financial institutions.

Ethics risk is also incorporated into ATB's Risk Appetite Statement process, in which ATB has a low appetite for ethics risk and deploys significant resources to implement mitigatory processes and controls.

Compliance Training

ATB designs learning modules that equip team members to make decisions that align with regulatory requirements and with the expectations clients have of us as a trusted financial institution. These learning modules are created with stakeholder insight from across the organization.

Compliance training fosters key skills and knowledge across six domain areas:

- **Code of conduct**
- **Information security**
- **Anti-money laundering**
- **Business continuity planning and emergency response**
- **Privacy**
- **Occupational health and safety**

Team members are required to complete these courses as soon as they are hired, and annually thereafter. Agents and contractors are required to complete modules identified by our Risk Management teams based on the details of each contractual agreement.

All compliance modules are reviewed by stakeholders and subject matter experts and updated on a yearly basis to ensure the content is both accurate and aligned with the latest regulations.

Reporting about progress and completion is provided to our Risk partners across business areas, ensuring that ATB's commitment to ethics and integrity is prioritized across the organization.

ATB Transparency Report

The Ethics Officer's transparency report was introduced in May 2021 and has been posted quarterly since then. It contains aggregated information from reports received under our Code of Conduct—such as conflicts of interest and policy violations—with general descriptions and broad discussions of outcomes.

The information is made available to all team members in graph form on ATB's internal Code of Conduct page. Accompanying commentary from ATB's Ethics Officer often discusses hypothetical yet relatable situations, guidance on how to act, Code of Conduct insights and how team members can report concerns. Drafts of commentary on transparency reports are presented to the Ethics Committee for review and discussion before they are posted.

The transparency report was introduced because ATB recognizes the importance of building trust in an ethics program. It emphasizes to our team members that ATB takes these topics seriously and that reports are acted on. The ethics program itself is intended to be something team members can talk and ask about.

Ethical Use of Data

The ethical use of data is an evolving area of thought and subject to a wide variety of considerations. ATB has identified six key principles governing our use of data:

- **Fairness:** Testing for and understanding bias in data.
- **Safety:** Data safety (i.e., secure storage) and human safety (i.e., owner consent, protection of physical and mental health).
- **Robustness and security:** Design that resists interference and remains consistent.
- **Transparency:** Internal transparency (i.e., documentation) and external transparency (i.e., informed users).
- **Explainability:** The ability to appropriately explain decisions.
- **Accountability:** Clear accountabilities for performance and the ability to "pull the plug."

Within ATB, oversight is provided by the Data Foundations Steering Committee and the AI Model Governance Subcommittee.

ATB has engaged world-leading organizations to strengthen our practices with respect to the responsible usage of data in AI products and to transition us from tactical to strategic use. With the subcommittee and AI Centre of Excellence, ATB is actively promoting an internal culture that embraces the ethical use of data in AI.

Moving forward, a key activity will be the enhancement of our ethical testing practices, to further increase proficiency in the depth of testing for our data.

Responsible AI Institute

ATB won the 2021 Corporate Leader Award from the Responsible AI Institute—a non-profit dedicated to promoting responsible and ethical adoption of AI.

The award recognizes ATB's contributions to developing AI governance tools and our commitment to the ethical use of data.

2021-22 Financial Highlights

"As we forge ahead, ATB looks to be more than just Alberta's bank of choice, driving innovation and transforming experiences to make it possible for all Albertans."

Dan Hugo, Chief Financial Officer

For the year ended March 31	2022	2021
Operating results *($ in thousands)*		
Net interest income	$ 1,242,315	$ 1,178,567
Other income	661,566	599,380
Total revenue	1,903,881	1,777,947
(Recovery of) provision for loan losses	(203,879)	271,085
Non-interest expenses	1,346,228	1,233,453
Net income before payment in lieu of tax	761,532	273,409
Payment in lieu of tax	175,152	62,884
Net income	**$ 586,380**	**$ 210,525**
Adjusted net income (1)	$ 614,995	$ 210,525
Income before provisions (2)		
Total revenue	$ 1,903,881	$ 1,777,947
Less: non-interest expenses	(1,346,228)	(1,233,453)
Income before provisions	**$ 557,653**	**$ 544,494**

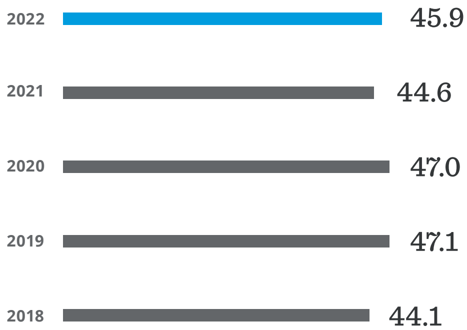
For the year ended March 31	2022	2021
Financial position *($ in thousands)*		
Net loans	$ 45,928,704	$ 44,597,222
Total assets	57,052,035	55,755,035
Total risk-weighted assets (2)	37,462,503	36,487,057
Total deposits	37,319,482	37,758,388
Equity	4,452,194	4,074,923
Key performance measures *(%)*		
Return on average assets	1.0	0.4
Return on average risk-weighted assets	1.6	0.6
Total revenue change	7.1	3.0
Other income to total revenue	34.7	33.7
Total expense change	9.1	2.1
Adjusted total expense change (1)	6.1	2.1
Efficiency ratio	70.7	69.4
Adjusted efficiency ratio (1)	68.8	69.4
Net interest margin	2.32	2.23
(Recovery of) provision for loan losses to average loans	(0.4)	0.6
Net loan change	3.0	(5.2)
Total asset change	2.3	(0.2)
Total deposit change	(1.2)	6.7
Change in assets under administration	5.3	25.3
Tier 1 capital ratio	12.1	10.9
Total capital ratio	16.5	16.2
Other information		
ATB Wealth's assets under administration *($ in thousands)*	$ 26,189,359	$ 24,880,721
Branches	160	162
Agencies	115	120
Total clients	813,956	803,736
Team members (3)	5,024	5,044

(1) Refer to the non-GAAP measures for more information.
(2) Refer to the glossary for a definition of our key performance measures.
(3) Reported as full-time equivalents.

Financials at a Glance

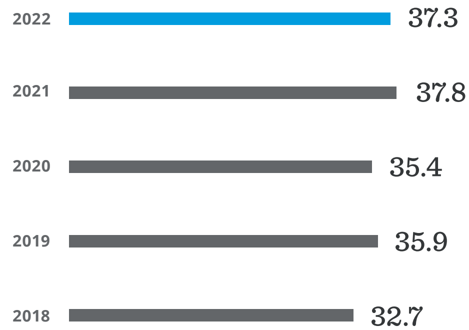
Net Loans

($ in billions)



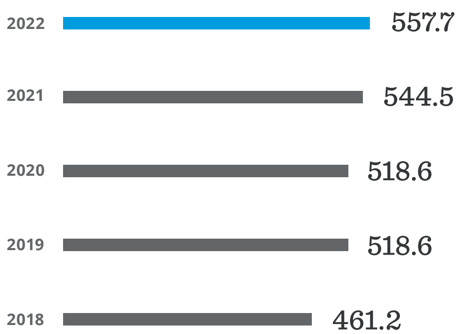
Deposits

($ in billions)



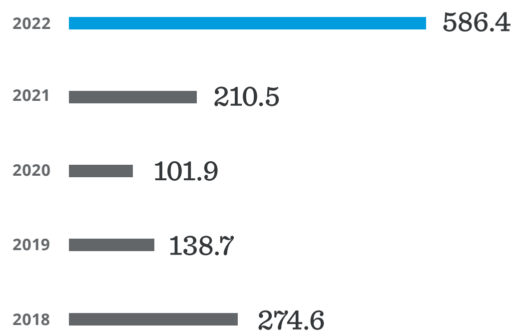
Income Before Provisions

($ in millions)



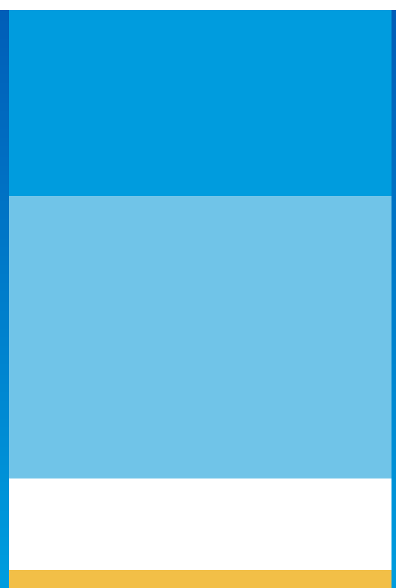
Net Income

($ in millions)



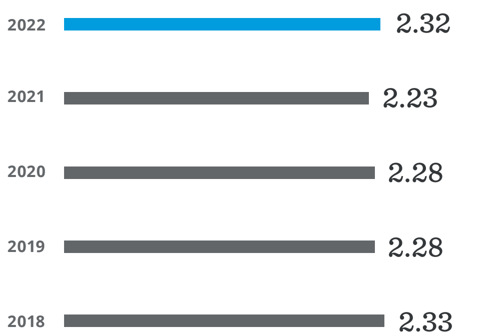
Revenue Earned By Area of Expertise

- 32% Everyday Financial Services
- 50% ATB Business
- 16% ATB Wealth
- 2% Strategic Support Units



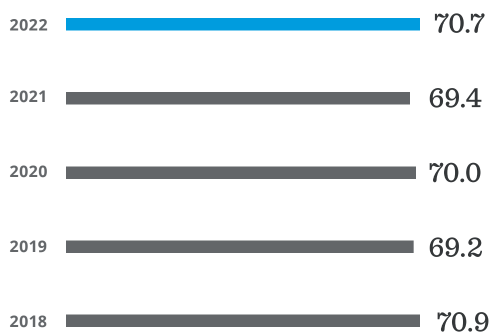
Net Interest Margin

(%)



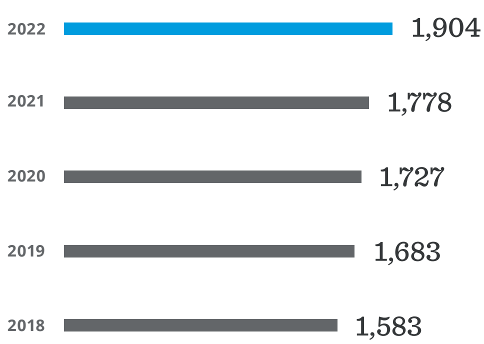
Efficiency Ratio

(%)



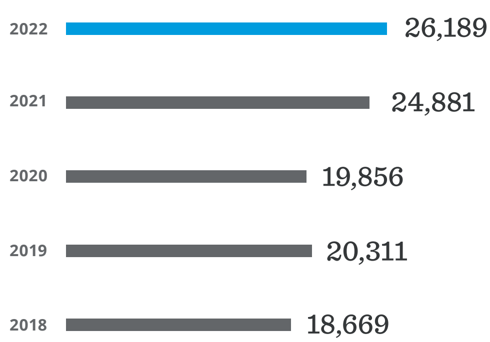
Total Revenue

($ in millions)



Assets Under Administration

($ in millions)



Non-GAAP Measures

We use certain financial metrics based on non-GAAP measures to assess ATB's performance. These measures do not have standardized meanings under Generally Accepted Accounting Principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions.

The following table provides a reconciliation of our non-GAAP financial measures to our reported financial results.

For the year ended March 31 *($ in thousands)*	2022	2021
Non-interest expenses	$ 1,346,228	$ 1,233,453
Adjustments (before payment in lieu of tax)		
Writeoff of a non-strategic technology asset	37,162	-
Adjusted non-interest expenses	**$ 1,309,066**	**$ 1,233,453**
Reported net income	$ 586,380	$ 210,525
Adjustments (before payment in lieu of tax)		
Writeoff of a non-strategic technology asset	28,615	-
Adjusted net income	**$ 614,995**	**$ 210,525**

Message from Chief Financial Officer

Dan Hugo

"As we navigate through the ever-changing global landscape, ATB will continue to play a pivotal role in the province by supporting our clients and communities, making today better than yesterday and tomorrow better than today."

Dan Hugo, Chief Financial Officer

"Time flies over us, but leaves its shadow behind."

Nathaniel Hawthorne

These words, written by American novelist Nathaniel Hawthorne more than a century ago, came to mind as I reflected on the past two years and the deep shadows that were left in the wake of a global pandemic. ATB remained a bright light, chasing away the shadows during these challenging and unprecedented times, leaving me both humbled and proud to be part of this wonderful organization.

We finished FY2022 optimistically as we started to see a recovery from the impacts brought about by the COVID-19 pandemic. Although the pandemic has affected us all in many ways and continues to make its mark across the world, ATB has shown resilience and adaptability through COVID waves and changing restrictions, being there for our clients every step of the way.

As we navigate through the ever-changing global landscape, ATB will continue to play a pivotal role in the province by supporting our clients and communities, making today better than yesterday and tomorrow better than today.

Supporting Albertans and Alberta businesses, ATB was able to deliver record net income of $586 million during FY2022. Including payment in lieu of taxes and deposit guarantee fee, ATB contributed more than $820 million to the Government of Alberta. This year continues the trend of outstanding growth that we have seen since becoming a Crown corporation in 1997. In fact, looking back over the last 25 years, ATB was able to grow net income before provision at a compound annual growth rate of 8%—almost four times the GDP—during that same period.

This year, we were able to achieve record total revenue of over $1.9 billion, with growth being well-diversified between net interest income and other income. Contributing to this was an increase in other income, which validates our efforts to diversify our revenue streams. With revenue growth, we have seen an increase in expenses; however, our efficiency ratio is still comparable to last year—a testament to our ongoing efforts around expense management.

Our loan loss provision, which benefited from the economic outlook improving as well as the positive shift in credit worthiness of our clients, decreased nearly $475 million from the prior year. Some uncertainty does, however, remain about the lasting impacts of the pandemic, increasing inflation and the invasion of Ukraine by Russia.

Today's challenges and uncertainties present opportunities for us to address in the coming years. Increasing oil prices have led to incentives being offered within the oil and gas industry to invest in environmentally sound technologies. There is also a growing technology sector as Alberta is attracting more technology investors to the province. With Alberta's borders opening, there is increased positivity and optimism for travel and tourism. As we forge ahead, ATB looks to be more than just Alberta's bank of choice, driving innovation and transforming experiences to make it possible for all Albertans.

Dan Hugo
Chief Financial Officer

Scope

This is ATB's combined annual and sustainability report. We have combined these reports because we believe that financial results and how we approach ESG issues are deeply interconnected. Within the sustainability section of the report, we identify our material ESG topics and the process used to determine them and communicate our performance quantitatively through a comprehensive consolidated Scorecard section. We define our material ESG topics and describe our approach to managing them in five key sections of the report: Client Obsession, People and Culture, Community Impact, Environment and Governance.

ATB operates mainly in Alberta. Our ATB Capital Markets Inc., ATB Capital Markets USA Inc. and ATB Private Equity GP Inc. subsidiaries operate through our ATB Business AOE, while ATB Investment Management Inc., ATB Securities Inc. and ATB Insurance Advisors Inc. operate through our ATB Wealth AOE.

We have no specific limitations on the scope or boundary of this report. It reflects ATB's overall performance and our significant economic, environmental and social impacts on Alberta.

Reporting Period

All activities described in this report were undertaken within fiscal year 2022 (April 1, 2021-March 31, 2022), unless otherwise noted. This report and its contents are updated in May of each year.

Sustainability Reporting

To develop and present our content in a balanced, transparent and clear way, we have used the GRI and the TCFD—two international and widely used sustainability reporting standards and frameworks—to guide our disclosure process. We used the materiality principle, combined with a stakeholder-centric approach, to determine our most significant ESG topics, which are described under **Stakeholder Engagement** in the sustainability section of this report. The information presented reflects our significant activities and is intended to demonstrate ATB's performance as a responsible steward of both our business and Alberta. The completeness of the report will enable our stakeholders to accurately assess our performance over the reporting period.

ESG Scorecard Committee

Our ESG Scorecard Advisory Committee represents key areas of ATB, such as finance, sustainability, human resources, risk and client experience. This group led the assessment of the metrics found in the Scorecard section in the sustainability section of the report.

These metrics measure our performance within each of the five key sustainability sections, with an additional section dedicated to our economic performance. The resulting report showcases ATB's efforts and sustainability performance for our stakeholders, including our Shareholder and Regulator (the Province of Alberta), our team members and our clients.

To ensure accuracy, members from across the organization have reviewed the data. ATB's evolving approach to ESG and our Board-approved CSR policy, combined with the understanding of fundamental operations at ATB, helped us to focus our efforts.

Scorecard Committee: Keith Hill, Lisa Huffman, Logan Hutchinson, Jeff Lai, Dawn Mitzner, Erin Stephen and Cody Tousignant.

For questions about the sustainability section of this report, email the Social Impact team at **socialimpact@atb.com**

Aligning With the Global Reporting Initiative

Transparency and accountability are key elements of an organization's sustainability practice. ATB has chosen to align our report with the guidance provided by the GRI, the most widely used sustainability reporting standard, to ensure its completeness and balance. GRI updated its standards during 2021, and we are currently reporting in alignment with these recent changes.

GRI 2 General Disclosures

GRI Disclosure	ATB Financial Response
The organization and its reporting practices	
Organizational details **2-1**	See About This Report
Entities included in the organization's sustainability reporting **2-2**	See About This Report See Significant Accounting Policies
Reporting period, frequency and contact point **2-3**	See About This Report
Restatements of information **2-4**	There are no significant restatements of information. All restatements of financials in the annual report are footnoted.
External assurance **2-5**	The Auditor General of Alberta audits ATB's consolidated financial statements. Our annual report is reviewed and approved by our independent Board of Directors yearly.

GRI Disclosure	ATB Financial Response
Activities and workers	
Activities, value chain and other business relationships **2-6**	See Locations See Supplier Resources There are no significant changes to report.
Employees **2-7**	See People and Culture Scorecard See Financial Highlights
Governance	
Governance structure and composition **2-9**	See Corporate Governance See Board of Directors and Committees See Diversity Policy
Nomination and selection of the highest governance body **2-10**	See Succession and Director Nomination/ Appointment See Diversity Policy
Chair of the highest governance body **2-11**	Our Board Chair is not a senior executive within ATB Financial.
Role of the highest governance body in overseeing the management of impacts **2-12**	See Board Mandate
Delegation of responsibility for managing impacts **2-13**	See Governance at ATB See Board Mandate See Risk Governance and Strategic Direction
Role of the highest governance body in sustainability reporting **2-14**	See About This Report See Our Sustainability See Board Mandate
Conflicts of interest **2-15**	See Conflicts of Interest See Codes of Conduct and Ethics
Communication of critical concerns **2-16**	See Board of Directors and Committees
Collective knowledge of the highest governance body **2-17**	See Orientation and Professional Development

GRI Disclosure	ATB Financial Response
Governance *(continued)*	
Evaluation of the performance of the highest governance body **2-18**	See Effectiveness and Evaluations
Remuneration policies **2-19**	See Executive Compensation Discussion and Analysis See Director Compensation
Process to determine remuneration **2-20**	See Executive Compensation Discussion and Analysis See Director Compensation
Strategy, policies and practices	
Statement on sustainable development strategy **2-22**	See Our Sustainability See Messages from Curtis and Joan
Policy commitments **2-23**	See Team Member's Code of Conduct and Ethics See Board of Directors Code of Conduct See Codes of Conduct See Legislative Mandates See Ethics and Integrity
Embedding policy commitments **2-24**	See Team Member's Code of Conduct and Ethics See Board of Directors Code of Conduct See Codes of Conduct See Legislative Mandates See Ethics and Integrity
Processes to remediate negative impacts **2-25**	See Client Feedback and Policy See Safe Disclosure and Whistleblower Protection See Stakeholder Engagement
Mechanisms for seeking advice and raising concerns **2-26**	See Client Feedback and Policy See Safe Disclosure and Whistleblower Protection See Stakeholder Engagement
Membership associations **2-28**	See About ATB

GRI Disclosure	ATB Financial Response
Stakeholder engagement	
Approach to stakeholder engagement **2-29**	See Stakeholder Engagement and Materiality

GRI 3 Material Topics

GRI Disclosure	ATB Financial Response
Process to determine material topics **3-1**	See Materiality
List of material topics **3-2**	See Materiality
Material topic: Access to banking	
Definition and management of material topic **3-3**	See Access to Banking
Material topic: Data privacy and security	
Definition and management of material topic **3-3**	See Data Privacy and Security
Customer privacy **418-1**	See Client Obsession Scorecard

GRI Disclosure	ATB Financial Response
Material topic: World-class talent	
Definition and management of material topic **3-3**	See World-Class Talent
Ratios of standard entry level wage by gender compared to local minimum wage **202-1**	See People and Culture Scorecard
Programs for upgrading employee skills **404-2**	See World-Class Talent
Diversity of governance bodies and employees **405-1**	See People and Culture Scorecard
Ratio of basic salary and remuneration of women to men **405-2**	
Material topic: Health, safety and well-being	
Definition and management of material topic **3-3**	See Health, Safety and Well-Being
Occupational health and safety management system **403-1**	See Health, Safety and Well-Being
Hazard identification, risk assessment and incident investigation **403-2**	
Occupational health services **403-3**	
Worker participation, consultation and communication on occupational health and safety **403-4**	
Worker training on occupational health and safety **403-5**	
Promotion of worker health **403-6**	
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships **403-7**	

GRI Disclosure	ATB Financial Response
Material topic: ESG governance	
Definition and management of material topic **3-3**	See ESG Governance
Material topic: Ethics and integrity	
Definition and management of material topic **3-3**	See Ethics and Integrity
Communication and training about anti-corruption policies and procedures **205-2**	See Ethics and Integrity See Governance Scorecard See Codes of Conduct and Ethics
Material topic: Community impact	
Definition and management of material topic **3-3**	See Community Impact
Direct economic value generated and distributed **202-1**	See Economic Impact Scorecard
Operations with local community engagement, impact assessments and development programs **413-1**	See Community Impact
Material topic: Sustainable finance	
Definition and management of material topic **3-3**	See Sustainable Finance
Material topic: Resource management	
Definition and management of material topic **3-3**	See Resource Management
Habitats protected or restored **304-3**	See Resource Management

GRI Disclosure	ATB Financial Response

Material topic: Resource management *(continued)*

Direct (Scope 1) GHG emissions **305-1** Energy indirect (Scope 2) GHG emissions **305-2** Other indirect (Scope 3) GHG emissions **305-3** Reduction of GHG emissions **305-5**	See Resource Management See Environment Scorecard

Material topic: Climate resilience

Definition and management of material topic **3-3**	See Climate Resilience See Climate Risk

Locations

We're wherever you need us to be. To find a location near you, visit atb.com/branchlocator.

Our Branches

Airdrie (2)
Andrew
Athabasca
Banff
Barrhead
Beaverlodge
Black Diamond
Bonnyville
Bow Island
Boyle
Breton
Brooks
Calgary (21)
Camrose
Canmore
Cardston
Caroline
Carstairs
Castor
Chestermere
Claresholm
Coaldale
Cochrane
Cold Lake
Consort
Coronation
Crossfield
Daysland
Didsbury
Drayton Valley
Drumheller
Edmonton (22)
Edson
Elk Point
Fairview
Falher
Foremost
Forestburg
Fort Macleod
Fort McMurray (2)
Fort Saskatchewan
Fort Vermillion
Grande Prairie (2)
Granum
Grimshaw
Hanna
High Level
High Prairie
Hinton
Hythe
Innisfail
Jasper
Killam
La Crete
Lac La Biche
Lacombe
Lamont
Leduc
Lethbridge (4)
Linden
Lloydminster
Magrath
Manning
Mayerthorpe
Medicine Hat (2)
Milk River
Nanton
Okotoks
Olds
Onoway
Oyen
Peace River
Picture Butte
Pincher Creek
Ponoka
Provost
Raymond
Red Deer North Gaetz Crossing
Redwater
Rimbey
Rocky Mountain House
Rycroft
Sherwood Park (2)
Slave Lake
Smoky Lake
Spirit River
Spruce Grove
St. Albert (2)
St. Paul
Stettler
Stony Plain
Strathmore
Sundre
Sylvan Lake
Taber
Thorsby
Three Hills
Tofield
Trochu
Two Hills
Valleyview
Vegreville
Vermillion
Viking
Vulcan
Wainwright
Westlock
Wetaskiwin
Whitecourt
Wildwood

Our Agencies

- Acadia Valley
- Alberta Beach
- Alder Flats
- Altario
- Amisk
- Arrowwood
- Bashaw
- Bassano
- Bawlf
- Beaumont
- Berwyn
- Big Valley
- Blackfalds
- Blackie
- Blairmore
- Bon Accord
- Bonanza
- Bowden
- Bragg Creek
- Bruce
- Calmar
- Carmangay
- Carseland
- Cereal
- Chauvin
- Cleardale
- Clive
- Coutts
- Delburne
- Delia
- Devon
- Dewberry
- Duchess
- Eaglesham
- Eckville
- Edberg
- Edgerton
- Edmonton Argyll Agency
- Edmonton Capilano
- Edmonton Centre 39
- Edmonton Century Park Agency
- Edmonton Four Directions Financial Services
- Edmonton Kingsway
- Edmonton Lynnwood
- Edmonton Mayfield
- Empress
- Enchant
- Evansburg
- Fox Creek
- Galahad
- Gibbons
- Glendon
- Grande Cache
- Halkirk
- Hardisty
- Heisler
- High River
- Hines Creek
- Holden
- Innisfree
- Irma
- Irricana
- Islay
- Kinuso
- Lake Louise
- Lougheed
- Mallaig
- Mannville
- Marwayne
- Millet
- Milo
- Mirror
- Morinville
- Morrin
- Mundare
- Myrnam
- Nampa
- New Sarepta
- Newbrook
- Nobleford
- Paradise Valley
- Penhold
- Plamondon
- Rainbow Lake
- Red Earth Creek
- Rockyford
- Rolling Hills
- Sangudo
- Sedgewick
- Sexsmith
- Sherwood Park Emerald Hills Agency
- Spruce Grove Agency
- St. Albert Boudreau
- Standard
- Stavely
- Stirling
- Strome
- Swan Hills
- Tangent
- Thorhild
- Vauxhall
- Veteran
- Vilna
- Wabamun
- Wabasca
- Wandering River
- Warburg
- Warner
- Waskatenau
- Wembley
- Westerose
- Willingdon
- Winfield
- Worsley
- Youngstown

Management's Discussion & Analysis

Management's Discussion and Analysis

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 year ended March 31, 2022. (See the Glossary and Acronyms for our defined terms.) The MD&A is current as at May 25, 2022. All amounts are reported in millions of Canadian dollars, except where otherwise stated, and are derived from the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). For further details about the amounts reported, see the Consolidated Financial Statements.

ATB is not a chartered bank under the *Bank Act of Canada* but a financial institution incorporated under Alberta statute that operates mainly in Alberta. Any reference to the term *banking* in this report is intended to convey a general description of the services provided by ATB to its clients.

Caution Regarding Forward-Looking Statements

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

By their very nature, forward-looking statements require ATB's management to make numerous assumptions and are subject to inherent risks and uncertainties, both general and specific. A number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates, or intentions expressed in the forward-looking statements. Such factors include, but are not limited to, changes in our legislative or regulatory environment; changes in ATB's markets; technological changes; changes in general economic conditions, including fluctuations in interest rates, commodity prices, currency value, and liquidity conditions; the ongoing impacts on the global economy due to the COVID-19 pandemic and the current geo-political uncertainty caused by the war in Ukraine; 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.

About ATB

History and Mandate

ATB was established by the Government of Alberta (GoA) in 1938 to provide much-needed financial services to Albertans during the Great Depression. ATB became a provincial Crown corporation on October 8, 1997, under the authority of the *ATB Financial Act* and *ATB Financial Regulation* (the *ATB Act* and *ATB Regulation*, respectively).

ATB's legislative mandate, as established in the *ATB Act* and *ATB Regulation*, is to provide Albertans with access to financial services and to enhance competition in the financial services marketplace in Alberta—with the objective of earning a risk-adjusted return that is similar to or better than those of comparable financial institutions, in both the short and long terms. The President of Treasury Board and Minister of Finance of Alberta (the Minister) and ATB have entered into an agreement formalized in a Mandate and Roles document that reflects a common understanding of each party's respective roles and responsibilities in fulfilling ATB's mandate.

As Crown corporations, ATB and its subsidiaries operate under a regulatory framework established pursuant to the provisions of the *ATB Act* and *ATB Regulation*. This legislation was modelled on the statutes and regulations governing other Canadian financial institutions, is updated periodically, and establishes that the Minister is responsible for supervising ATB.

ATB also operates within the legal framework established by provincial legislation generally applying to provincial Crown corporations, such as the *Financial Administration Act, Fiscal Planning and Transparency Act*, and *Alberta Public Agencies Governance Act* (APAGA), as well as applicable legislation governing consumer protection and privacy. Under APAGA, ATB is recognized as a government commercial enterprise and remains operationally independent from the provincial government. ATB's legal framework also includes certain applicable federal legislation governing money laundering. ATB strives to hold itself to the standards of its financial services peers and implements industry best practices. As such, ATB voluntarily adopts certain federal requirements and guidelines that apply to its activities.

With the responsibility of overseeing ATB's activities and performance, the Minister's powers include examining the business and affairs of ATB to ensure compliance with legislation and applicable guidelines, to ensure that ATB is in sound financial condition, and to require ATB to implement any measures the Minister considers necessary to maintaining or improving ATB's financial safety and soundness.

The Minister has also implemented the *Legislative Compliance Management* guideline for financial institutions, pursuant to which the Board of Directors has adopted a regulatory compliance management policy. The key aim of this guideline and policy is to ensure that ATB establishes and maintains an enterprise-wide framework of regulatory risk management controls and practices that enable compliance with regulatory requirements. Our dedicated compliance department is responsible for identifying and monitoring regulatory risk across ATB and for ensuring that all areas have implemented key day-to-day controls that promote compliance with applicable legislation.

The Minister has also approved a number of guidelines for ATB similar to those issued by the Office of the Superintendent of Financial Institutions (OSFI), which supervises federally regulated deposit-taking institutions. Regulatory oversight of these guidelines is the responsibility of the Alberta Superintendent of Financial Institutions (ASFI), the regulatory governing body that supervises ATB. The ASFI's activities are established in the *ATB Act* and described in the *ASFI Supervisory Framework*, which is modelled on OSFI standards.

Among ATB's voluntary compliance activities is compliance with the international capital-measurement framework promoted by the Bank of International Settlements—known widely as the Basel Capital framework—which includes internal-capital-adequacy-assessment-process (ICAAP) practices.

ATB subsidiaries that provide wealth-management and investment-banking services are also subject to regulatory oversight by the Investment Industry Regulatory Organization of Canada (ATB Securities Inc. and ATB Capital Markets Inc.) and the Alberta Securities Commission (ATB Investment Management Inc., ATB Securities Inc. and ATB Capital Markets Inc.).

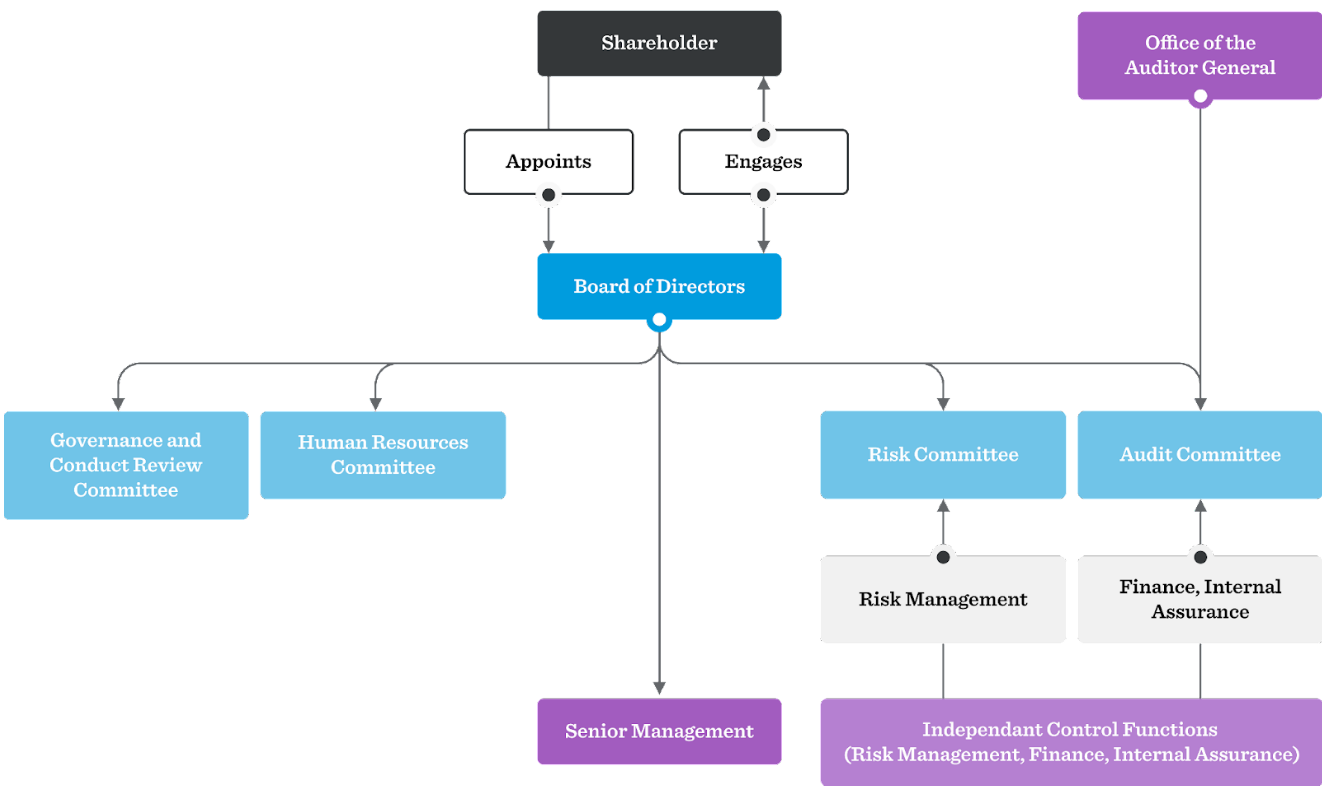
ATB and its subsidiaries pursue compliance with all applicable laws and regulations. Annually, ATB provides the Minister with a formal report on compliance, pursuant to the *ATB Regulation*.

Corporate Governance

ATB's Board of Directors is committed to excellence in corporate governance. Our corporate governance policies and procedures exceed those required of us by law and are consistent with both relevant public-company securities and regulatory requirements and those set out in OSFI's corporate governance guidelines. ATB's governance framework includes the Board charter and terms of reference for the Board of Directors and each of its committees. Additional governance information is contained in the following documents, which are all available on atb.com:

→ Mandate and Roles document
→ Board of Directors' Code of Conduct and Ethics
→ Key policies related to corporate governance practices approved by the Board
→ Chair of the Board position description
→ Board Committee Chair position description

Governance Structure



Board of Directors and Committees

ATB operates under a Board of Directors (the Board) appointed by the Lieutenant-Governor in Council (LGIC). By setting the tone at the top, the Board promotes strong governance that is entrenched in ATB's culture. The Board has overall stewardship of ATB, oversees ATB's strategic direction, monitors ATB's performance in executing its strategy and meeting its objectives, oversees implementation of an effective risk management culture and actively monitors ATB's risk profile relative to its risk appetite. The Board employs governance practices and business policies broadly comparable to those of other Canadian financial institutions. With its diverse range of expertise and experience, the Board acts independently of government and management in governing the business and affairs of ATB.

Each committee chair reports to the Board after each committee meeting. Committee responsibilities are set out in terms of reference and reviewed annually by the Governance and Conduct Review Committee. From time to time, various special-purpose committees are formed. All committees can engage outside advisors at ATB's expense.

Board and Committee Structure

Board of Directors (Chair: Joan Hertz) Terms of reference	**Audit Committee** Terms of reference	• Oversees the integrity of ATB's financial reporting and internal-control systems and its internal assurance and finance functions • Facilitates communication between the Board and its internal and external auditors **Members:** Barry James (Chair), Andy Fraser, Wendy Henkelman, Robert Logan, Patrick Lor and Mary Ellen Neilson
	Human Resources Committee Terms of reference	• Oversees human resources (HR) policies, procedures and compensation programs, including pension plans • Oversees talent management and executive succession and compensation **Members:** Wendy Henkelman (Chair), Diane Brickner, Jim Davidson, Andy Fraser and Diane Pettie
	Governance and Conduct Review Committee Terms of reference	• Develops governance policies and procedures, including those related to team member conduct and ethics, client feedback and board effectiveness • Oversees Board and committee evaluations **Members:** Diane Pettie (Chair), Patrick Lor, Manjit Minhas, Rob Pearce and Diane Brickner
	Risk Committee Terms of reference	• Oversees ATB's compliance with regulatory requirements • Reviews, approves and oversees compliance to corporate risk management policies **Members:** Mary Ellen Neilson (Chair), Jim Davidson, Barry James, Robert Logan, Manjit Minhas and Robert Pearce

Chair of the Board

The Chair of the Board is an independent director. The Chair enables the Board to operate independently of management and gives its directors an independent leadership contact.

Joan Hertz was initially appointed Chair effective January 1, 2019, by the Lieutenant-Governor in Council and reappointed January 2022. The roles of Chair and Chief Executive Officer (CEO) are separate.

The Chair is responsible for the management, development and effective functioning of the Board and provides leadership for the Board. Their role is to:

- Chair every meeting of the Board (including the *in camera* sessions).
- Facilitate the functioning of the Board independently of management and maintain and enhance the quality of ATB's corporate governance.
- Ensure effective and open communication between and among the Board and its committees, directors and senior management.
- Provide leadership to the Board and CEO, including participation in the orientation of new directors and the continuing professional development of current directors.
- Represent the Board and its interests, as well as the interests of ATB, in dealing with the Minister, CEO, stakeholders and community.

The Chair's key responsibilities are set out in the Chair position description and Mandate and Roles document. The Board approves any amendments to the position description, and the Governance and Conduct Review Committee annually assesses the Chair's effectiveness in fulfilling the requirements of the role.

Board Mandate

ATB is a Crown corporation with regulatory requirements similar to those of the chartered banks and credit unions. Pursuant to APAGA, ATB and the Minister agree, via the Mandate and Roles document, on the respective roles and responsibilities of each party in fulfilling ATB's mandate.

The roles and responsibilities of the Board are detailed in the *ATB Act, ATB Regulation,* Mandate and Roles document, bylaws, Board terms of reference and those of its various committees. The Board, either directly or through its committees, is responsible for supervising and managing the business and affairs of ATB. Team members execute ATB's strategy under the direction of the CEO and management, with the Board's oversight.

In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management the authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness. Some of the Board's other key responsibilities are described below.

Strategic oversight and planning: The Board is responsible for overseeing ATB's strategic planning processes and oversight functions. This includes approving the strategic plan and monitoring its implementation and effectiveness and reviewing and approving ATB's enterprise-wide objectives and its capital, financial and liquidity plans (including specific requests for major capital expenditures).

Identification of risks and oversight of risk management: The Board approves ATB's risk appetite statement and framework and is assisted by the Risk Committee in ensuring that processes are in place to identify, measure and monitor ATB's key risks; that appropriate policies are implemented and evaluated to manage risk and that ATB complies with legal and regulatory requirements.

Succession planning: The Board approves succession planning processes for the Board, CEO and senior executives. The Governance and Conduct Review Committee reviews the Board succession plan, and the HR Committee oversees CEO and executive succession planning through its review of succession plans and ATB's structure at the executive level.

Governance: The Board establishes ATB's approach to corporate governance and is assisted by the Governance and Conduct Review Committee in reviewing leading governance practices, conducting evaluations of the performance of the Board, committees, Chair and individual directors and reviewing terms of reference of the Board and its committees.

Integrity of internal controls: The Board satisfies itself that a culture of integrity is maintained throughout the organization. The Audit Committee oversees implementation of effective internal controls to ensure reliable financial reporting.

Communications and disclosure: The Board oversees communications with ATB's Shareholder and other stakeholders. This includes the Audit Committee reviewing and/or approving key disclosure documents, such as the quarterly and annual reports.

Corporate social responsibility: The Board approves the Corporate Social Responsibility policy, which sets out ATB's values and commitment to social responsibility.

Pension governance: The HR Committee assists the Board in ensuring that ATB has appropriate pension governance policies and procedures in place.

Position Descriptions

The Board has approved a written position description for the Chair, committee chairs and directors. The Governance and Conduct Review Committee periodically reviews these position descriptions and recommends amendments to the Board.

The roles and responsibilities of the CEO are set out in the Mandate and Roles document, as agreed between ATB and the Minister. The HR Committee, in consultation with the Board Chair, also annually reviews the CEO's corporate goals and objectives, which include performance indicators and key milestones relevant to the CEO's compensation. The Board approves such goals and objectives on the committee's recommendation.

Codes of Conduct and Ethics

The Board endorses the principles expressed in two written codes of conduct and ethics (one for directors and one for team members), which are reviewed annually by the Ethics Committee and at least once every three years by the Governance and Conduct Review Committee and are ultimately approved by the Board.

The codes apply at all levels of the organization, from major decisions made by the Board to day-to-day transactions in branches. The codes of conduct and ethics are both available at atb.com (see the links above).

The codes establish the standards that govern the way directors and team members deal with each other, ATB's Shareholder, clients, suppliers, competitors and communities. Within this framework, directors and team members are expected to exercise good judgment and be accountable for their actions. The code for team members is founded on the following six principles:

- Conduct yourself with honesty and integrity.
- Act objectively.
- Respect confidentiality and privacy.
- Honour your commitments.
- Behave in a professional manner.
- Uphold the law, rules and regulations.

Compliance with the team member code is part of the terms and conditions of employment for every team member at ATB. The Board, along with the Governance and Conduct Review Committee, oversees ATB team members' compliance. The Chair is ultimately responsible for monitoring compliance with the directors' code of conduct and ethics by members of the Board. All directors and team members receive online code training and are required to review and attest to compliance with the relevant code when they join ATB, and annually thereafter.

During fiscal year (FY) 2021-22, the Board had no occasion to consider any waiver from the relevant code for the benefit of any director or executive officer of ATB. The Board also had no occasion to determine that any conduct by an ATB director or executive officer was a material departure from the relevant code as defined in National Instrument 51-102.

Conflicts of Interest

The codes, *ATB Act, ATB Regulation* and Board Bylaw No. 2 set out processes by which the Board may ensure directors and executive officers exercise independent judgment in considering transactions and agreements in which a director or executive officer has or may have a material interest. Pursuant to the Board's conflict-of-interest policy, each director annually confirms that they have no conflicts of interest that could create a material risk and that they are able to discharge their duties with integrity and in the best interests of ATB. Directors and executive officers are also under an obligation to disclose actual or potential conflicts of interest. At each Board and committee meeting, directors are obliged to disclose any actual or potential conflict with any item appearing on the agenda. In the event of a conflict of interest, the director must leave the relevant portion of the meeting and not vote or participate in the decision. Should a conflict become incompatible with service as a director, the director must offer their resignation.

Safe Disclosure and Whistleblower Protection

As a Crown corporation, ATB is subject to the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA). To meet ATB's obligations under PIDA and to further enhance its commitment to ethical behaviour, ATB has a whistleblower policy in place which is periodically reviewed by the Board. The policy governs ATB's whistleblower program, which provides team members, directors, clients and vendors with a method by which they can confidentially—and without fear of reprisal—report good-faith concerns about unethical or inappropriate activity (including wrongdoing) of team members or directors in the conduct of ATB's business. Under this program, ATB has arrangements with an external service provider to manage anonymous email, telephone and web-based reports regarding alleged improper activity and wrongdoing. Such reports are reviewed and managed in accordance with the applicable framework.

In FY2021-22, no disclosures of wrongdoing were made or referred to the designated officer under PIDA, and the designated officer did not commence any investigations related to wrongdoing under PIDA.

Independence

The Board has determined that every member of the Board is "independent" within the meaning of ATB's director independence policy and the relevant Canadian Securities Administrators (CSA) guidelines. Each Audit Committee member meets additional independence criteria for audit committees under the director independence policy and applicable law.

The Board believes that it needs to operate independently of management to be effective. To this end, Board and committee members are not part of management and do not have relationships with ATB that may, or may be seen to, interfere with the exercise of their independent judgment. The Board adopted a director independence policy based on the requirements of the CSA guidelines for determining whether a director is "independent" and whether each member of the Audit Committee meets the applicable Canadian criteria for membership on that committee. The Governance and Conduct Review Committee reviews the director independence policy at least once every three years, makes annual determinations concerning the independence of each director and reports to the Board on the independence status of the directors.

Pursuant to the director independence policy, a director is deemed independent if the Governance and Conduct Review Committee affirms that the director has no direct or indirect material relationship with ATB. In making its determination, the committee considers such matters as the nature and importance of the director's connections to ATB and the people or organizations the director is related to (such as a spouse). ATB collects such information through an annual due-diligence process that includes:

- Each director's comprehensive written disclosure attesting to their independence, related party matters and potential conflicts of interest.
- Each director's biographical information.
- Privately held meetings between the Chair and each director and a full report of these meetings to the Board.
- Internal records and reports on relationships between directors, entities affiliated with directors and ATB.

The Governance and Conduct Review Committee then considers whether the director could reasonably be expected to be objective about management's recommendations and performance.

In addition, the Board has implemented the following policies and practices:

- At each regularly scheduled Board meeting, including those of Board committees, the Board and each committee meet *in camera* without management. Time to do so is provided at each regular Board and committee meeting. During FY2021-22, the Board held four regular meetings, and the committees held 33 meetings in total.
- The Board and each committee may engage their own independent advisors at the expense of ATB. This is considered an important tool to ensure the Board's independence from management.

To ensure that directors have sufficient time and energy to devote to their responsibilities, and that no conflicts or circumstances arise that could impact independent thinking, ATB monitors other boards on which its directors serve. An "interlock" occurs when two or more directors of ATB are also directors of some other company. Although ATB does not set a formal limit on the number of interlocking Board and committee memberships, the Governance and Conduct Review Committee reviews these memberships as part of the annual director attestation process.

In FY2021-22, there were no interlocking directorships among ATB's Board of Directors.

Diversity and Inclusion

Board Diversity Policy

The Board recognizes the benefits of promoting a corporate culture that supports diversity and inclusion in the composition and operation of the Board and throughout ATB. The Board has approved a diversity policy to promote an environment conducive to the recruitment of highly qualified director candidates with diverse backgrounds, who will provide diversity of thought at the Board table.

In FY2021-22, the Board approved an updated diversity policy with the goals of enhancing the effectiveness of the Board through diversity of thought and experience and promoting an environment conducive to the recruitment of qualified director candidates with diverse backgrounds. At that time, the Board decided not to set any specific targets related to any other diversity factors.

While the diversity profile is considered in the recruitment of qualified Board candidates, director recruitment is based on merit and the expected contributions the selected candidate will bring to the Board. From 2015 to 2017, the Board's target for female representation on the Board was 25%, and that target was achieved in each of those years. *In November 2017, the Board revised its target to have 50% female representation. That target remained unchanged for 2020* to 2022*. As of March 31, 2022, six of the 12 Board members (50%), including the Chair, were women, with three of the four committees chaired by women.*

Year	Diversity target	Gender representation
2015-16	25% female	41.7% female
2017-20	50% female	50.0% female
2020-21	50% female	46.2% female
2021-22	50% female	50.0% female

Diversity in Executive Officer Positions

In 2015, ATB set an enterprise goal to strengthen the diversity of team members by considering factors such as gender balance, diversity in leadership roles and inclusion of Indigenous and disabled team members. The strategy started with identifying and reporting on the diversity of ATB's team member population. ATB's current focus is ensuring that it offers an inclusive work environment.

Through its talent-management and succession-planning processes, ATB regularly monitors and reviews the number of women in executive and senior leadership positions. The executive team and HR Committee of the Board review the results of these processes, including year-over-year changes, and discuss the number of women who currently hold executive officer positions and the gender balance of the succession pipeline.

The following table shows the number and percentage of men and women in executive officer and executive roles at ATB as of March 31, 2022. The phrase "executive officer" is used in the regulations related to the gender diversity of executive officer staff across companies, whereas "executive" is ATB's preferred term for its executive staff. The executive officers also include officers of ATB Wealth subsidiaries and ATB Capital Markets Inc.

Gender	Number of executive officers	Percentage of executive officers	Number of executives	Percentage of executives
Men	10	56%	34	58%
Women	8	44%	25	42%
Total	**18**	**100%**	**59**	**100%**

While the best candidate for the role will ultimately be chosen, ATB reviews a diverse slate of candidates when seeking potential team members for executive positions. ATB has chosen to not set targets for the representation of women at the executive levels, nor in relation to other diversity factors. ATB will continue to focus on hiring the right person for the role based on merit, while increased diversity at senior levels in the company are considered integral to succession planning. ATB will continue to work toward increasing the diversity of its team, including executive officers and executives.

In FY2021-22, ATB undertook a confidential survey to obtain a baseline of the diversity of its team members to determine what, if any, actions may be required to enhance diversity among team members.

Effectiveness and Evaluations

In FY2021-22, the Board approved a board effectiveness framework that recognizes the need for the Board to continually enhance its effectiveness in order to facilitate the long-term sustainability of ATB. The framework identifies six key interdependent processes that the Board uses in assessing and enhancing effectiveness, including a board evaluation process:

- The Board and each of its committees annually evaluate their effectiveness and directors regularly participate in a peer review. These evaluations allow ATB to identify gaps in skills and expertise, update its skills matrix and provide targeted development opportunities to directors.
- The Board annually evaluates the effectiveness of the Board and its Chair, its committees and their chairs, its individual directors and the CEO.
- The results of the effectiveness review also inform whether any changes are required to the structure or terms of reference of their committee.
- The Board and its committees annually review whether they have completed their responsibilities under their terms of reference and work plans and report their findings to the Governance and Conduct Review Committee. The Chair collects, analyzes and actions relevant information related to individual directors, with the objective of performance improvement.
- The Board periodically engages a third party to conduct the evaluation.

For FY2021-22, the Board and its committees assessed that they had met their key accountabilities. A third-party evaluation and assessment, led by the Governance and Conduct Review Committee, is planned for FY2022-23.

Succession and Director Nomination/Appointment

The Governance and Conduct Review Committee, composed entirely of independent directors, oversees director succession and nomination. The recruitment process is an opportunity for the Board to seek eligible qualified candidates who possess the skills and competencies identified in the director skills matrix and determined through the annual evaluation.

The Board Chair and Governance and Conduct Review Committee Chair work with the Province of Alberta's Public Agency Secretariat and Executive Search branch, as well as representatives of the Minister, to assist the Governance and Conduct Review Committee in nominating candidates for the Board based on an inventory of the Board's overall skill-set requirements and competencies. Recommendations are based on careful examination of the Board's size, composition and director tenure, and they balance factors such as age and geographical, professional and industry representation, taking into account ATB's diversity policy.

The Governance and Conduct Review Committee ensures that Board selection complies with APAGA and the Mandate and Roles document. The committee also ensures that director recruitment is publicly advertised and considers general qualifications, legal requirements, business experience, independence and the Board's diversity profile and future needs.

With the assistance of the Governance and Conduct Review Committee, the Board monitors succession requirements and the skills matrix and provides an inventory of director competencies to the Minister. When a vacancy occurs, the Board identifies the required competencies and provides these to the Executive Search branch of the Province, which assists in recruitment. The Executive Search branch and the Governance and Conduct Review Committee then review the applications. A selection and interview panel consisting of the Board Chair, the Governance and Conduct Review Committee Chair and representatives of the Province screens and then interviews potential candidates with the required competencies and values. A short list of selected candidates is then reviewed and the search team conducts background checks. The selection and interview panel then provides its recommendations to the Minister, who recommends appointments to the Lieutenant-Governor in Council. The Mandate and Roles document sets forth the Minister's expectations with respect to director selection.

Director Tenure

The Board reflects a balance between experience and the need for renewal and fresh perspectives. Director appointments are for a fixed term of up to three years with, upon recommendation of the Chair, the possibility of extending tenure to a maximum of 10 years total.

Board Size

There is no minimum or maximum required number of directors for the Board. Annually, the Governance and Conduct Review Committee reviews the Board size. In considering this, they balance the competing goals of keeping the Board small enough for effective discussions and offering adequate representation to meet the demands of Board and committee work, in the context of ATB's business and operating environment.

Orientation and Professional Development

The Governance and Conduct Review Committee oversees the process to assist new directors with understanding the nature and operation of ATB's business, the role of the Board and its committees and the contribution that individual directors are expected to make.

To enhance Board effectiveness, ATB wants new directors fully engaged as soon as possible. Directors meet with key individuals to learn about the Board, its committees and each director. Meetings with the Chair and CEO enable new directors to learn about ATB's strategy and business.

The program includes comprehensive education sessions, at which the CEO and other executive members present and answer questions about how ATB is managed, its key businesses, strategic direction, HR, information technology (IT), the regulatory environment, directors' responsibilities and the significant issues and key risks ATB faces. Committee chairs also meet with new directors appointed to serve on the committees.

All new directors receive a digital Board member handbook, which includes:

- Key corporate governance and public disclosure documents, including Board and committee charters;
- Information about the evaluation process for the Board, its committees and chairs and individual directors;
- Important policies and procedures, including the codes of conduct and ethics; and
- Organizational charts and other business materials, including financial statements and regulatory information.

The Governance and Conduct Review Committee oversees continuing education for directors. ATB's professional development guideline encourages directors to improve their skills and deepen their understanding of ATB, its environment and its corporate governance practices. All directors are eligible for continuing training and education through external seminars, educational materials and participation in the Institute of Corporate Directors (ICD). Periodically, the Board participates in tours of ATB branches and other facilities to gain a better understanding of ATB's operations. ATB also conducts ongoing information sessions for directors—hosted by senior executives and industry participants—about significant or new aspects of the business.

In FY2021-22, individual Board members participated in the following training, conferences and courses, among others:

- ICD: Annual National Director Conference;
- Stanford: Directors College;
- Just for Chairs Retreat;
- Various Economic Outlook and Summit Webinars, including Energy Roundtables and Grid + Days;
- Various ICD courses on Strategy, Climate, Social Impact and Cyber Security
- Board Evaluation and Refreshment Webinar;
- ICD: Is your Board ready for the next crises;
- Board Ready Women: Various webinars including succession planning, climate change and shareholder activism;
- FEI Canada Virtual Interchange Symposium;
- ICD Premiers Series - Alberta 2030;
- Global Business Forum;
- Competent Boards: ESG Designation Program;
- ESG and Net Zero Webinars and Conferences;
- Harvard Circular Economic Sustainability Literacy Forum;
- Conversation With Indigenous Leaders on Economic Development Webinar;
- Cyber Trend Webinars;
- HarvardX Fintech Course
- Stanford College: Cybersecurity Virtual Event.

In FY2021-22, Board and committee members participated in the following presentations, which were organized by management:

May	Data and Cyber
August	The Advisory Journey
September	Board Strategic Retreat – Path to 2030
November	Board Inclusive Leadership Workshop
January	Pension Education Session
February	Derivative Hedge Accounting

Subsidiary Governance

The Board plays a key role in overseeing the governance of ATB's wholly owned subsidiaries; oversight is led by the Governance and Conduct Review Committee. The Board approved a subsidiary governance policy that categorizes ATB's subsidiaries and sets out Board composition for subsidiaries and governance standards. The Board and committees receive regular reporting on the subsidiaries' governance, risk and compliance.

A Closer Look at Our Directors

The following summaries describe the careers, education and competencies of ATB's directors, who work diligently to honour ATB's governance values. Their commitment to ATB matters is demonstrated through their strong attendance record.

Joan Hertz

LLB, Q.C., ICD.D

Edmonton
Age 50-59
Director since 2019
ATB committees
Chair of the Board
Employment Owner

Career and education summary

Joan Hertz chairs ATB Financial's Board of Directors. She previously served as a director at ATB from 2008 to 2018 and as chair of the Governance and Conduct Review Committee. Joan was previously Interim President and CEO of NorQuest College and is a corporate commercial lawyer and strategic consultant. She serves as the Board Chair of the Edmonton International Airport, and she both vice-chairs the Board for Covenant Health and chairs their Growth and Innovation Committee.

Joan sits as a public member on the Chartered Professional Accountants Canada Board. She also serves on the Alberta Machine Intelligence Institute (AMII) board leading research and development of AI, as well as numerous other boards.

Current directorships

- Edmonton International Airport
- Covenant Health
- CPA Canada Board
- Silvacom Holdings Corp.
- Alberta Machine Intelligence Institute (AMII)
- Canadian Accelerators and Incubators Network (CAIN)

Past directorships

- Judicial Council
- Edmonton Police Foundation
- Kids Kottage Foundation
- Edmonton Catholic Cemeteries
- Institute of Chartered Accountants of Alberta
- CPA Alberta Joint Venture
- Alberta Promise

Barry James
BComm., FCPA, FCA, ICD.D

Edmonton
Age 60-69
Director since 2014
ATB committees Audit (Chair), Risk
Employment Corporate Director

Career and education summary

Barry James is the vice-chair of the Board, chairs the Audit Committee and is a member of the Risk Committee. Barry has extensive and comprehensive financial acumen and literacy, from his time as a partner at PwC, which included 10 years as managing partner of the Edmonton office. He actively serves on fiduciary and advisory boards of public and private companies, foundations, Crown Corporations and other organizations. He recently retired as the Chief Corporate Development Officer at Lloyd Sadd Navacord Insurance.

Barry received a BComm. with distinction from the University of Alberta, a CPA designation from the Chartered Professional Accountants and is a Fellow of the Chartered Professional Accountants and has an ICD.D from the Institute of Corporate Directors.

Current directorships

- Corus Entertainment Inc. (Audit Committee Chair)
- AutoCanada Inc. (Audit Committee Chair)
- Edmonton Galleria Foundation
- Norseman Group
- Kipnes Foundation
- Inuvialuit Investment Corp.
- Treadmark Properties
- University of Alberta Properties Trust Inc.

Past directorships

- Stollery Children's Hospital Foundation
- Edmonton Convention Centre Authority
- Forest Industry Suppliers' Association of Alberta
- Edmonton Space and Science Foundation
- Support Network Foundation
- University of Alberta Board of Governors
- Government of Alberta (Audit Committee)
- University of Alberta Hospital Foundation

Diane Brickner
CIP, ICD.D

Edmonton
Age 70-79
Director since 2019
ATB committees HR, Risk
Employment Corporate Director

Career and education summary

Diane Brickner is a corporate director, former CEO of Peace Hills Insurance and a celebrated leader in the insurance industry. She joined the Peace Hills Insurance team in 1981 and became CEO in 1990. Over the course of her career, she successfully oversaw the expansion of the organization to all provinces and territories west of Ontario. Diane has her Chartered Insurance Professional designation from the Insurance Institute of Canada and her ICD.D from the Institute of Corporate Directors.

Diane has been recognized by several organizations, including the Senate (150th Anniversary Medal), Edmonton YWCA (Women of Distinction in Business) and Alberta Venture (Person of the Year 2013).

Current directorships

- Peace Hills Insurance
- Aliex (reciprocal for the Law Society of Alberta)

Past directorships

- Property and Casualty Insurance Compensation Corporation
- Insurance Bureau of Canada
- Edmonton Eskimos Football Club
- Western Financial Group
- Edmonton Chamber of Commerce
- Canelson Drilling
- ZCL Composites Inc.

Jim Davidson
BES, ICD.D

Calgary
Age 60-69
Director since 2020
ATB committees HR, Risk
Employment Corporate Director

Career and education summary

Jim Davidson co-founded FirstEnergy Capital Corp.—Canada's leading energy-focused investment bank—in 1993 and retired from the organization in 2018. In 2016, he was inducted into the Investment Industry Association of Canada Hall of Fame and was awarded a "Lifetime Achievement Award" by the Oil & Gas Council. Jim is also a recipient of the Queen Elizabeth II Diamond Jubilee Medal awarded by the Governor General of Canada.

Under Jim's leadership, FirstEnergy won numerous awards for both business leadership and community service. FirstEnergy was recognized as one of "Canada's 50 Best Managed Companies" and the "Best Workplace for Volunteerism and Community Involvement." In 2014, FirstEnergy was awarded the "Generosity of Spirit Corporate Philanthropist" award during National Philanthropy Week. Jim's stewardship includes tenure as governor of the former Alberta Stock Exchange and board of trustees of The Fraser Institute.

Current directorships

- Business Council of Alberta
- Economic Futures Council of the Junior Achievement of Southern Alberta
- Fraser Institute
- Modern Miracle Network
- TOPAZ Energy
- Madison Avenue Group Inc.

Past directorships

- Alberta Stock Exchange
- Business Council of Canada
- Calgary Economic Development
- Calgary Humane Society
- Parks Foundation Calgary

Andrew Fraser
BA, MBA, ICD.D

Stony Plain
Age 60-69
Director since 2020
ATB committees Audit, HR
Employment Corporate Director

Career and education summary

Andrew (Andy) Fraser is the former CEO and Executive Chair of NCSG Crane and Heavy Haul and the previous CEO of Camex Equipment Sales and Rentals. During his 30 years of experience with Finning International, he held a variety of executive roles across the company's Canadian and International operations. Andy brings a wealth of executive management experience in sales, marketing, operations and customer relations. Over the past 15 years Andy has also served as a director on various boards both locally and internationally in energy, manufacturing and distribution. He also completed the Directors Education Program at the Institute of Corporate Directors, University of Alberta/Rotman where he received his ICD.D designation. Andy completed the Stanford Directors College Program in 2021.

Andy received his BA in Economics at Wilfrid Laurier University in Waterloo, Ontario majoring in International Trade Theory. He then attended Royal Roads University in Victoria, BC where he received a Masters in Business Administration with a major in Project Research in Culture Change during Mergers and Acquisitions.

Current directorships

- Aquatera Utilities

Past directorships

- Cougar Drilling Ltd.
- Business Council of British Columbia
- Pipeline Machinery International
- Energyst
- OEM Remanufacturing
- Edmonton YMCA
- Careers: The Next Generation

Wendy Henkelman
BCom, CPA, CA

Edmonton
Age 50-59
Director since 2014
ATB committees
HR (Chair), Audit
Employment
Corporate Director

Career and education summary

Wendy Henkelman has extensive experience in all aspects of the finance industry. Throughout her career, she held leadership positions for major oil and gas companies, worked as Vice President of Treasury and Compliance and as an executive in charge of information technology for Penn West Exploration and served as an executive in charge of tax and royalties at Shell Canada.

Wendy has her BCom with distinction from the University of Alberta, is a CPA and CA, completed the In-Depth Income Tax program through the Chartered Professional Accountants of Canada and completed an executive leadership program from Wharton School of Business at the University of Pennsylvania.

Current directorships

- Postmedia Network Canada Corp. (Audit Committee Chair)

Past directorships

- Shell Canada Pension Trust (Chair)
- Albian Sands Pension Trust (Chair)
- Cervus Equipment Corporation (Audit Committee Chair)
- Canadian Petroleum Tax Society (President)
- Cochrane and Area Humane Society

J. Robert Logan
Jt. Hons. BSc., MBA, ICD.D

Calgary
Age 60-69
Director since 2020
ATB committees
Audit, Risk
Employment
Corporate Director

Career and education summary

Rob Logan has served as an executive with both a Canadian and a US multinational bank, where he gained comprehensive experience in all aspects of the finance industry. He is the retired CEO of Osprey Informatics, a Calgary-based artificial intelligence (AI) company. Rob brings a unique combination of experience having been CEO of two Alberta-based technology companies and advisor to a small and medium-sized enterprise acquisition fund; as well having been a member of several public and private Boards. During his career, Rob's leadership helped accomplish three successful corporate turnarounds, two world-class business builds, and the adoption of game-changing AI technologies at Osprey.

Currently Rob is active as a mentor and investor at Galatea Technologies and in the Alberta technology community. Rob holds a Jt. Hons. BSc. from the University of Waterloo, an MBA from University of Western Ontario and an ICD.D designation.

Current directorships

- Galatea Technologies
- Calgary Signal Hill Conservative Association

Past directorships

- Osprey Informatics
- CanElson Drilling
- Orvana Minerals
- Carmanah Technologies
- AZ Technology Investors

Patrick Lor
BA, MBA

Calgary
Age 50-59
Director since 2018
ATB committees
Audit, Governance and Conduct Review
Employment status
Owner

Career and education summary

Patrick is Managing Partner at two Canadian venture funds—Panache Ventures and 500 Startups Canada—where he has gained extensive knowledge in early-stage technology ventures and risk management. As cofounder of iStockphoto, he has significant entrepreneurial experience. He was head of North American Operations for Fotolia, which was acquired by Adobe in 2015. Patrick also held senior marketing and product development roles at Adobe's Image Club Graphics division.

As a previous angel investor and active limited partner, Patrick advises and mentors several technology incubator programs and is a charter member of The A100 and The C100.

Current directorships

- 500 Startups Canada
- Panache Ventures
- Venture Capital Association of Alberta
- SHAD Canada

Past directorships

- Alberta Innovates
- SCAN Health (Supply Chain Advancement Network in Health)

Manjit Minhas
BSc

Calgary
Age 40-49
Director since 2017
ATB committees
Risk, Governance and Conduct Review
Employment Owner

Career and education summary

Manjit Minhas is an entrepreneur and venture capitalist in the liquor industry. She also appears as a television personality on the Canadian reality series *Dragons' Den*, where she has invested in dozens of Canadian businesses. Manjit's unique experience has given her a range of knowledge in brand development, marketing, sales management and retail negotiation.

Manjit has enjoyed a variety of board experiences, including as former co-chair of the United Way campaign and has great connection to Alberta through her numerous philanthropic endeavours.

Current directorships

- YYC Airport Authority
- Alberta Small Brewers Association (ESG Committee Chair)
- Decibel Cannabis
- Hull Services Mental Health Charity

Past directorships

- West Island College
- TransCanada Trail
- United Way (Campaign Chair)
- Inner Spirit Holdings (Spiritleaf Cannabis)

Mary Ellen Neilson

BComm., CPA, CMA, MBA, ICD.D

Calgary
Age 60-69
Director since 2017
ATB committees
Risk (Chair), Audit
Employment
Corporate Director

Career and education summary

Mary Ellen Neilson had a successful career in financial services, where she held various senior executive positions in a national bank with extensive experience in banking, financial services, credit and loan losses. She served on and chaired various boards, committees and organizations. Mary Ellen is an elected senator for the University of Calgary and was a member of the Board of Governors, where she served as vice-chair of the Investment Committee and chair of the Finance and Property Committee. Mary Ellen was an Executive Director at the Association for Rehabilitation of the Brain Injured until early 2020.

Mary has her BComm. from the University of Calgary, her MBA from York University, her CMA and CPA from the Chartered Professional Accountants of Ontario and Alberta and her ICD.D from the Institute of Corporate Directors.

Current directorships

- University of Calgary Senator (Governance Committee and Equity, Diversity, and Inclusion Committee)

Past directorships

- University of Calgary Board of Governors
- Art Gallery of Alberta
- Glenbow Museum Board of Governors
- Society of Management Accountants of Alberta
- YWCA of Calgary (Audit Committee Chair)
- Association for the Rehabilitation of the Brain Injured

Robert Pearce

B.A.Sc., MBA, ICD.D

Calgary
Age 60-69
Director since 2014
ATB committees
Risk, Governance and Conduct Review
Employment status
Corporate Director

Career and education summary

Robert Pearce has gained experience through various advisory and C-suite roles in the energy business. He worked as President, CEO and Co-founder of North West Upgrading, as Treasurer of PanCanadian Energy and as Chief Operating Officer of Harvest Operation Corp. He is the past Chair of Prospect Human Services.

Robert has his B.A.Sc. in Geological Engineering from the University of British Columbia, his MBA from the University of Calgary and his ICD.D from the Institute of Corporate Directors.

Current directorships

- Scenic Sands Comm Association
- G3 Nutrition

Past directorships

- North West Upgrading
- Aliron Exploration
- Jupiter Resources
- Prospect Human Services

Diane Pettie

J.D., FCIS, Q.C., ICD.D

Calgary
Age 60-69
Director since 2014
ATB committees
Governance and Conduct Review (Chair), HR
Employment
Corporate Director

Career and education summary

Diane Pettie is a retired lawyer (QC) and certified Corporate Director (ICD.D). She brings 35 years of legal practice and executive and corporate governance experience to board discussions.

Diane served as Vice President, General Counsel and Corporate Secretary of TSX-listed Canexus Corporation, a chemical manufacturing company; Assistant Vice President at Sempra Energy Trading; Associate General Counsel at Mirant Corporation; General Counsel and Corporate Secretary at Pan-Alberta Gas Ltd.; and Manager, Legal Services at TransCanada.

Diane has her Juris Doctorate from the University of Alberta and is a Fellow of the Chartered Governance Institute of Canada. She was honoured with a Queen's Counsel appointment and was awarded the designation of ICD.D by the Institute of Corporate Directors.

Current directorships

- CPA Alberta
- Alberta Petroleum Marketing Commission
- Women in Law Leadership
- CPA Canada (Independence Standing Committee)

Past directorships

- Society of Management Accountants of Alberta
- Accountants Unification Joint Venture Board
- Association of Women Lawyers
- Law Society of Alberta (Audit Committee)
- Calgary Region Arts Foundation

Key Areas of Competency

The Directors' Skills Matrix supports ATB's Board Outcome, which is "Generating long-term Shareholder value by effectively competing in the market with a level playing field."

The core competencies for a director are listed in the Board Member Position Description. The Board of Directors defines "director competency" as the skills, knowledge, experience, education and training that can be assessed and that contribute to the effectiveness of the director and the Board as a whole. The Board acknowledges that experience is not necessarily synonymous with competency; competency is broader in its focus.

Annually, the Board reviews the following areas of competency and conducts an assessment of director competency and of the Board as a whole, relative to ATB's strategic plans and the Board's goals. Director competency is validated through self-assessments, peer assessments and meetings with the Board Chair. Gaps are identified and addressed through professional development opportunities for directors and the Board and through Board recruitment and reappointment.

The grey shading in the following chart indicates significant experience and proficiency in an area (more than is represented by a checkmark alone). The Board of Directors as a whole is considered to have significant proficiency in an area where at least three directors are proficient and two other directors are competent.

Area of competency (knowledge, skills and experience)	Individual directors												Board as a whole
	Joan Hertz	Diane Brickner	Jim Davidson	Andrew Fraser	Wendy Henkelman	Barry James	Robert Logan	Patrick Lor	Manjit Minhas	Mary Ellen Neilson	Robert Pearce	Diane Pettie	
Strategic thinking/ planning at a board level (1)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Financial literacy (2)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Governance (3)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Critical thinking/ risk management (4)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Human resources (5)	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔	✔	✔
Leadership/ teamwork acumen (6)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Leadership/ teamwork acumen (7)	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔	✔
Financial industry (8)	✔	✔	✔		✔	✔	✔			✔	✔		✔
Entrepreneurialism (9)	✔	✔	✔	✔		✔	✔	✔	✔		✔		✔
IT/technology (10)	✔	✔			✔	✔	✔	✔	✔				✔
Business transformation (11)	✔		✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Community (12)	✔	✔	✔	✔	✔	✔		✔	✔	✔		✔	✔
Legal acumen (13)	✔	✔			✔	✔	✔				✔	✔	✔ (15)
Sustainability and stakeholder engagement (14)	✔	✔	✔	✔	✔	✔			✔	✔	✔	✔	✔

(1) Demonstrates a high level of strategic thinking ability and has prior experience as a board or committee member of a larger public entity, Crown corporation, or major organization with a governance board.
(2) Can read and understand ATB's financial statements, including the breadth and level of complexity of accounting issues that can reasonably be expected to be raised within such financial statements.
(3) Understands governance processes, policies and accountabilities by which organizations are directed and controlled, including understanding the roles and relationships between stakeholders, directors and management.
(4) Applies critical thinking and creativity and understands and can identify and oversee key risks in wide-ranging areas (enterprise, reputational, HR, legal and regulatory, credit, market, liquidity, operational, business and strategic risks). Generates novel or innovative solutions.
(5) Demonstrates proficiency in HR issues (recruitment, succession planning, talent development, retention, change management, compensation programs, and pensions).
(6) Can inspire and motivate others through leadership and direction. Demonstrates an understanding of the importance of teamwork to the success of the Board and organization.
(7) Has led as CEO or senior executive in a larger organizational setting.
(8) Understands the financial services industry, gained from experience at a Canadian bank, U.S. regional bank or related financial services industry participant (insurer, wealth manager) or was auditor of one.
(9) Has owned or led a small or medium-sized enterprise.
(10) Understands IT-related issues (project management, information or records management, cybersecurity).
(11) Has experience in overseeing fundamental changes in how a business or organization runs or is governed.
(12) Understands community dynamics, such as fostering corporate social responsibility or communications.
(13) Demonstrates a strong understanding of legal issues—particularly corporate law, legal and regulatory compliance, finance/securities, insolvency, litigation and employment.
(14) Has experience engaging with stakeholders, identifying risks and opportunities created by environmental and social issues and integrating them strategically into the business while moving toward sustainability.
(15) The Board considers itself to have the necessary subject matter expertise for legal acumen, given its ability to engage ATB's Legal Services team and/or seek external assistance.

Director and Committee Meeting Attendance

Attendance at Board meetings is one measure of a director's commitment and contribution to corporate governance. The Board of Directors' terms of reference set out the expectations of Board member attendance. The following table outlines the number of committee meetings and the director attendance:

Director [Total number of meetings]	**Board** [4] (1)	**Audit** [4]	**Gov** [4]	**HR** [4] **(Special HR)*** [3]	**Risk** [5] **(Special Risk)*** [15]	**Attendance percentage (2)** **(Special meetings)* (3)**
Joan Hertz (Chair)	4/4	4/4	4/4	4/4 (3/3)*	5/5 (15/15)*	100% (100%)*
Barry James (Vice-Chair)	4/4	4/4	n/a	n/a	5/5 (13/14)*(4)	100% (93%)*
Diane Brickner (5)	4/4	n/a	3/3	4/4 (3/3)*	1/1 (5/5)*	100% (100%)*
Jim Davidson	4/4	n/a	n/a	4/4 (3/3)*	5/5 (13/15)*	100% (89%)*
Andy Fraser	4/4	4/4	n/a	4/4 (3/3)*	n/a	100% (100%)*
Wendy Henkelman	4/4	4/4	n/a	4/4 (3/3)*	n/a	100% (100%)*
Robert Logan	4/4	4/4	n/a	n/a	5/5 (15/15)*	100% (100%)*
Patrick Lor	4/4	4/4	4/4	n/a	n/a	100% (100%)*
Manjit Minhas	4/4	n/a	4/4	n/a	5/5 (12/15)*	100% (80%)*
Mary Ellen Neilson	4/4	4/4	n/a	n/a	5/5 (15/15)*	100% (100%)*
Robert Pearce	4/4	n/a	4/4	n/a	5/5 (15/15)*	100% (100%)*
Diane Pettie	4/4	n/a	4/4	4/4 (3/3)*	n/a	100% (100%)*
Todd Pruden (6)	1/1	n/a	1/1	1/1 (1/1)*	n/a	100% (100%)*

(1) Each Board meeting took place on two consecutive days but is counted as one meeting for the purpose of this report.
(2) The attendance percentage calculation is based upon the total of all regularly scheduled Board and committee meetings possible for each applicable director for the fiscal year. Attendance as guests on committees is not captured. The Chair of the Board may attend all committee meetings, but this percentage is calculated using Board meetings only.
(3) The attendance percentage calculation is based upon the total of all special meetings that were not scheduled in advance.
(4) Barry James abstained from one Special Risk Committee meeting.
(5) Diane Brickner switched from the Risk Committee to the Governance Committee on June 16, 2021.
(6) Todd Pruden retired from the ATB Board on June 15, 2021.

Director Compensation

Executive Council for the Province of Alberta determines and sets director compensation, including retainers and meeting fees, by Order in Council (OC). The Board's Governance and Conduct Review Committee periodically conducts research and makes recommendations to the Minister on director compensation. The Board has approved the *Director Remuneration Policy and Expense Guideline*, which identifies key principles underlying the payment of remuneration and reimbursement of expenses.

The total compensation paid to non-management directors as at March 31, 2022, is as follows:

Director name	Annual retainer	Board Chair retainer	Committee chair retainer	ATB meeting fees	Total
Joan Hertz (Chair)	$ 15,000	$ 15,000	-	$ 35,600	$ 65,600
Barry James (Vice-Chair)	15,000	-	2,000	30,900	47,900
Diane Brickner	15,000	-	-	20,200	35,200
Jim Davidson	15,000	-	-	23,900	38,900
Andy Fraser	15,000	-	-	18,400	33,400
Wendy Henkelman	15,000	-	2,000	24,900	41,900
Robert Logan	15,000	-	-	24,400	39,400
Patrick Lor	15,000	-	-	16,900	31,900
Manjit Minhas	15,000	-	-	21,900	36,900
Mary Ellen Neilson	15,000	-	2,000	30,400	47,400
Robert Pearce	15,000	-	-	23,900	38,900
Diane Pettie	15,000	-	2,000	20,400	37,400
Todd Pruden (1)	3,750	-	-	3,600	7,350
Total					**$ 502,150**

(1) Todd Pruden retired from the ATB Board on June 15, 2021.

2021-22 Business Highlights

We exist to "make it possible" for our clients and the communities we serve. By engaging with intense curiosity and deep expertise, and building and maintaining trust, we continued to deliver value for Albertans and Alberta businesses. We listened, learned, advised and created—all in support of uplifting our clients' legacies and livelihoods and helping them achieve their dreams.

As we continued to navigate volatility, uncertainty, complexity and ambiguity in the world around us, we remained committed and focused on putting our clients first. Working collaboratively across the business, we've wrapped our talent, tech and wisdom around our clients to address their evolving needs. What has been and will remain constant is our resolve to enable our team members to deliver exceptional experiences, see the opportunities before us and live up to the great potential we have in Alberta.

ATB continued to focus on three areas of expertise (AOEs): Everyday Financial Services, ATB Business and ATB Wealth. The following describes key aspects of how our AOEs are managed and reported:

- **Everyday Financial Services (EFS)** 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 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.

Everyday Financial Services

Everything Everyday Financial Service (EFS) does is focused on how ATB can serve Albertans—from providing expert advice and supporting entrepreneurs, to helping Albertans buy homes and grow their wealth. As client behaviours and preferences continue to shift, EFS is evolving to keep pace with clients' needs. Over the next decade, ATB will fundamentally shift how we invest in team members and technology to better deliver advice, products and services that improve the client experience.

Digitalize EFS and Future-Ready the Workforce

An FY2022 priority was to increase ATB's digitally active client base through targeted market efforts and by maintaining the pace of conversion needed to achieve our longer-term digitization evolution. At the end of FY2022, 48.4% of ATB clients had transacted on one of ATB's digital platforms. EFS continues to drive digital adoption across the consumer client base through targeted outreach, connecting with approximately 7,500 clients in Q4, using digital tools.

Evolve Lending for Growth (Personal and Business)

For the first time since FY2014-15, EFS posted four straight profitable quarters. EFS's net income bolstered ATB's bottom line, driven by mortgage growth and everyday deposits. Loan growth—fuelled again by strong residential mortgage activity, combined with EFS's targeted mortgage efforts—drove the largest mortgage sales volumes in the past five years. In addition to the growth in mortgages, EFS was able to retain renewing mortgage balances at a much higher rate—up 4.2% from FY2021 to 82.5%. Deposit growth continued to increase as a result of active campaigns to bring in stable deposits and clients continuing to build up liquid deposits. Timing market-leading rates strategically over the year allowed EFS to offer clients tremendous value while delivering on strong net interest income on deposits.

ATB Business

FY2022 saw the business environment improve for ATB's clients. ATB benefited from ATB Business's focus on industry specialization and advisory offering, as demonstrated by strong revenue growth in Agriculture, Energy, Commercial Real Estate and other sectors. ATB Business focused on the mid-market client segment, leading to higher client satisfaction and increased value alignment.

Business Growth

In comparison to FY2021, a more favourable—albeit COVID-impacted—economic environment helped clients grow. The combination of economic conditions improving, a more positive outlook and ATB Business's strong value proposition to its clients resulted in significant revenue growth overall.

Seeing growth in both interest income and ancillary revenues, ATB Business drove solid revenue gains in FY2022. ATB Business's established and specialized value proposition for commercial real estate and agriculture is reflected in the significant loan commitment growth. The growth in loans led to an increase in net interest income. Diversified sector clients provided growth in other income types, as did opportunities in the energy sector, through ATB Business's capital markets offerings.

Progress Toward the Future

One of the accelerating trends in the financial services industry this year was a focus on environmental, social and governance (ESG) as it applies to ATB's clients and core industries. In response, and to help ATB's clients navigate these new corporate criteria, ATB Capital Markets introduced ESG analysis into its companies under research. ATB's approach to ESG analytics starts with Sustainability Accounting Standards Board (SASB) standards but goes further and incorporates governance standards from the Chartered Financial Analyst (CFA) Institute and the International Corporate Governance Network (ICGN). Through the perspective of sector comparisons and methodology transparency, ATB's clients now have the tools to drive their ESG rankings.

Supporting Our Clients

ATB was built to help Albertans, and ATB Business supported its clients as the uncertainty presented by the COVID-19 pandemic continued. While many of ATB's business clients saw growth, several sectors and client segments were not operating at full capacity through FY2022. ATB stood by Alberta businesses during these difficult economic times by participating in and supporting the federal government relief programs. In addition to the relief programs, ATB Business continued to work closely with its clients, resulting in significant improvements in loan loss provisions and client recovery, which helped to drive strong net income for ATB.

ATB Wealth

ATB Wealth's commitment to offering advice and solutions to help more than 96,000 Albertans reach their financial goals has positioned us as a leading Canadian wealth firm. ATB Wealth has done this by building deep and meaningful relationships with its clients, looking past dollars and cents to understand what our clients will want and need, now and in the future.

Growing the Business

In FY2022, ATB Wealth continued to perform, resulting in record-high assets under administration (AUA) of $27.3 billion by our third quarter. Despite increased market swings in Q4, ATB Wealth ended FY2022 with $26.2 billion in AUA, which is an increase of $1.3 billion from last year.

In addition to continued growth, FY2022 was focused on building advisory expertise to elevate ATB Wealth's holistic wealth-planning offerings provided to its clients. ATB Wealth piloted a behavioural coaching program, hired additional financial planners to further support high-net-worth clients, introduced two new wealth-transfer tools, shifted segmentation ranges to allow for more client-choice as their wealth increases and saw a record number of advisors complete their Certified Financial Planning designation. These initiatives have strengthened the advice ATB Wealth offers to its clients, with more opportunities to personalize the planning experience.

In November 2021, ATB Investment Management (ATBIM) received a Refinitiv Lipper award for best mixed assets group. The Lipper awards are granted annually to highlight funds and fund managers that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The award is a testament to the disciplined process and philosophy that has guided ATBIM for nearly two decades as it has constructed portfolios—with carefully selected sub-advisor partners—to withstand inevitable market changes and deliver long-term value for investors.

Client-Focused Reforms

ATB Wealth finalized the implementation of the Client-Focused Reform (CFR) amendments, which are critical to ensuring investor protection. The result has been an elevated client-advisor relationship, as the CFRs provide another opportunity to demonstrate our commitment to client best-interest.

Advancing Toward Our Future

As we move along the Path to 2030, ATB Wealth has started to explore out-of-province expansion with an update to the Mandate and Roles document. The expansion of ATB Wealth will lead to increased revenue for ATB; the leading products and advice that were built in Alberta will continue to benefit Alberta. As we continue planning, client best-interest is at the centre of every decision and consideration.

Our Strategic Direction

At ATB, we exist to “make it possible”. This is our guiding light and compass as we navigate the exciting and uncertain future ahead and embrace the art of the possible for Albertans and their businesses, legacies and livelihoods. As our clients find their new ways of being and our economy evolves, ATB’s commitment to courageously advancing the future is unwavering.

Through FY2021-22, we experienced much change. While ATB, like most Albertans, was eager to put a year of the pandemic and its associated headwinds behind us, we also saw the hint of emerging tailwinds. Certainly, COVID-19 continued to test the resiliency of all of us. The surge of new variants brought more challenges as individuals and businesses alike pivoted again to changing public health restrictions, labour challenges and supply shortages. In response, we maintained our focus on three enterprise goals related to pandemic response:

- **Keep people safe**—including team members, clients, contractors, vendors, visitors and others on location at an ATB work location;
- **Support Alberta**—living our purpose to bring relief programs to Albertans and Alberta businesses and leveraging our community influence to sustain economic and social interests in Alberta; and
- **Protect profitability**—mitigating risk to our business plan and effectively managing liquidity and credit exposure.

In this second year of our 10-year strategic plan—our Path to 2030—we remained committed to executing against our main business priorities. We aligned around the era of the client to pursue business growth through Everyday Financial Services, ATB Business and ATB Wealth. Our areas of expertise performed well, delivering steady results even as Alberta’s economic landscape continued to shift. We maintained focus on the health of our client relationships through our credit portfolio. And we’ve made significant advancements on foundational elements of our plan: accelerating digitalization of some services to meet our clients’ changing needs and expectations and ensuring access to financial services during the disruption of local pandemic responses. As we continue our pursuits, we will fundamentally shift how we invest in team members and technology, to better deliver advice, products and consistent service.

ATB’s strong financial results provide an important bellwether for the financial health of Albertans and Alberta businesses. They are also a testament to the resilience of our team members, who strive to serve Albertans through adversity.

ATB is committed to being in business for the greater good of Albertans and beyond. In recognition of shifting stakeholder sentiment, we introduced a new sustainability lens into strategic planning and risk management. This year, ATB appointed its first-ever Chief Legal and Sustainability Officer (CLSO), who will lead our commitment to formalizing ATB’s ESG and economic approach going forward.

As we enter FY2022-23, we’ll set our focus to building ATB’s sustainable, long-term value through integration of our ESG approach to strengthen our intended impact and transparency for Albertans. We’ll build toward our 2030 future while pursuing growth opportunities that refine our business client offerings, expand our advice offer and shift our consumer service model through digitalization. Even though headwinds may abound, ATB will remain a stable source of strength for Albertans.

Economic Outlook

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

As an Alberta-based financial institution, ATB regularly monitors provincial, national and international economies and considers how these may impact our clients and operations.

The Seatbelt Sign Is On: Global Headwinds, Higher Prices and Alberta's Economy in 2022

In addition to the human suffering it is causing, the Russian invasion of Ukraine is altering the course of the global economy in 2022. The war's geopolitical and economic impact is likely to have significant long-term effects. While economic conditions are always shifting, forecasting is particularly difficult at this time, as the fog of war obscures the path ahead.

With that said, there are some reasonable assumptions that can be used to anticipate what might be next.

When it comes to Alberta's current economic trajectory, there are two main forces at work: 1) the global economic headwinds that have been created or exacerbated by the war; and 2) the extra revenue generated by higher prices for key commodities produced in Alberta with crude oil topping the list. The interplay of these two forces will yield a modest, but noticeable, boost to the economic recovery in Alberta that began in 2021.

Our May forecast is for Alberta's real gross domestic product (GDP) to rise by 5.0% this year (up from 4.4% forecast before the invasion), followed by 3.5% in 2023 (up from 3.0%). This comes after actual growth of 5.1% for 2021 and a 7.9% contraction in 2020.

Global Headwinds

The Alberta economy is facing the same global headwinds brought on by the war as everywhere else, in terms of slower global growth, higher inflation, new supply chain disruptions and increased uncertainty. These headwinds are compounded by rising interest rates and the ongoing pandemic.

Before the war began, there was a general consensus among forecasters that 2022 would see strong growth in the U.S., China and Europe as the negative economic effects of the pandemic wore off. Above-target inflation rates remained a concern, but somewhat tighter monetary policy—combined with the end of the supply chain disruptions—was expected to bring the problem under control as we got deeper into the year.

The war has changed this picture by fuelling inflation, disrupting supply chains and clipping global growth. Prices for key commodities, such as crude oil, natural gas, fertilizer and wheat, have spiked.

According to the Organisation for Economic Co-operation and Development (OECD), "global economic growth could be more than one percentage point lower this year than was projected before the conflict, while inflation, already high at the start of the year, could be higher than it would have been if war had not broken out by at least a further 2.5% on aggregate across countries. The Eurozone could even slip into recession."

Alberta's direct economic exposure to Russia is small, but sanctions and trade disruptions will still have a negative impact on our growth. Alberta's merchandise exports to Russia totalled $58 million in 2021 (representing only 0.4% of our international exports to all non-U.S. destinations), while our imports from Russia totalled $32.6 million.

At the same time, the COVID-19 pandemic continues to cause economic problems, with a rise in infections in China leading to another round of lockdowns and factory closures. Despite this, our forecast for the Alberta economy assumes that subsequent waves of the virus are not as economically disruptive as what we saw in 2020 and 2021.

Higher Prices

As a major oil, natural gas and agricultural producer, Alberta receives a boost from higher commodity prices that helps offset the headwinds mentioned above. There are, however, real limitations on Alberta's ability to take full advantage of the higher prices, and higher input costs for farmers and ranchers could cause more problems than the higher prices solve.

Oil prices have been extra volatile since the war began. The closing price of a barrel of West Texas Intermediate (WTI) crude on the New York Mercantile Exchange went from around US$92 in the days before the invasion to US$123.70 on March 8 to just over US$100 at the end of April.

Amid this uncertainty, our forecast assumes that a barrel of WTI averages about US$95 in 2022 and US$86 in 2023 (up from US$73 and US$69, respectively, in our pre-invasion forecast).

Average Henry Hub natural gas prices are also expected to be higher than previously forecast, at US$4.30/MMbtu in 2022 versus US$3.80. Higher oil and natural gas prices raise input costs for a wide range of economic activity, hit consumers directly at the gas station and on utility bills and can accelerate the transition to other energy sources. Despite these downsides, high oil and gas prices have a positive impact on the Alberta economy in the short term, as oil and gas producers earn and spend more revenue. According to our modelling, the net impact on overall economic output and employment growth is positive for Alberta.

The upside is, however, limited by a reluctance to make major new investments in production in a highly uncertain long-term price environment. This is exacerbated by the limit on oil and gas exports from Alberta due to the unlikelihood of new pipelines being built after the Trans Mountain project is completed.

Our pre-invasion forecast of capital expenditures by oil and gas producers already included a significant increase linked to the sector continuing to recover from the price war and the drop in demand that took place early in the pandemic, and in anticipation of the bump in transportation capacity from the Trans Mountain project. As a result, while the price spikes since the war began will push spending higher in 2022, the incremental increase is forecast to be modest with investment still far below levels set during the expansion phase of the oilsands that drove the provincial economic boom of 2011-2014.

Unfortunately, the positive effects of higher prices for agricultural products are offset by higher prices for fuel, fertilizer, feed and labour. The possibility of another year of drought in parts of the province and the uncertainty surrounding international trade create additional downside risks for the agriculture sector. Individual circumstances may enable some producers to reap the benefits of the price spikes, but the overall impact of higher inflation on operating costs will weigh heavily on the margins of many.

Provincial Tailwinds

Between the war in Ukraine and the ongoing pandemic, there is no shortage of dark clouds hanging over the global, national and provincial economies. Uncertainty abounds and we are in for a rough economic ride in 2022, with inflation hitting many individuals and families hard. That said, much of the provincial economy will roll along fairly well, and Alberta will continue to recover ground lost during the first two years of the pandemic.

With the easing of public health measures and travel restrictions, the tourism sector will get some much-needed relief. Inflation will weigh on demand, but retail sales are coming off a strong year and are expected to grow another 7.9% in 2022.

Interest rates have already increased and will continue to rise in 2022, in an effort to keep a lid on inflation. This will curb overall growth and represents a setback for those with mortgages and other forms of debt, but rates will remain relatively low by historical standards. The provincial housing market, meanwhile, is expected to remain robust, with the economic recovery and stronger population growth providing a solid foundation.

As noted above, strong oil and gas prices have improved the sector's cash flow, and spending is on the rise. Capital investment in Alberta is also getting a boost from the technology, petrochemical, warehousing and distribution, and renewable energy sectors, with other industries benefiting from the ripple effects.

Alberta's labour market has come a long way from the 15.3% unemployment rate seen in the summer of 2020. As of April 2022, total employment stood 2.9% above the pre-pandemic level set in February 2020, with the unemployment rate down to 5.9%.

Putting all of this together, Alberta remains one of the best economies in the world and—barring the geopolitical situation getting even worse—should be able to push through the global headwinds and build momentum in 2022.

Implications for Our Clients

The economic challenges faced by our personal and business clients will spill over into their banking needs. Examples of economic issues that have the potential to affect our business decisions and practices include:

- Lost income due to unemployment and market losses.
- Business disruptions due to labour shortages, supply chain issues and higher input costs.
- Cash flow uncertainty.
- Increased debt.
- High levels of financial anxiety.
- Consolidation in the energy sector.

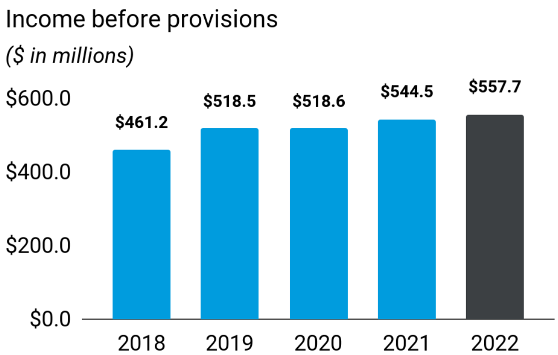
Alberta's economy is recovering from the ill effects of the first two years of the pandemic, and opportunities for growth abound, but the hardest hit sectors still have ground to make up. At the same time, inflation and higher borrowing costs are creating a range of challenges for Albertans and Alberta businesses.

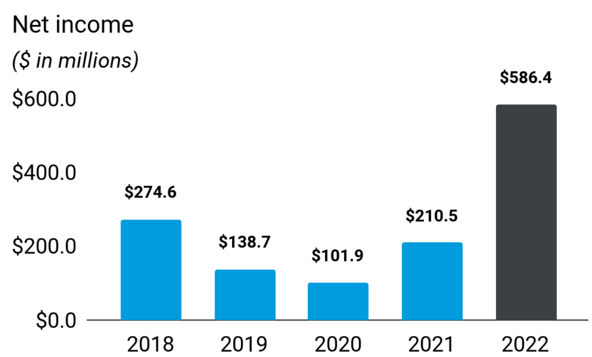
As Albertans deal with the implications of geopolitical events, high inflation and rising interest rates, ATB will be here to help them navigate the tricky waters ahead.

Review of 2021-22 Consolidated Operating Results

See detailed analysis in the Consolidated Financial Statements.

2021-22 Performance





Net Income

Net income (NI) increased significantly, driven by higher total revenue and a recovery of loan losses. As a result, ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and deposit guarantee fee—to the GoA was $820.6 million, an increase of $488.7 million (147.3%) from last year's $331.9 million.

ATB's income before provisions, a non-IFRS measure, is defined as follows:

Table 1: Income Before Provisions

($ in thousands)	2022	2022 vs 2021 increase (decrease)		2021
Total revenue	$ 1,903,881	$ 125,934	7.1%	$ 1,777,947
Less: non-interest expense	(1,346,228)	112,775	9.1%	(1,233,453)
Income before provisions	**$ 557,653**	**$ 13,159**	**2.4%**	**$ 544,494**

Return on Average Assets

The return on average assets, a non-IFRS measure, is defined as follows:

Table 2: Return on Average Assets

($ in thousands)	2022	2022 vs 2021 increase (decrease)		2021
Net income	$ 586,380	$ 375,855	178.5%	$ 210,525
Average total assets	$ 58,126,067	$ 2,498,649	4.5%	$ 55,627,418
Return on average assets	**1.0%**	**0.6%**		**0.4%**

Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). The following table presents the changes in ATB's total revenue:

Table 3: Total Revenue

($ in thousands)	2022	2022 vs 2021 increase (decrease)		2021
Net interest income	$ 1,242,315	$ 63,748	5.4%	$ 1,178,567
Other income	661,566	62,186	10.4%	599,380
Total revenue	**$ 1,903,881**	**$ 125,934**	**7.1%**	**$ 1,777,947**

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 and wholesale or collateralized borrowings). NII increased, driven by lower deposit costs and a change in our deposit mix. This was partially offset by lower rates earned on residential mortgage loans (RMLs) and business loans and a change in our loan portfolio mix.

Table 4: Changes in Net Interest Income

	2022 vs 2021			2021 vs 2020		
	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	$ 3,833	$ (3,776)	$ 57	$ 25,462	$ (101,063)	$ (75,601)
Loans	(8,107)	(85,025)	(93,132)	(53,984)	(159,987)	(213,971)
Change in interest income	**(4,274)**	**(88,801)**	**(93,075)**	**(28,522)**	**(261,050)**	**(289,572)**
Liabilities						
Deposits	(49,097)	(96,901)	(145,998)	(42,960)	(161,315)	(204,275)
Wholesale borrowings	958	(1,898)	(940)	(1,509)	(19,591)	(21,100)
Collateralized borrowings	(8,923)	(908)	(9,831)	(9,126)	(29,487)	(38,613)
Securities sold under repurchase agreements	(40)	(12)	(52)	(2,719)	(1,268)	(3,987)
Subordinated debentures	(2)	-	(2)	(5,975)	-	(5,975)
Change in interest expense	**(57,104)**	**(99,719)**	**(156,823)**	**(62,289)**	**(211,661)**	**(273,950)**
Change in net interest income	**$ 52,830**	**$ 10,918**	**$ 63,748**	**$ 33,767**	**$ (49,389)**	**$ (15,622)**

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; it demonstrates how profitable our banking business is. The ratio increased to 2.32% from 2.23% last year, which was driven by the same factors that led to our higher NII previously noted.

Table 5: Net Interest Income and Margin

	Average balances		Interest		Average rate *(%)*	
($ in thousands)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Assets						
Interest-bearing deposits with financial institutions, and securities	$ 8,094,081	$ 7,239,680	$ 25,582	$ 25,525	0.3	0.4
Loans	45,357,438	45,443,787	1,674,395	1,767,527	3.7	3.9
Total interest-earning assets	53,451,519	52,683,467	1,699,977	1,793,052	3.2	3.4
Non-interest-earning assets	4,674,548	2,943,951	-	-	-	-
Total assets	**$ 58,126,067**	**$ 55,627,418**	**$ 1,699,977**	**$ 1,793,052**	**2.9**	**3.2**
Liabilities and equity						
Deposits	$ 38,036,036	$ 36,972,977	$ 251,204	$ 397,202	0.7	1.1
Wholesale borrowings	3,591,910	3,540,417	64,931	65,871	1.8	1.9
Collateralized borrowings	7,802,048	8,365,921	141,175	151,006	1.8	1.8
Non-interest-bearing liabilities	4,303,285	2,549,378	-	-	-	-
Securities sold under repurchase agreements	23,025	98,495	352	404	1.5	0.4
Subordinated debentures	-	86	-	2	-	2.3
Equity	4,369,763	4,100,144	-	-	-	-
Total liabilities and equity	**$ 58,126,067**	**$ 55,627,418**	**$ 457,662**	**$ 614,485**	**0.8**	**1.1**
Net interest margin					**2.32**	**2.23**

Other Income

OI consists of all revenue not classified as NII.

Table 6: Other Income

($ in thousands)	**2022**	**2022 vs 2021 increase (decrease)**		**2021**
Wealth management	$ 279,166	$ 39,196	16.3%	$ 239,970
Service charges	83,840	11,897	16.5%	71,943
Card fees	73,834	12,489	20.4%	61,345
Credit fees	54,426	5,107	10.4%	49,319
Financial markets group	58,556	(750)	(1.3)%	59,306
Capital markets revenue	53,035	(4,983)	(8.6)%	58,018
Foreign exchange	11,462	(8,605)	(42.9)%	20,067
Insurance	25,138	1,290	5.4%	23,848
Net gains on derivative financial instruments	(12,246)	(21,928)	(226.5)%	9,682
Net gains on securities	22,542	16,067	248.1%	6,475
Sundry	11,813	12,406	2,092.1%	(593)
Total other income	**$ 661,566**	**$ 62,186**	**10.4%**	**$ 599,380**

OI increased primarily due to wealth management revenue, core service revenues (service charges, card and credit fees) and net gains on securities resulting from ATB's strategic investments.

Wealth management revenue increased with AUA growth leading to higher revenues from investment management and client fees. Increases in the number of clients, transaction volumes and clients shifting toward card-based payment solutions are the primary drivers for our service charges and card fees increasing. Credit fees were higher as a result of increased loan commitments and syndicated loan volumes.

The decrease in derivative income relates to our corporate interest-rate-risk portfolio due to rising interest rates.

The ratio of OI to total revenue was 34.7%, which increased by 1.0% from the prior year.

Provision for Loan Losses

Table 7: Provision for Loan Losses

($ in thousands)	2022	2022 vs 2021 increase (decrease)		2021
Stage 3 recovery (1)	$ (142,217)	$ (108,612)	(323.2)%	$ (33,605)
Stage 2 (recovery) provision (1)	(154,204)	(220,865)	(331.3)%	66,661
Stage 1 (recovery) provision (1)	(32,790)	(77,026)	(174.1)%	44,236
Net writeoffs	125,332	(68,461)	(35.3)%	193,793
Total (recovery of) provision for loan losses	**$ (203,879)**	**$ (474,964)**	**(175.2)%**	**$ 271,085**
(Recovery of) provision for loan losses to average gross loans	(0.4)%	1.0%		0.6%

(1) Refer to the Critical Accounting Policies and Estimates section for further details.

ATB's loan loss provision (LLP)—comprising net writeoffs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans—saw a significant recovery compared to last year, with all three Stages benefitting. This reduction reflects the overall improvement in the economic outlook and the health of our loan portfolio as we progress through the recovery stage of the pandemic. The Stage 3 recovery this year is a result of ATB's proactive engagement with our clients to offer sound advice and services to support client financial resiliency as a number of high-value ATB business loans returned to performing or were repaid. Subject to Alberta's economic performance, we are anticipating that impairment levels will continue to normalize.

We continue to recognize the challenges the pandemic created for our clients, with inflation and supply chain concerns now creating additional complications. 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 (see Risk Management). As at March 31, 2022, gross impaired loans of $0.6 billion comprised 1.4% (2021: 2.1%) 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.

Table 8: Non-Interest Expense

($ in thousands)	2022	2022 vs 2021 increase (decrease)		2021
Salaries and employee benefits	$ 729,705	$ 54,792	8.1%	$ 674,913
Data processing	152,467	19,806	14.9%	132,661
Premises and occupancy, including depreciation	69,800	(20,630)	(22.8)%	90,430
Professional and consulting costs	80,225	16,823	26.5%	63,402
Deposit guarantee fee	51,483	(959)	(1.8)%	52,442
Equipment, software and other intangibles, including depreciation and amortization	93,926	(8,596)	(8.4)%	102,522
General and administrative	69,859	12,732	22.3%	57,127
ATB agencies	15,150	252	1.7%	14,898
Other	46,451	1,393	3.1%	45,058
Writeoff of a non-strategic technology asset	37,162	37,162	100.0%	-
Total non-interest expense	**$ 1,346,228**	**$ 112,775**	**9.1%**	**$ 1,233,453**
Efficiency ratio	70.7%	(1.3)%		69.4%
Adjusted efficiency ratio	68.8%	0.6%		69.4%

NIE increased this year mainly due to higher salaries and benefits, as well as the writeoff of a non-strategic technology asset (see Note 12 to the financial statements for further details), data processing, professional and consulting fees and general and administrative costs, partially offset by lower premises and occupancy costs.

Salaries and employee benefits increased during the year, mainly due to revenue-related compensation. Data processing is higher as a result of technology costs increasing with revenue growth and a move to subscription-based software solutions. Professional and consulting fees also increased due to higher variable costs associated with our growing AUA.

General and administrative costs increased from last year due to additional travel and brand sponsorship expenses as COVID-19 restrictions were eased. On the other hand, ATB experienced savings by optimizing our branch network, leading to a decrease in our premises 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 70.7% increased from last year's 69.4% due to the writeoff of a non-strategic technology asset, contributing to our expenses outpacing revenue growth.

The adjusted efficiency ratio is calculated as NIE for the year after adjusting for the writeoff of a non-strategic technology asset ($37.2 million), divided by total revenue for the year. Our adjusted efficiency ratio of 68.8% improved from last year's 69.4% as total revenue growth outpaced expense 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. Since these results are based on ATB's internal management structure, they may not be directly comparable to those of other financial institutions. (See Note 26 to the financial statements for more on ATB's organizational structure.)

The manner in which ATB determines the revenues, expenses and LLP attributable to the various AOEs is outlined below.

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) and allocation charges, if any, are offset by amounts reported for strategic support units (SSUs).

Table 9: Year-Over-Year Segmented Results

($ in thousands)	Everyday Financial Services (1)	ATB Business	ATB Wealth	Strategic service units (1)	Total
For the year ended March 31, 2022					
Net interest income	$ 481,153	$ 700,657	$ 30,564	$ 29,941	$ 1,242,315
Other income	122,466	245,191	282,962	10,947	661,566
Total revenue	603,619	945,848	313,526	40,888	1,903,881
Provision for (recovery of) loan losses	6,653	(204,846)	(1,700)	(3,986)	(203,879)
Non-interest expenses (2)	531,066	443,510	276,379	95,273	1,346,228
Payment in lieu of (recovery of) tax	15,157	162,652	8,935	(11,592)	175,152
Net income (loss)	**$ 50,743**	**$ 544,532**	**$ 29,912**	**$ (38,807)**	**$ 586,380**
Increase (decrease) from 2021					
Net interest (loss) income	$ 23,104	$ 64,803	$ 10,717	$ (34,876)	$ 63,748
Other income (loss)	14,871	16,825	40,076	(9,586)	62,186
Total revenue (loss)	37,975	81,628	50,793	(44,462)	125,934
Recovery of loan losses	(45,451)	(406,633)	(6,127)	(16,753)	(474,964)
Non-interest expenses	(2,182)	40,533	44,307	30,117	112,775
Payment in lieu of tax	15,378	102,977	2,901	(8,988)	112,268
Net income (loss)	**$ 70,230**	**$ 344,751**	**$ 9,712**	**$ (48,838)**	**$ 375,855**
For the year ended March 31, 2021					
Net interest income	$ 458,049	$ 635,854	$ 19,847	$ 64,817	$ 1,178,567
Other income	107,595	228,366	242,886	20,533	599,380
Total revenue	565,644	864,220	262,733	85,350	1,777,947
Provision for loan losses	52,104	201,787	4,427	12,767	271,085
Non-interest expenses	533,248	402,977	232,072	65,156	1,233,453
(Recovery of) payment in lieu of tax	(221)	59,675	6,034	(2,604)	62,884
Net (loss) Income	**$ (19,487)**	**$ 199,781**	**$ 20,200**	**$ 10,031**	**$ 210,525**

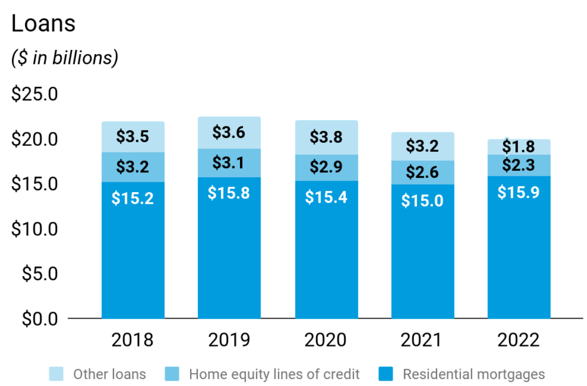
(1) In June 2021, the financial results and balances for certain loan products were moved to the SSUs from EFS. Results for the year ended March 31, 2021, were reclassified to conform with current period presentation.
(2) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

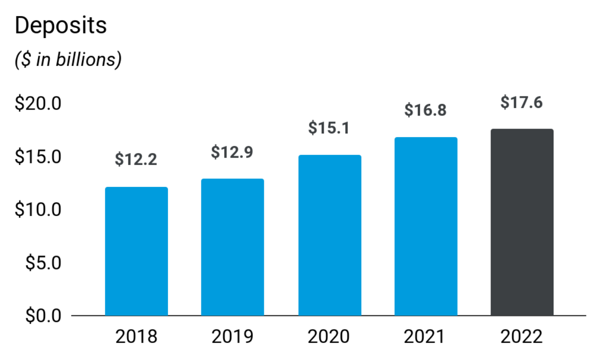
Everyday Financial Services (1)

Table 10: EFS Financial Performance

($ in thousands)	**2022**	**2021**
Net interest income	$ 481,153	$ 458,049
Other income	122,466	107,595
Total revenue	603,619	565,644
Provision for loan losses	6,653	52,104
Non-interest expense (2)	531,066	533,248
Net income (loss) before payment in lieu of tax	65,900	(19,708)
Payment in lieu of (recovery of) tax	15,157	(221)
Net income (loss)	**$ 50,743**	**$ (19,487)**
Net loans	$ 20,043,570	$ 20,878,447
Total deposits	17,554,458	16,800,369

(1) In June 2021, the financial results and balances for certain loan products were moved to the SSUs from EFS. Results for the year ended March 31, 2021, were reclassified to conform with current period presentation.
(2) 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 the loss recorded last year due to higher revenue and a lower LLP, while expenses were consistent with last year.

NII increased due to deposits repricing. OI increased due to higher card fees as clients are using card-based payments instead of cash. Service charges also increased due to attracting new business clients.

The LLP for EFS decreased this year due to an improved economic outlook, resulting in a Stage 1 and 2 recovery.

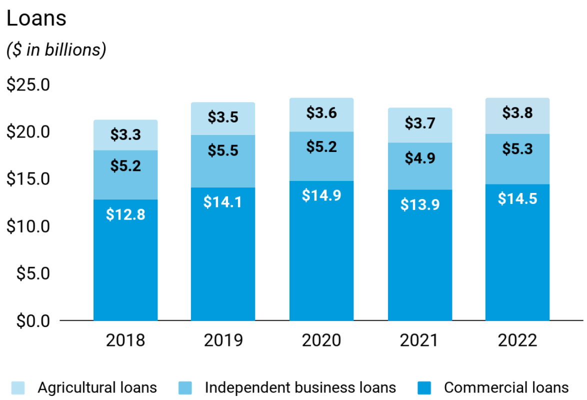
Loans contracted this year, as clients used excess liquidity to pay down their home equity line of credit (HELOC). This was partially offset by RML growth as a result of strong residential mortgage activity and targeted campaigns. Deposits increased, mainly in savings and transaction accounts, as clients accessed government funding and held more liquid assets.

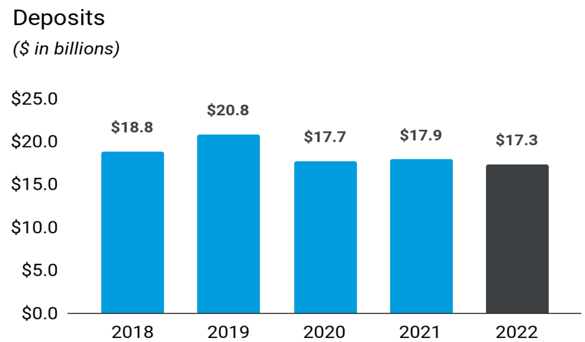
ATB Business

Table 11: ATB Business Financial Performance

($ in thousands)	**2022**	**2021**
Net interest income	$ 700,657	$ 635,854
Other income	245,191	228,366
Total revenue	945,848	864,220
(Recovery of) provision for loan losses	(204,846)	201,787
Non-interest expense (1)	443,510	402,977
Net income before payment in lieu of tax	707,184	259,456
Payment in lieu of tax	162,652	59,675
Net income	**$ 544,532**	**$ 199,781**
Net loans	$ 23,627,939	$ 22,489,801
Total deposits	17,281,589	17,882,195

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





NI increased due to higher total revenue and a decrease in the LLP, partially offset by an increase in NIE.

NII increased due to loan growth, which includes over $1.7 billion in new commitments in the agriculture and commercial real estate sectors. OI benefited from investment gains. Card fees and service charges increased due to higher transaction volumes as clients shift toward card-based payment solutions. Credit fees also improved as ATB Business participated in more syndication deals.

The recovery of loan losses is driven by decreases in expected credit losses across all three stages. This is the result of an improved economic outlook, fewer new impairments, clients repaying loans and loans returning to performing.

NIE increased due to performance-based compensation as a result of higher total revenue. Allocated costs to support the business growth were also higher.

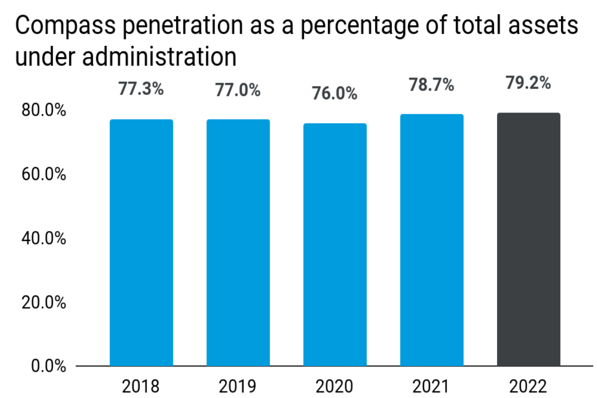
Overall, loans have grown due to ATB Business's focused value proposition in the sectors previously noted. Deposits contracted as part of actively managing ATB's liquidity needs and businesses returning to more normal operating capacity, drawing down assets held in liquid accounts.

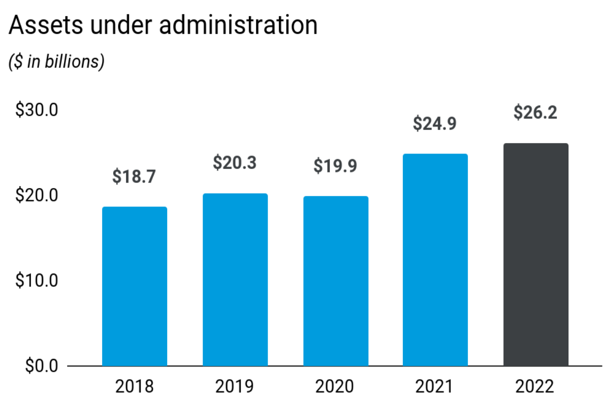
ATB Wealth

Table 12: ATB Wealth Financial Performance

($ in thousands)	**2022**	**2021**
Net interest income	$ 30,564	$ 19,847
Other income	282,962	242,886
Total revenue	313,526	262,733
(Recovery of) provision for loan losses	(1,700)	4,427
Non-interest expense (1)	276,379	232,072
Net income before payment in lieu of tax	38,847	26,234
Payment in lieu of tax	8,935	6,034
Net income	**$ 29,912**	**$ 20,200**
Net loans	$ 1,300,215	$ 1,243,494
Total deposits	2,372,609	2,878,146
Total assets under administration	26,189,359	24,880,721

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





NI increased due to higher OI, offset by higher NIE.

Total revenue increased primarily due to higher OI as a result of higher AUA balances. The NII increase is attributable to a change in ATB Wealth's deposit mix.

NIE increased primarily due to higher variable costs associated with AUA and performance-based compensation.

Loans increased as a result of higher RMLs. Deposits decreased due to clients' term deposits maturing.

ATB Wealth's AUA increased, mainly driven by assets gathered combined with positive market returns.

Strategic Support Units (1)

Table 13: Strategic Support Units Financial Performance

($ in thousands)	2022	2021
Net interest income	$ 29,941	$ 64,817
Other income	10,947	20,533
Total revenue	40,888	85,350
(Recovery of) provision for loan losses	(3,986)	12,767
Non-interest expenses (2) (3)	95,273	65,156
Net income before payment in lieu of tax	(50,399)	7,427
Recovery of tax	(11,592)	(2,604)
Net (loss) income	**$ (38,807)**	**$ 10,031**

(1) In June 2021, the financial results and balances for certain loan products were moved to the SSUs from EFS. Results for the year ended March 31, 2021, were reclassified to conform with current period presentation.
(2) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(3) For the year ended March 31, 2022, results include the $37.2 million writeoff of a non-strategic technology asset.

The following identifies material items affecting the reported results in each period.

NII decreased mainly due to balance sheet management activity, while the decrease in OI is related to our interest-rate risk management portfolio and interest rate changes throughout the year.

The recovery of loan losses reflects the decrease in net writeoffs and the improved economic outlook.

NIE is higher than last year, mainly due to the writeoff of a non-strategic technology asset and costs related to the optimization of our branch network.

Quarterly Operating Results and Trend Analysis

Review of 2021-22 Fourth-Quarter Operating Results

Table 14: Summarized Consolidated Statement of Income

For the three months ended	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
($ in thousands)	**Mar 31/22**	**Dec 31/21**	**Sep 30/21**	**Jun 30/21**	**Mar 31/21**	**Dec 31/20**	**Sep 30/20**	**Jun 30/20**
Interest income	$ 414,439	$ 428,073	$ 428,335	$ 429,130	$ 437,828	$ 450,949	$ 458,087	$ 446,188
Interest expense	105,805	110,032	117,447	124,378	134,213	146,313	163,210	170,749
Net interest income	308,634	318,041	310,888	304,752	303,615	304,636	294,877	275,439
Other income	194,652	156,150	155,678	155,086	159,388	157,345	133,482	149,165
Total revenue	503,286	474,191	466,566	459,838	463,003	461,981	428,359	424,604
(Recovery of) provision for loan losses	(41,785)	(74,393)	(26,532)	(61,169)	(14,369)	(12,016)	52,154	245,316
Non-interest expense	367,272	355,198	312,833	310,925	357,078	297,058	285,815	293,502
Net income (loss) before payment in lieu of tax	177,799	193,386	180,265	210,082	120,294	176,939	90,390	(114,214)
Payment in lieu of tax	40,892	44,479	41,461	48,320	27,669	35,215	-	-
Net income (loss)	**$ 136,907**	**$ 148,907**	**$ 138,804**	**$ 161,762**	**$ 92,625**	**$ 141,724**	**$ 90,390**	**$ (114,214)**

Net Income

NI is less than last quarter but better than the same quarter last year. The decrease from last quarter is due to higher NIEs and lower recovery of loan losses, partially offset by total revenue growth. The year-over-year increase is due to higher total revenue and a greater recovery of loan losses.

Total Revenue

Total revenue consists of NII and OI. This quarter's total revenue has not only increased from last quarter and this time last year, but is the highest we have ever achieved.

When comparing quarter-over-quarter results, OI increased, driven by strategic investment gains and credit fees. The financial market volatility this quarter also contributed to higher revenue in the financial markets group. This was partially offset by lower NII due to lower interest earned on small business and personal loans. The increase from the same time last year is mainly driven by strategic investments gains, wealth management and lower losses from our corporate interest-rate-risk management portfolio.

Provision for Loan Losses

ATB recorded a recovery in Q4, driven by an improved economic outlook. The recovery decreased from last quarter, attributed to Stage 3 provisions driven by new impairments. The year-over-year changes are due to both the economic outlook and the health of our loan portfolio improving.

Non-Interest Expense and Efficiency Ratio

NIE increased quarter over quarter, driven by performance-based compensation, technology-related costs and general and administrative expenses offset by the writeoff of a non-strategic technology asset last quarter. The increase from the same quarter last year is due to higher team member salary and performance-related compensation and data processing costs offset by lower premises costs as a result of our branch optimization strategy last year.

ATB's efficiency ratio decreased from 74.9% in the third quarter this year and 77.1% in the fourth quarter of last year to 73.0% this quarter. The improvement over last quarter and last year is due to OI growth outpacing expense growth.

Our adjusted efficiency ratio increased to 73.0% from last quarter's 67.1% due to higher year-end related expenses.

Trend Analysis

NII has been around $300 million over the past two years. The first quarter of FY2020-21 represents the lowest NII over the past eight quarters and coincides with the Bank of Canada prime-rate reductions in March 2020. When prime rates changed, loans repriced more quickly than deposits and other funding sources, resulting in lower NII. During this period, we have been actively managing our balance sheet and repricing in certain sectors, with NII exceeding pre-pandemic levels and earning our highest-ever result in the third quarter of FY2021-22.

OI performed exceptionally well throughout the year, ending on a high note with a new quarterly record. OI is forming a greater percentage of our total revenue, increasing to 38.7% this quarter, up from 34.4% in the same quarter last year. Over the last two years, wealth management revenue has continued to improve due to a combination of net assets gathered and strong market returns. Card fees increased due to higher transaction volumes as more clients are adopting card-based payments. Service charges were higher as a result of the number of business clients growing. There has also been an increase in strategic investment gains.

Since the third quarter of FY2020-21, our recovery of loan losses has increased as the economic outlook has improved. The health of our loan portfolio has been bolstered with impaired loans returning to performing and loans being paid down. As we continue to navigate uncertain times, we remain committed to providing our clients with access to credit as we help stabilize and support Alberta's economy, while taking appropriate measures to limit losses.

We have seen an increase in NIE, largely due to variable costs associated with increased total revenue. We also incurred a one-time cost in the third quarter of FY2021-22 for the writeoff of a non-strategic technology asset. Through the last eight quarters, we have continued to invest in our team members, who in turn support our clients.

Review of 2021-22 Consolidated Financial Position

Total Assets

Our total assets as at March 31, 2022, were $57.1 billion, which is higher than last year, driven by loan growth.

Cash and Liquid Securities

As a financial institution, ATB maintains a portfolio of cash and short-term investments as part of its liquidity management strategy and to assist in managing the company's interest-rate-risk profile.

Table 15: Total Cash and Liquid Securities

As at March 31 *($ in thousands)*	2022	2022 vs 2021 increase (decrease)		2021
Cash	$ 2,606,379	$ (2,037,224)	(43.9)%	$ 4,643,603
Interest-bearing deposits with financial institutions	1,210,901	821,430	210.9%	389,471
Liquid securities	4,403,483	845,964	23.8%	3,557,519
Cash and liquid securities	**$ 8,220,763**	**$ (369,830)**	**(4.3)%**	**$ 8,590,593**

Cash varies due to changes in client product preferences and the timing of certain interbank activities, such as foreign-currency clearing, cheque clearing and other transit items. The changes in the mix of our liquid-asset portfolio are due to holding less cash in the Bank of Canada's large-value transfer system (LVTS) and holding more interest-bearing deposits at other financial institutions as a result of increasing overnight rates with the latter. We are also holding more securities in our liquidity risk management portfolio.

To support our participation in Canadian clearing and payment systems, we are required to pledge collateral to the Bank of Canada and other clearing networks. We use a variety of collateral sources, including, from time to time, liquid assets such as cash or treasury bills. (See Notes 6 and 21 to the financial statements for more details.)

Loans

Table 16: Net Loans

As at March 31 *($ in thousands)*	2022	2022 vs 2021 increase (decrease)		2021
Gross loans	$ 46,346,959	$ 1,023,870	2.3%	$ 45,323,089
Less: Stage 3 allowance	(215,233)	132,412	38.1%	(347,645)
Loans, net of Stage 3 allowance	46,131,726	1,156,282	2.6%	44,975,444
Less: Stage 1 and 2 allowance	(203,022)	175,200	(46.3)%	(378,222)
Net loans	**$ 45,928,704**	**$ 1,331,482**	**3.0%**	**$ 44,597,222**

Net loans increased, reflective of the positive momentum in Alberta's economy. Business loans, supported by our specialized value propositions and RMLs, through successful campaigns, were the main drivers.

All three stages of the allowance for loan losses have decreased since last year. The improvements in the economic outlook, a low level of new impaired loans and previously impaired loans returning to performing are the primary factors. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in the Risk Management section and Notes 8 and 9 to the financial statements.

Other Assets

Table 17: Total Other Assets

As at March 31 *($ in thousands)*	2022	2022 vs 2021 increase (decrease)		2021
Derivative financial instruments	$ 1,779,577	$ 597,781	50.6%	$ 1,181,796
Accounts receivable – financial market products	2,303	(395,690)	(99.4)%	397,993
Prepaid expenses and other receivables	368,574	77,408	26.6%	291,166
Software and other intangibles	227,575	(55,133)	(19.5)%	282,708
Property and equipment	222,984	(15,285)	(6.4)%	238,269
Accrued interest receivable	64,059	(10,942)	(14.6)%	75,001
Net pension asset	54,350	54,350		-
Other	51,043	19,844	63.6%	31,199
Total other assets	**$ 2,770,465**	**$ 272,333**	**10.9%**	**$ 2,498,132**

ATB's other assets are composed primarily of derivative financial instruments, prepaid expenses and other receivables, property and equipment and software and other intangibles. (See Notes 10, 11, 12 and 13 to the financial statements.)

The increase in our derivative assets is due to financial market volatility and our clients more actively trading commodity forwards. This increase is associated with the increase in derivative liabilities noted in Other Liabilities, with more information described in the Derivatives section.

Total Liabilities

Total liabilities ended the year at $52.6 billion, which is higher than last year due to an increase in borrowings and derivative liabilities, slightly offset by a reduction in deposits and collateralized borrowings.

Deposits

Table 18: Total Deposits

As at March 31, 2022 *($ in thousands)*	Payable on demand	Payable on a fixed date	Total	Percentage of total
Transaction accounts	$ 13,386,975	$ -	$ 13,386,975	35.9%
Savings accounts	12,060,980	-	12,060,980	32.3%
Notice accounts	6,095,213	-	6,095,213	16.3%
Non-redeemable fixed-date deposits	-	4,687,929	4,687,929	12.6%
Redeemable fixed-date deposits	-	1,088,385	1,088,385	2.9%
Total deposits	**$ 31,543,168**	**$ 5,776,314**	**$ 37,319,482**	**100.0%**

As at March 31, 2021 *($ in thousands)*	Payable on demand	Payable on a fixed date	Total	Percentage of total
Transaction accounts	$ 12,035,331	$ -	$ 12,035,331	31.9%
Savings accounts	12,241,167	-	12,241,167	32.4%
Notice accounts	5,639,066	-	5,639,066	14.9%
Non-redeemable fixed-date deposits	-	6,014,076	6,014,076	15.9%
Redeemable fixed-date deposits	-	1,828,748	1,828,748	4.9%
Total deposits	**$ 29,915,564**	**$ 7,842,824**	**$ 37,758,388**	**100.0%**

ATB's principal sources of funding are client deposits, which consist of transaction, savings, notice and fixed-date deposits accounts. Deposits have decreased as clients have reduced their holdings in fixed-date deposits, offset slightly by an increase in more liquid accounts. Businesses returning to normal operating activity have also contributed to the decrease in deposits due to drawing down accounts.

Other Liabilities

Table 19: Total Other Liabilities

As at March 31 *($ in thousands)*	2022	2022 vs 2021 increase (decrease)		2021
Wholesale borrowings	$ 4,442,967	$ 934,148	26.6%	$ 3,508,819
Collateralized borrowings	7,614,949	(316,133)	(4.0)%	7,931,082
Derivative financial instruments	1,882,405	960,994	104.3%	921,411
Accounts payable and accrued liabilities	728,092	46,326	6.8%	681,766
Accounts payable – financial market products	102,295	(290,058)	(73.9)%	392,353
Accrued interest payable	79,081	(79,321)	(50.1)%	158,402
Due to clients, brokers and dealers	131,788	32,259	32.4%	99,529
Payment in lieu of tax	175,152	112,268	178.5%	62,884
Achievement notes	64,545	6,091	10.4%	58,454
Deposit guarantee fee payable	59,085	598	1.0%	58,487
Accrued-pension-benefit liability	-	(33,807)	(100.0)%	33,807
Securities sold under repurchase agreements	-	(14,730)	(100.0)%	14,730
Total other liabilities	**$ 15,280,359**	**$ 1,358,635**	**9.8%**	**$ 13,921,724**

ATB's other liabilities are composed primarily of collateralized and wholesale borrowings, derivative financial instruments, accounts payable and accrued liabilities. (See Notes 10, 15, 16 and 18 to the financial statements.) Collateralized and wholesale borrowings are used as a funding source to supplement client deposits.

Collateralized borrowings represent ATB's participation in the Canada Mortgage Bonds (CMB) program, securitization of credit card receivables and other mortgage loan securitization. The balance decreased due to more maturities combined with us relying more on alternative funding sources.

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. The increase is due to issuing more bearer-deposit notes in order to support lending activities.

Derivative liabilities changed as a result of an increase in the fair value of commodity deals. This increase is associated with the increase in derivative assets noted in the Other Assets section.

Accumulated Other Comprehensive Income

Table 20: Total Accumulated Other Comprehensive Income

As at March 31 *($ in thousands)*	2022	2022 vs 2021 increase (decrease)		2021
Securities measured at fair value through other comprehensive income	$ 3,515	$ 5,452	281.5%	$ (1,937)
Derivative financial instruments designated as cash flow hedges	(176,246)	(307,991)	(233.8)%	131,745
Defined-benefit-plan liabilities	76,735	93,028	571.0%	(16,293)
Accumulated other comprehensive (loss) income	**$ (95,996)**	**$ (209,511)**	**(184.6)%**	**$ 113,515**

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are only recorded on the consolidated statement of operations when realized. AOCI decreased significantly from last year as our hedge-accounted swap portfolio was unfavourably impacted due to the economy rebounding and rate increases. This was partially offset by a lower pension obligation that resulted in our net pension asset balance.

Regulatory Capital

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, ASFI, while supporting the continued growth of our business 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 *Capital Adequacy Requirements Guideline* (*CAR Guideline*). ATB's capital adequacy requirements were modelled after guidelines governing other Canadian deposit-taking institutions and authorized by the GoA's President of Treasury Board and Minister of Finance. ATB's minimum Tier 1 capital requirement is 7.0%, and the total capital requirement is the greater of 10.0% of risk-weighted assets or 5.0% of total assets. (See Note 24 to the financial statements for more on ATB's regulatory capital.)

The following table summarizes ATB's regulatory capital results, which have exceeded the total capital and Tier 1 capital requirements of the *CAR Guideline*. Notional capital, made available to ATB effective March 30, 2009, was fully extinguished during the year.

Table 21: Regulatory Capital

As at March 31		2022 vs 2021		
($ in thousands)	**2022**	**increase (decrease)**		**2021**
Tier 1 capital				
Retained earnings	$ 4,548,190	$ 586,782	14.8%	$ 3,961,408
Tier 2 capital				
Eligible portions of:				
Wholesale borrowings	1,611,662	(265,204)	(14.1)%	1,876,866
Collective allowance for loan losses	238,023	(81,239)	(25.4)%	319,262
Notional capital	-	(22,086)	(100.0)%	22,086
Total Tier 2 capital	1,849,685	(368,529)	(16.6)%	2,218,214
Deductions from capital				
Software and other intangibles	227,575	(55,133)	(19.5)%	282,708
Total capital	**$ 6,170,300**	**$ 273,386**	**4.6%**	**$ 5,896,914**
Total risk-weighted assets	$ 37,462,503	$ 975,446	2.7%	$ 36,487,057
Risk-weighted capital ratios				
Tier 1 capital ratio	12.1%	1.2%		10.9%
Total capital ratio	16.5%	0.3%		16.2%
Assets-to-capital multiple	9.2	(0.3)		9.5

Risk-Weighted Assets

Total risk-weighted assets are determined by applying risk weightings defined in the *CAR Guideline* to ATB's on- and off-balance-sheet assets, as follows:

Table 22: Risk-Weighted Assets

			2022	2022 vs 2021			2021
As at March 31 *($ in thousands)*	Risk-weighted percentage	**On- or off-balance-sheet value**	**Risk-weighted value**	Risk-weighted value increase (decrease)		On- or off-balance-sheet value	Risk-weighted value
On-balance-sheet amounts							
Cash resources	0-20	$ 3,817,280	$ 99,529	$ 18,563	22.9%	$ 5,033,074	$ 80,966
Securities	0-100	4,535,586	132,131	62,950	91.0%	3,626,607	69,181
Residential mortgages	0-100	16,596,726	3,993,681	47,141	1.2%	15,833,810	3,946,540
Other loans	0-100	29,331,978	27,447,528	350,137	1.3%	28,763,412	27,097,391
Other assets	20-100	2,770,465	1,761,206	480,981	37.6%	2,498,132	1,280,225
Total on-balance-sheet amounts		**$ 57,052,035**	**$ 33,434,075**	**$ 959,772**	**3.0%**	**$ 55,755,035**	**$ 32,474,303**
Off-balance-sheet amounts							
Guarantees and letters of credit (1)	0-100	$ 20,639,189	$ 4,028,428	$ 15,674	0.4%	$ 19,588,699	$ 4,012,754
Derivative financial instruments	0-50	24,438,288	-	-	-	30,441,448	-
Total off-balance-sheet amounts		**$ 45,077,477**	**$ 4,028,428**	**$ 15,674**	**0.4%**	**$ 50,030,147**	**$ 4,012,754**
Total risk-weighted assets		**$ 102,129,512**	**$ 37,462,503**	**$ 975,446**	**2.7%**	**$ 105,785,182**	**$ 36,487,057**

(1) Guarantees and letters of credit include undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis. ATB does not expect all facilities to be drawn and some may lapse before drawdown.

Return on Average Risk-Weighted Assets

ATB achieved a 1.6% return on risk-weighted assets—a 0.3% increase from last year—as income increased while our risk-weighted assets decreased, mainly due to fewer loans and derivative exposures.

Off-Balance-Sheet Arrangements

As a financial institution, ATB participates in a variety of financial transactions that, under IFRS, are either not recorded on the consolidated statement of financial position or are recorded at amounts different from the full notional or contract amount. These types of transactions are listed below.

Assets Under Administration

AUAs consist of client investments managed and administered by ATB's subsidiary entities operating under the umbrella of ATB Wealth. AUAs increased from $24.9 billion to $26.2 billion during the year. (See ATB Wealth in this MD&A.)

Derivative Financial Instruments

ATB enters into various over-the-counter and exchange-traded derivative contracts in the normal course of business, including interest rate swaps, futures and foreign exchange (FX) and commodity instruments. These contracts are used either for ATB's own risk management purposes—to manage exposure to fluctuations in interest rates, equity and commodity markets and FX rates—or to facilitate our clients' risk management programs.

All derivative financial instruments, including embedded derivatives and those qualifying for hedge accounting, are measured at fair value on the consolidated statement of financial position. Although transactions in derivative financial instruments are expressed as notional values, the fair value—not the notional amount—is recorded on the consolidated statement of financial position. Notional amounts serve as points of reference for calculating payments only and do not truly reflect the value associated with the financial instrument. (See Note 10 to the financial statements.)

Credit Instruments

In the normal course of lending activities, ATB enters into various commitments to provide clients with sources of credit. These typically include credit commitments for loans and related credit facilities, including revolving facilities, lines of credit, overdrafts and authorized credit card limits. To the extent that a client's authorized limit on a facility exceeds the outstanding balance drawn as at March 31, 2022, or at March 31, 2021, we consider the undrawn portion to represent a credit commitment.

For demand facilities, we still consider the undrawn portion to represent a commitment to our clients; however, the terms of the commitment are such that ATB could adjust the credit exposure if circumstances warranted doing so. Accordingly, from a risk management perspective, these demand facilities are considered to represent a lesser exposure than facilities with extended commitment terms. (See Note 21 to the financial statements.)

Contractual Obligations

During its normal daily operations, ATB enters into various contractual obligations to make future payments for certain purchase transactions and operating leases. (See Note 21 to the financial statements.) We are also obligated to make future interest payments on our collateralized and wholesale borrowings. (See Notes 15 and 20 to the financial statements.)

Guarantees

In the normal course of operations, ATB enters into guarantee arrangements that satisfy the definition of guarantees established by IFRS 9 *Financial Instruments.* The principal types of guarantees are standby letters of credit and performance guarantees. (See Note 21 to the financial statements.)

Securitization

ATB participates in the CMB program. Under this program, ATB pledges qualifying mortgages to Canada Housing Trust (CHT), a special-purpose entity set up by the Canada Mortgage Housing Corporation (CMHC), in return for funding. Part of the program is a swap agreement between ATB and CHT. This swap establishes the required cash payments between ATB and CHT. Due to the nature of the program and the fact that ATB substantially retains the risks and rewards related to the qualifying mortgages and certain securities, both are recognized on ATB's consolidated statement of financial position, while the swap is not.

Critical Accounting Policies and Estimates

Significant Accounting Policies

ATB's significant accounting policies are outlined in Note 2 to the consolidated financial statements. These policies are essential to understanding and interpreting the financial results presented in this MD&A and in the financial statements.

Critical Accounting Estimates

Certain accounting estimates made by management while preparing the statements are considered critical in that management is required to make significant estimates and judgments that are subjective or complex about matters inherently uncertain. Significantly different amounts could have been reported if different estimates or judgments had been made. The following accounting policies require such estimates and judgments.

Allowance for Loan Losses

ATB records an allowance for loan losses for all loans and financial assets not held at fair value, which include loan commitments and financial guarantee contracts. Impairment losses are measured based on the estimated amount and timing of future cash flows and on collateral values. For loans carried at amortized cost, impairment losses are recognized at each reporting date as an allowance for loan losses on the consolidated statement of financial position, and as a provision for loan loss on the consolidated statement of income. Allowance for undrawn amounts is disclosed in Note 9. Losses are based on the three-stage impairment model outlined below.

For financial assets measured at fair value through other comprehensive income (FVOCI), the calculated expected credit loss (ECL) is recognized as an allowance in other comprehensive income (OCI) as an accumulated impairment amount with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is transferred to profit and loss when the asset is derecognized.

ATB assesses at each reporting date whether an asset has experienced a significant increase in credit risk since initial recognition. Assets are grouped into the following stages:

- **Stage 1:** When the asset is recognized, an allowance is recorded based on the 12-month ECL, which represents a portion of the lifetime ECL expected within 12 months of the reporting date. Stage 1 also includes assets previously classified as Stage 2 if the credit risk has improved.
- **Stage 2:** When an asset has shown a significant increase in credit risk since origination, an allowance is recognized for the lifetime ECL. Stage 2 also includes assets previously classified as Stage 3 if the asset is no longer credit impaired.
- **Stage 3:** Assets are considered credit impaired, with an allowance recognized equal to the discounted contractual cash shortfall expected over the remaining lifetime. Interest for assets in this stage is calculated based on the net loan balance.

Both the lifetime and 12-month ECLs are calculated either individually or collectively. If the credit quality improves in subsequent periods and results in a significant increase in credit risk no longer existing, the ECLs are measured at the 12-month ECL as the loan is moved back to Stage 1 from Stage 2. (See Risk Management in this MD&A and Note 9 to the financial statements.)

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received in the sale of a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. For those instruments with an available market price, fair value is established by reference to the last traded price before the balance sheet date. Many of ATB's financial instruments lack such an available trading market, and the associated fair values represent management's best estimates of the current value of the instruments, taking into account changes in market rates or credit risk that have occurred since their origination. The most significant fair-value estimate this year relates to ATB's derivative financial instruments. (See Note 10 to the financial statements.)

Assumptions Underlying the Accounting for Employee Future Benefits

ATB engages actuarial consultants in valuing pension benefit obligations for our defined-benefit (DB) pension plans and Public Service Pension Plan based on assumptions determined by management. The most significant of these assumptions includes the rate of future compensation increases, discount rates for pension obligations and the inflation rate. (See Note 18 to the financial statements.)

Future Changes in Accounting Policies

A number of standards and amendments have been issued by the International Accounting Standards Board that may have an impact on ATB's financial statements in the future. (See Note 3 to the financial statements for a detailed explanation of future accounting changes and their expected impacts on the statements.)

Risk Management

The following discussion outlines ATB's approach to managing the key risks that we face and includes a discussion of risk management policies and procedures relating to credit, market and liquidity risks as required by IFRS 7 *Financial Instruments: Disclosures*, which permits these specific disclosures to be included in the MD&A. Discussion of ATB's approach to managing key financial and other related risks forms an integral part of the audited financial statements for the year ended March 31, 2022.

ATB provides comprehensive financial and wealth-management services to individuals, independent businesses, agriculture producers and corporate borrowers. As a result, we face exposure to a broad range of financial, business and regulatory risks, many of which are beyond ATB's direct control. ATB operates in a dynamic and increasingly competitive environment with substantial regulatory requirements and growing client and market expectations. Our mandated focus on the Alberta market continues to reflect a heightened level of geographic and concentration risk.

We define risk as the potential for loss or undesirable outcomes in earnings, liquidity, capital and/or reputation. ATB continues to have a strong commitment to managing risk, with the objective of growing, protecting and managing Shareholder value. We manage risks by ensuring that our business strategies provide an appropriate return for the risks we take while staying within our Board-approved risk appetite. Our risk appetite statement addresses our major risk categories, which include credit, market, liquidity, operational, cybersecurity, regulatory compliance, strategy, reputational and ethics risks.

As we facilitate Alberta's economic growth, our primary objectives include:

- Identifying and assessing risks in our business activities and ensuring that the risks we take are within the risk appetite approved by our Board.
- Providing independent and effective challenges to risk-taking activity across ATB.
- Adopting a continuous improvement mindset with a focus on enhancing talent and evolving our methodologies, policies, processes, limits, tools and practices.
- Continuously monitoring our environment for external and internal threats to our business plans and reputation.

Top and Emerging Risks

As part of ATB's enterprise risk management (ERM) program, we regularly review and assess our operating environment to identify top and emerging risks, taking action to mitigate potential impacts.

Many risks are beyond ATB's control, their effects may be difficult to predict, and they could cause our financial results to differ significantly from our plans and objectives. A top risk is an existing significant risk that could prevent us from achieving our strategic objectives. An emerging risk is one that has not fully materialized but is being monitored for its potential impact on our ability to achieve our objectives.

Below is a detailed discussion of the significant top and emerging risks we are facing.

Economic Uncertainty

ATB's mandate is to operate predominantly in Alberta. The health of the Alberta economy affects our earnings and influences our ability to deliver on our strategy and business plans. The Alberta economy continues to experience near-term uncertainty associated with the ongoing COVID-19 global pandemic, including a higher than normal level of inflation, supply chain issues and labour force constraints in certain sectors. Despite strong vaccination rates and mandated restrictions, Alberta went through several pandemic waves which slowed economic growth, tempered business sentiment and investment and altered borrowing, spending and saving behaviours. Near-term uncertainty has also been elevated as a result of heightened geopolitical risk in relation to the Russia-Ukraine conflict. Major sanctions on the Russian Federation will reduce the influence and participation of Russia in the global economy. This may further impact the Alberta economy via energy price volatility, compromised cybersecurity, trade tensions, policy changes and supply chain disruptions.

In addition to near-term economic uncertainty, key Alberta economic sectors—including the oil and gas sector—face long-term challenges stemming from the transition to a low carbon economy. Included is the potential for a significant reallocation of capital related to a decreased global appetite for fossil fuel investments. Climate change concerns will impact how businesses in carbon-intensive sectors are able to access and invest funds to meet their objectives, and the escalation of federal climate policy and regulations may present economic challenges to ATB clients. For details on how we are approaching climate-related risk management, refer to the Environmental and Social section.

Economic uncertainty may adversely impact income opportunities, credit growth and performance, and deposit volatility and runoff. For details on how we manage the associated risks, refer to the Credit Risk, Market Risk and Liquidity Risk sections.

Cybersecurity Risk

Cybersecurity risk remains a top risk to financial institutions due to an increased reliance on digital and internet-based technologies, which accelerated during the COVID-19 pandemic. The threat of malicious attempts to access systems to steal data and funds, retrieve sensitive information or cause disruption remains elevated. This risk is further heightened as a result of Canada's political and financial support to Ukraine. The increasing sophistication and continual evolution of the technologies and methods of attack exacerbate this risk, with greater exposures as we broaden our use of third-party services and digitalize our products and services. The consequences of cybersecurity events to ATB could be material in terms of loss of client information, business disruption, remediation and regulatory costs, legal and reputational damage, and loss of revenue and client confidence. ATB dedicates significant resources to designing, implementing and assessing our cybersecurity program across our three-lines-of-defence risk management model. For further details on how ATB manages these risks, refer to the Operational Risk section.

Digital Transformation Risk

The pace of digitalization continued to accelerate through the COVID-19 pandemic. The needs and expectations of our clients are changing as they seek to maintain and grow their finances and transact in a more convenient and less physical world. Our competition is no longer only within the financial services industry—disintermediation is allowing digital banking offerings to come from unconventional competitors. The ability to offer a relevant digital experience is dependent on a number of factors, including enhancing our digital technologies and platforms, identifying and launching market-relevant offerings, having the right talent deployed to the right initiatives and investing in the right innovative bets. Failure to offer the services and products clients want may impact our ability to diversify our income and achieve financial results in line with our peers and competitors. For details on how we manage associated risks, refer to the Strategy Risk section.

Risk Management

ATB aims to create and protect enterprise value by enabling risk-informed decision-making and by balancing risk and return in our business processes. We do this by managing key risks identified throughout the business cycle that may impact the achievement of ATB's strategic and business goals. Our ability to effectively manage risk is supported by:

- A strong risk culture.
- An effective governance and organizational structure, including the application of a three-lines-of-defence model.
- A well-articulated risk appetite statement.
- An effective ERM program (policies, processes, limits, tools and practices).

Risk Culture

We have adopted the Financial Stability Board's definition of risk culture as ATB's norms, attitudes and behaviours related to risk awareness, risk-taking and risk management. Risk management is the responsibility of all ATB team members, and our culture enables us to proactively identify, assess and respond to risks in a timely manner.

Expectations for team member behaviour and accountabilities are set out in our:

- Code of conduct and ethics.
- Enterprise risk appetite statement.
- Policies and procedures.
- Performance management and compensation practices.

ATB develops and fosters a risk-aware culture by:

- Establishing clear ownership of and accountability for risk management activities across the organization through the three-lines-of-defence governance model.
- Clearly and consistently communicating risk issues, supported by processes that allow for open discussion and challenge.
- Developing and implementing an enterprise risk appetite with key AOE and SSU-specific metrics.

Every team member is an integral part of our risk culture and is responsible for managing risk prudently and appropriately. Risk management is built into strategic, business and operational plans and is operationalized through the implementation of our enterprise risk appetite statement.

Risk Governance

Ultimate responsibility for managing risk lies with ATB's Board of Directors, according to our three-tier risk governance framework. The following graphic illustrates the distribution of responsibilities for risk governance and strategic direction, risk oversight and control and risk management and reporting.

Risk governance and oversight	Board of Directors	
	Risk Committee	Audit Committee

Risk strategic direction and control	Chief Executive Officer and Strategic Leadership Team					
	Ethics Committee	Asset/Liability Committee	Executive Risk Management Committee	Credit Committee	Operational Risk Committee	Cyber Risk Oversight Committee

Risk management and reporting	Three lines of defence		
	First line: Risk ownership and management • Everyday Financial Services • ATB Business • ATB Wealth • ATB Technology Office • ATB Experience Office	**Second line: Risk oversight and control** • ATB Risk Office • ATB Finance Office • ATB People Office • ATB Legal and Sustainability Office	**Third line: Independent assurance** • ATB Internal Audit • External auditors

Risk Governance and Oversight

While retaining overall responsibility for risk, the Board delegates risk oversight to the Risk and Audit committees. These Board committees have the risk governance responsibilities described in the following table:

Board committees	Responsibility	Chaired by
Risk	Oversees risk management throughout ATB. Reviews and recommends, for the Board's approval, ATB's risk appetite statement, approves all major risk policies and regularly reviews ATB's performance in relation to approved risk appetite levels.	A Board director
Audit	Oversees financial reporting and monitors and oversees the adequacy and effectiveness of internal controls over financial reporting	A Board director

Risk Strategic Direction and Control

Chaired by the CEO, the Strategic Leadership Team (SLT) comprises senior executives spanning all AOEs and SSUs. Together they develop ATB's strategic direction, oversee the development of appropriate risk management frameworks and establish policies and procedures designed to maintain risk within our risk appetite. The SLT delegates risk oversight to the management committees described in the following table:

Management committees	Responsibility	Chaired by
Ethics	Monitors the tone on ethics at ATB and ensures ATB's practices meet or exceed ethical standards. Reviews the codes of conduct and ethics and the anonymous safe disclosure program. Reviews allegations of wrongdoing and reports to the Board of Directors.	Chief Executive Officer
Asset/Liability	Oversees the direction and management of market risk and liquidity risk, as well as ATB's funding and capital positions	Chief Financial Officer
Executive Risk Management	Sets the overall direction, makes key decisions relating to enterprise risk management activities across ATB and supports the design, execution and assessment of results from ATB's enterprise risk management program	Chief Risk Officer
Credit	Adjudicates credit within prescribed limits and establishes operating guidelines, business rules and internal policies to support the management of credit risk throughout ATB	Senior Vice President, Credit
Operational Risk	Oversees and gives direction on enterprise-wide operational risks	Vice President, Enterprise Risk Management, and Chief Compliance Officer
Cyber Risk	Oversees and gives direction on enterprise-wide cybersecurity risks	Chief Risk Officer; Chief Technology Officer

Risk Management and Reporting

Our risk management program is defined through a series of policies and frameworks, processes, controls and limits, all cascading from ATB's Board-approved risk appetite statement and guided by our ERM framework.

Responsibility for risk management and reporting is guided by an established set of principles for ATB's three lines of defence:

1. Risk ownership and management includes the AOEs and SSUs that face risks directly. These groups are accountable for taking and managing risks within their respective areas of responsibility in line with approved limits, policies and authorities.
2. Risk Management is a group that establishes policies, practices, limits and authorities throughout ATB. The group monitors and reports on risk management activities, as appropriate, to senior management and the Board's Risk Committee. Risk Management is supported by other SSU's who conduct risk oversight activities.
3. Internal Assurance monitors the activities of management and provides independent assurance to the Board of Directors on the effectiveness of, and adherence to, risk management policies, procedures and internal controls.

Risk Appetite Statement

ATB has a well-defined risk appetite statement, which establishes our enterprise-wide risk appetite as conservative and balanced. We will:

- Ensure that we fully understand and effectively manage the risks in all of our business activities.
- Build strong company value and not "bet the bank" on any new product, service, or strategy.
- Hold ourselves to the highest ethical standard.
- Consider reputational risk and impact to our brand in all our current and future activities.
- Wisely take risks, recognizing that a client is at the centre of all our transactions.

ATB's geographical restrictions and business activities expose the institution to a wide variety of risks, and while incurring risk is fundamental to a financial services corporation, the level of risk taken must be understood, assessed, managed and monitored against a predefined risk appetite.

ATB's risk appetite statement is the internal document that articulates the amount of risk ATB is willing to accept in pursuing its strategic objectives. It establishes the boundaries for risk-taking, includes risk definitions and measurable qualitative and quantitative statements and provides a platform for measuring risk management activities for key risks across the enterprise. Key risks for ATB include those related to credit, market, liquidity, operations, cybersecurity, regulatory compliance, strategy, reputation and ethics.

The level of risk appetite within ATB may change over time; therefore, the risk appetite statement is regularly revisited and formally reviewed at least annually. We report our exposures against our risk appetite to the Board's Risk Committee quarterly.

Enterprise Risk Management Framework

ATB's ERM framework is applied on an enterprise-wide basis. The goals of this framework are to:

- Ensure ERM processes are aligned with industry-leading standards for institutions of ATB's complexity.
- Establish common risk language and direction related to risk management.
- Outline how ERM processes are deployed across the enterprise.
- Clearly define responsibilities for risk management, oversight and assurance across ATB's three lines of defence.

The framework is designed to make ERM an integral part of our management practices and an essential element of our corporate governance. ERM is intended to manage losses to expected levels and to levels within ATB's enterprise risk appetite statement and regulatory constraints. Our framework recognizes that ERM is an iterative process that encourages and facilitates continuous improvement in decision-making across ATB.

Risk Identification and Assessment

ATB deploys a variety of approaches to identify risks and we assess risks using an evaluation methodology that considers both the severity of the risk and the likelihood of it occurring. Enterprise risks are further assessed for their impact to shorter- and longer-term objectives. Once the level of risk has been determined, the next step in the risk process is to determine how the remaining risk should be treated. Selecting the most appropriate risk treatment option involves balancing the costs of implementing each option against the benefits derived from the treatment.

Risk Monitoring and Review

Risk monitoring includes reviewing the effectiveness and appropriateness of the strategies and management systems set up to implement risk treatments and the risk management system as a whole. ATB engages in continuous monitoring through routinely measuring or checking particular parameters of a risk, as well as through independent inspections, including internal and external audits. An element of effective risk management is regular reporting on, for example, ATB's risk profile (in appropriately aggregated form), top and emerging risks, the effectiveness of processes and controls and the results of internal or external audits to senior management and the Board.

Scenario Analysis and Stress Testing

Scenario analysis is a tool that informs strategic planning by challenging "business-as-usual" assumptions. Stress testing, a form of scenario analysis, is indispensable to risk management. Through stress testing, ATB defines and analyzes severe but plausible scenarios that could have important consequences for the company. Senior management reviews enterprise-wide stress test results, uses the results to assess the appropriateness of capital levels and, where the impact of a stress test exceeds ATB's risk appetite, develops mitigating actions and alternative strategies.

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.

Credit Risk Governance

The objective of ATB's Credit Risk Management Framework is to clearly outline the governance responsibilities and processes related to the credit risk management program, including application of prudent underwriting standards similar to other Canadian financial institutions and deployment of portfolio limits that ensure diversification of our portfolios. As the owners of credit risk, EFS, ATB Business and ATB Wealth are accountable for credit decisions in adherence with approved policies, frameworks and operating procedures, including delegated lending authority. Credit risk management, part of ATB's Risk Management function, forms the second line of defence. This group provides oversight through the establishment of policies, frameworks, operating procedures and limits to independently evaluate and support recommended credit decisions provided by the AOEs and to continually monitor the overall credit risk level inherent in ATB's credit portfolio. Monitoring credit risk within the portfolio is performed independently from the credit decision process; it entails assessing ATB's credit risk level against defined credit risk thresholds, risk tolerances, risk appetite and industry peer group performance. The third line of defence is ATB's Internal Assurance department, which independently evaluates and reports on all stages and aspects of credit granting and monitoring.

We believe the three-lines-of-defence model adequately measures and mitigates credit risk exposures produced through daily lending and investment operations. This model has been used throughout the year, in addition to increased portfolio and individual-borrower monitoring, to ensure ATB remains aligned with the parameters of our credit risk appetite.

Credit Risk Management

ATB has a moderate appetite for credit risk, which we adhere to by pursuing lending strategies that balance risk and return and maintain an overall quality loan portfolio by applying prudent lending limits and practices. Our credit risk appetite requires that ATB's credit-granting operations:

- Only enter into lending activities in markets where we have the knowledge and processes in place to adequately manage risk.
- Manage individual client credit exposures so anticipated losses from a given borrower are below risk appetite maximums, unless in rare and unique circumstances.
- Maintain terms such as retention of collateral and adherence to debt covenants to minimize potential losses.
- Operate within the boundaries of prudent lending policies, with exceptions held to defined thresholds and provide reasonable oversight of the ongoing performance of loan assets.
- Maintain total loan losses within established tolerances.
- Maintain a diversified loan portfolio to the extent permissible within our legislative framework.
- Maintain a high-quality loan portfolio, with performance monitored against risk appetite tolerances and benchmarked against our chosen peer group.
- Maintain a level of portfolio quality and diversification that produces loss estimates from approved stress-scenarios that are below established targets.

During stress events, we manage the credit portfolio while considering ATB's risk appetite and continuing to apply prudent credit policies and portfolio management techniques. Although legislation largely restricts ATB's lending operations to the Alberta marketplace, we manage a diversified portfolio by way of:

- Policies and limits that ensure diversification across various credit borrower types, sizes and credit-quality levels.
- Policies that ensure the portfolio is not overly concentrated within a particular industry sector, common risk or related group of individual borrowers, credit product or loan type, operational loan origination channel or geographic region within Alberta.
- Out-of-province syndicated loan exposure limits permitted under the *ATB Regulation*.
- Retaining sufficient loss-absorbing capital for severe but plausible stress events.

In striving to balance loan growth against maintaining credit risk exposure and key performance indicators within acceptable parameters, we manage the credit risk inherent in both individual transactions and the overall portfolio. ATB believes that this dual approach to credit risk management and its alignment with our risk appetite, are essential to our long-term success.

ATB's credit risk management approach recognizes that ATB operates in an ever-changing economy and must manage and moderate the potential variability of credit losses over a full economic cycle. Current economic conditions have increased the degree of risk management analysis and monitoring with the following key operational actions supporting our strategy:

- Using validated credit score models for adjudication and behavioural monitoring.
- Having accurate estimation processes and models for establishing the allowance for loan losses.
- Back-testing and validating actual values to established forecasts to improve the accuracy of future results.
- Implementing early-warning systems to give management advance notice of changing risk dimensions in credit portfolio profiles and external lending environments.
- Monitoring key portfolio-risk indicators to actively maintain risk within the approved risk appetite levels or established management tolerances.
- Using stress-testing techniques to identify and understand the potential impact of credit-quality migration or loss-rate movements as a result of extreme economic events.
- Continuously monitoring to ensure ongoing compliance with ATB's risk policies, practices, appetite criteria and desired tolerances.
- Ensuring accountability for managing credit risk throughout ATB according to our three-lines-of-defence model.
- Voluntary compliance with the current OSFI *CAR* Guideline and, pursuant to this compliance, holding adequate regulatory capital to protect the institution from severe credit-related stress events.

ATB is developing the capability to incorporate climate change considerations into our broader credit risk strategy, including understanding the potential impacts that both climate change and the actions to mitigate climate change will have on our borrowers.

Counterparty Risk

Client counterparties are scrutinized through our regular credit risk management processes and financial institution counterparties are limited by policy to those with a minimum long-term public credit rating of A-low / A3 / A— or better. We also use credit mitigation techniques, such as netting and requiring the counterparty to collateralize obligations above agreed thresholds, to limit potential exposure.

Derivatives

The use of derivatives inherently involves credit risk due to the potential for counterparty default. To control this risk, we engage in various risk mitigation strategies through master netting and collateral agreements.

Within the parameters of our legislative and regulatory framework, ATB uses derivatives for managing our asset and liability positions and the risk associated with individual loan and deposit products offered to clients. We use several types of derivatives for this purpose, including interest rate swaps, futures and FX and commodity forward and futures contracts. We refer to these contracts as our corporate derivative portfolio.

ATB provides commodity, FX and interest rate derivatives to corporate clients, allowing them to hedge their existing exposure to commodity, FX and interest rate risks. We refer to these contracts as our client derivative portfolio. The client derivative portfolio is not used for generating trading income through active assumption of market risk but for meeting the requirements of ATB's corporate clients. ATB does not accept net exposure to such derivative contracts (except for related credit risk), as we either enter into offsetting contracts with other financial institution counterparties or, for foreign currency contracts only, incorporate them into our own FX position.

All derivative transactions are reviewed and managed within Board-approved policies, which outline the risk management requirements and standards for derivative transactions within ATB. ATB employs appropriate segregation of duties to ensure that counterparty exposure for the client and corporate derivative portfolios is managed and monitored within approved limits. Further, the market risk group monitors derivative positions and the Asset/Liability Committee (ALCO) reviews them monthly.

Credit Risk Measurement

ATB quantifies credit risk at the individual borrower or counterparty level, as well as the portfolio level. (See Notes 2(b) and 8 to the financial statements for further details.) Derivative exposure for ATB's corporate clients is measured using potential future exposure (PFE) for commodities and FX derivatives and PFE for interest rate derivatives. Both measures are calculated and monitored daily. We are generally not exposed to credit risk for the full face value (notional amount) of derivative contracts, only to the current replacement cost if the counterparty defaults.

Table 23: 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 March 31 *($ in thousands)*	**2022**	**2021**
Financial assets (1)	$ 55,474,217	$ 54,484,142
Other commitments and off-balance-sheet items (2)	20,639,189	19,588,699
Total credit risk	**$ 76,113,406**	**$ 74,072,841**

(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 24: Industry Concentration

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

		2022		**2021**
As at March 31 *($ in thousands)*		**Percentage of total gross loans**		**Percentage of total gross loans**
Commercial real estate	$ 6,412,423	13.8%	$ 6,166,027	13.6%
Agriculture, forestry, fishing and hunting	4,413,326	9.5%	4,095,938	9.0%
Mining and oil-and-gas extraction	3,808,056	8.2%	3,971,632	8.8%
Largest borrower	$ 123,662	0.3%	$ 200,000	0.4%

Table 25: Real-Estate Secured Lending (Insured and Uninsured)

Residential mortgages and HELOCs are secured by residential properties. The following table breaks down the amounts and percentages of insured and uninsured residential mortgages and HELOCs:

As at March 31 *($ in thousands)*			2022		2021
Residential mortgages	Insured (1)	$ 10,052,413	60.6%	$ 9,492,165	59.9%
	Uninsured	6,544,313	39.4%	6,341,645	40.1%
Total residential mortgages		**$ 16,596,726**	**100.0%**	**$ 15,833,810**	**100.0%**
Home equity lines of credit	Uninsured	$ 2,485,554	100.0%	$ 2,793,598	100.0%
Total home equity lines of credit		**$ 2,485,554**	**100.0%**	**$ 2,793,598**	**100.0%**
	Insured	**$ 10,052,413**	**52.7%**	**$ 9,492,165**	**51.0%**
Total	**Uninsured**	**9,029,867**	**47.3%**	**9,135,243**	**49.0%**

(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 26: Real Estate Secured Lending (Amortization Period)

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

As at March 31	2022	2021
Less than 25 years	94.4%	91.5%
25 years and above	5.6%	8.5%
Total	**100.0%**	**100.0**%

Table 27: 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 March 31	2022	2021
Residential mortgages	0.7	0.7
Home equity lines of credit	0.6	0.6

ATB performs stress testing on its RML portfolio as part of its 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 its RML portfolio under such scenarios to be manageable, given the portfolio’s high proportion of insured and low loan-to-value ratio mortgages.

Market Risk

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

Market Risk Governance

ATB's market risks are managed in accordance with policies and frameworks that outline risk management requirements, program governance and monitoring and reporting standards across the three lines of defence. ATB does not engage in market making, arbitrage or proprietary trading of commodities, equities or fixed income markets. The focus remains on servicing our clients' needs and managing the risk that arises from our clients' activities. ATB takes minimal market risk and instead aims to minimize volatility in earnings through various hedging activities.

As the second line of defence, ATB's market risk group provides control and oversight and reports to the ALCO and the Board's Risk Committee on ATB's market risk exposures against Board-approved limits. The ERM framework gives the Board's Risk Committee a view of the market risk profile compared to the approved market risk appetite. The Board reviews risk limits annually for interest rate gap, sensitivity of NII and enterprise value at risk.

Interest Rate Risk Management

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.

Asset and liability management risk exists due to differences in the timing and pricing of interest-sensitive assets and liabilities on our balance sheet and the need to invest non-interest-sensitive liabilities and equity in interest-earning assets. Risks arise from, among other factors, different timing of interest rate resets, varying use of floating interest rate reference indices, early prepayments or unexpected drawdowns or growth of loan balances and unanticipated changes in deposit balances.

The impact of changes in interest rates on ATB's NII depends on several factors, including size and pace of change in interest rates, size and maturity of the assets and liabilities and observed lending and deposit behaviour of our clients versus expectations. ATB uses derivative financial instruments such as interest rate swaps and other capital-market alternatives to manage our interest rate risk.

Asset and liability management encompasses the following tasks:

- Developing interest rate risk management policies and limits.
- Developing methods to measure, monitor and report interest rate risk.
- Managing interest rate risk versus approved limits.
- Measuring, monitoring and reporting interest rate risk exposure to the ALCO monthly and to the Board's Risk Committee quarterly.

Interest Rate Risk Measurement

ATB measures interest rate risk every month through three primary metrics:

- Interest rate gap measurement, which compares the notional difference or gap in interest rate repricings between assets and liabilities, grouped according to their repricing date.
- Sensitivity of NII to sudden increases or decreases in market interest rates, measured over 12 months.
- Sensitivity to the change in economic value due to changes in interest rates.

Refer to Note 22 to the financial statements.

Foreign Exchange Risk

FX risk is the risk of loss resulting from fluctuations in FX rates. This risk 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.

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 its 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 its Board-approved minimum limit as at March 31, 2022 and March 31, 2021.

Commodity Price Risk

Commodity price risk arises when ATB offers derivative or deposit products where the value of the derivative instrument or rate of return on the deposit is linked to changes in the price of the underlying commodity. As discussed in the Credit Risk section, we use commodity-linked derivatives to fully hedge our associated commodity risk exposure on these products. ATB does not accept any net direct commodity price risk. Refer to Note 10 to the financial statements.

Liquidity Risk

Liquidity risk is the risk that ATB may not meet all of its 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.

Liquidity Risk Governance

Treasury, acting as the first line of defence under supervision of the ALCO, owns and manages liquidity risk in accordance with policies and limits approved by the Board. Liquidity risk management authorities, such as executing transactions and setting limits, are delegated from the Board to senior management. ATB's market risk group, as the second line of defence, provides independent oversight of liquidity risk exposures, develops and recommends liquidity risk management limits and policies and provides reporting of ATB's liquidity risk profile relative to risk appetite to the ALCO and the Board's Risk Committee on a regular basis.

Liquidity Risk Management

The liquidity risk management policy and framework outline ATB's liquidity risk management requirements, set thresholds for liquidity risk metrics and delegate duties and responsibilities for managing liquidity risk. The policy and framework are designed to comply with global liquidity standards set by the Bank for International Settlements and adopted by OSFI in the *Liquidity Adequacy Requirements (LAR)* Guideline.

To ensure stable and well-diversified sources of funding, ATB determines and manages its liquidity needs using a wide range of financial products and borrowing programs.. Our activities can include:

- Using a variety of funding sources for liquidity, such as our retail deposit base.
- Encouraging growth in deposits from individuals, which provide a stable source of funding over the long term.
- Participating in Canadian financial markets through the GoA's consolidated borrowing program, which issues short- and medium-term notes.
- Maintaining holdings of highly liquid assets in proportion to anticipated demand.
- Establishing access to other sources of liquidity that can be obtained on short notice if additional funds are required.
- Maintaining a securitization program to raise funds.
- Monitoring and managing deposit concentration levels.
- Maintaining a liquidity contingency plan that clearly sets out the alternatives for addressing liquidity shortfalls in emergency situations whether caused by firm specific or generalized market-wide stress.
- Conducting stress testing to identify potential sources of liquidity strain.

Liquidity Risk Measurement

We measure liquidity through a series of short- and intermediate-term metrics including the liquidity coverage ratio (LCR), net stable funding ratio (NSFR) and net cumulative cash flow (NCCF) metrics defined in the OSFI *LAR* Guideline.

On March 31, 2022, the LCR was 129.0% (2021: 137.3%), above the Board-approved minimum limits.

We monitor and proactively assess ATB's current and forward-looking liquidity position under a variety of asset and liability changes. Baseline forecasts are considered, as well as plausible but unexpected stress scenarios that could lead to large variations in liquidity. Liquidity risk is measured and managed at each AOE, as well as at an aggregated enterprise level.

Table 28: Long-Term Funding Sources

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

	2022		2021	
As at March 31 *($ in thousands)*	**Long-term funding**	**Percentage of total**	**Long-term funding**	**Percentage of total**
Wholesale borrowings	$ 4,449,880	36.9%	$ 3,501,320	30.7%
Collateralized borrowings	7,611,233	63.1%	7,906,034	69.3%
Total long-term funding	**$ 12,061,113**	**100.0%**	**$ 11,407,354**	**100.0%**

Table 29: Contractual Maturities (On-Balance-Sheet Financial Instruments)

The table below provides the maturity of assets and liabilities, based on the contractual maturity date:

($ in thousands)				Term			
On-balance-sheet financial instruments	**Within 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Over 5 years**	**Total**
As at March 31, 2022							
Deposits	$ 35,360,861	$ 1,528,953	$ 276,544	$ 69,543	$ 82,535	$ 1,046	**$ 37,319,482**
Wholesale borrowings	2,350,000	249,880	-	350,000	700,000	800,000	**4,449,880**
Collateralized borrowings	1,262,310	1,717,630	1,636,998	1,046,305	1,215,456	732,534	**7,611,233**
As at March 31, 2021							
Deposits	$ 35,840,072	$1,144,558	$ 582,285	$ 106,182	$ 84,364	$ 927	**$ 37,758,388**
Wholesale borrowings	1,400,000	-	251,320	-	350,000	1,500,000	**3,501,320**
Collateralized borrowings	1,248,240	1,162,310	1,717,630	1,636,998	1,046,305	1,094,551	**7,906,034**

Table 30: Contractual Maturities (Off-Balance-Sheet Commitments)

Contractual maturities of certain off-balance-sheet financial liabilities are as follows:

($ in thousands)				Term			
Off-balance-sheet financial instruments	**Within 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Over 5 years**	**Total**
As at March 31, 2022							
Guarantees and letters of credit (1)	$ 976,258	$ -	$ -	$ -	$ -	$ -	**$ 976,258**
Commitments to extend credit (2)	19,662,931	-	-	-	-	-	**19,662,931**
Purchase obligations	117,248	68,068	36,733	29,147	21,793	44,123	**317,112**
As at March 31, 2021							
Guarantees and letters of credit (1)	$ 1,154,472	$ -	$ -	$ -	$ -	$ -	**$ 1,154,472**
Commitments to extend credit (2)	18,434,227	-	-	-	-	-	**18,434,227**
Purchase obligations	97,464	55,164	31,046	12,188	10,496	39,494	**245,852**

(1) ATB is called upon to satisfy a guarantee only when the guaranteed party fails to meet its obligations. ATB has recourse against the client for such commitments.
(2) Commitments to extend credit represent undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis. ATB does not expect all facilities to be drawn, and some may lapse before drawdown.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all of our business activities, including the processes and controls used to manage credit risk, market risk and other risks we face. It can cause monetary losses and reputational harm or result in legal action or regulatory sanctions. Examples of operational risks include risks associated with third-party performance, process failure, theft and fraud, errors or misrepresentation in our products, employment practices, workplace safety, regulatory non-compliance, business disruption and exposure related to outsourcing, model use and damage to physical assets.

During FY2022, ATB continued to be exposed to pandemic-heightened risks across workplace safety, model risk, business disruption and third-party vendors. ATB continues to carry forward practices defined at the height of the pandemic as appropriate and in line with provincial health and safety requirements.

Operational Risk Governance

ATB's operational risk policy outlines the risk management standards, expectations, processes and practices to conduct its business activities in a manner that does not expose the institution to a level of operational risk that exceeds the Board-approved risk appetite. The policy also establishes appropriate accountability for operational risk management across the three-lines-of-defence model.

Operational Risk Management

Operational risk management is achieved through the implementation and maintenance of the operational risk management program, which encompasses risk appetite, policies and supporting frameworks and a series of tolerances, processes, tools and controls deployed across ATB.

While operational risk can never be fully eliminated, we can manage it to reduce our exposure. We do so through a variety of techniques, including risk and control assessments, new initiative assessments, loss data collection and analysis, business continuity management, insurance and ongoing monitoring and reporting.

Third-Party Risk

The decision to engage in a relationship with a third party introduces risk to ATB's operations and reputation. While ATB may use third parties to support business activities, functions or processes, doing so does not reduce our risk management obligations. Third-party risk management consists of activities that identify the risks associated with third-party relationships and ensure appropriate controls and processes exist to manage and/or mitigate the risks associated with third-party relationships.

ATB manages third-party risk throughout the lifecycle of a third-party relationship. ATB requires third-party relationships to be documented as a duly executed and endorsed contract agreement that addresses all fundamental elements, terms and conditions of the business relationship. ATB has an appropriate third-party risk management policy, framework and processes. We conduct business activities in a manner that does not expose the institution to a level of risk that would breach our risk appetite.

Model Risk

Model risk is "the risk of adverse financial (e.g., capital, losses, revenue) and reputational consequences arising from the design, development, implementation and/or use of a model" (OSFI). A model is defined as a quantitative method, system and/or approach that applies statistical, economic, financial or mathematical theories, techniques and assumptions to process input data into quantitative estimates. Model risk can originate from, among other things, inappropriate specification; incorrect parameter estimates; flawed hypotheses and/or assumptions; mathematical computation errors; inaccurate, inappropriate or incomplete data; inappropriate, improper or unintended usages; and inadequate monitoring and/or controls.

Consistent with the operational risk management policy and framework, the three-lines-of-defence operating model establishes the appropriate accountability for managing model risk. Model owners, developers and users serve as the first line of defence, while the Model Risk Management (MRM) group within ATB's Risk Office is the second line of defence, and ATB Internal Audit is the third line of defence. The MRM group seeks to ensure models are robust, appropriate for their purpose and independently validated. To that end, the MRM group is responsible for oversight activities that independently identify, assess, monitor and report model risk on an enterprise basis. The MRM group provides a second line of defence challenge, timely vetting and model revalidation. First-line model owners, developers and users work with the MRM group on the design, development, deployment, maintenance and ongoing use and performance of quantitative models. ATB manages our risk of exposure to error from models through appropriate governance and controls and by ensuring it falls within acceptable tolerances set out in ATB's Board-approved risk appetite statement.

Fraud Risk

Fraud risk is an operational risk that arises from intentional deception, resulting in not only the potential for significant financial loss to ATB and our clients, but also significant exposure to reputational risk and regulatory action. It may be any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Uncertain economic conditions increase the incentives for fraudsters, and the pandemic has presented them with new avenues. ATB's participation in government-led assistance programs during the fiscal year may expose ATB to greater risk of fraudulent applications to these programs, which incur costs to identify and remediate.

ATB's fraud risk management activities align with relevant principles set out by the *ASFI Supervisory Framework* and OSFI's regulatory and supervisory practices and incorporate ATB's commitment to OSFI's three-lines-of-defence model. The model includes the design, development and maintenance of internal process and system controls to identify, assess, manage and monitor fraud risks. ATB's approach to fraud risk management is to ensure that effective processes, controls and metrics are deployed to manage fraud events and potential losses to levels within our Board-approved risk appetite.

Cybersecurity Risk

Cybersecurity risk is the risk of loss or potential loss related to technical infrastructure or the use of technology by ATB or its third parties (including unauthorized access to our clients' data). Cybersecurity risk can arise from a lack of training/awareness, vendor/supply chain vulnerabilities, lack of or ineffective compliance with cybersecurity controls, concentration of data and associated analytics, lack of resources/investment, external dependency management, poor change management controls and ineffective cyber-incident management and resilience.

Cybersecurity risk is not only an IT issue— it is an enterprise-wide risk that requires an interdisciplinary approach and a commitment to ensure that all aspects of the business are aligned to support effective cybersecurity practices. ATB's cybersecurity risk management focuses on building a sustainable and resilient approach to operating and managing risk for our team members, clients, infrastructure, assets and systems. Our sustainable approach includes the design, implementation, governance and regular assessment of policy, framework and corresponding controls aligned to industry best practice. ATB prioritizes investments and resources in our cybersecurity to reduce our exposures to acceptable levels in line with our risk appetite.

ATB invests in a multifaceted Cybersecurity Risk Management program, which contains a number of key pillars to address cyber-risk vulnerabilities and protect the assets of the organization and our clients against rapidly evolving cyber threats. Our cybersecurity efforts rely on highly skilled people, advanced tools and technologies and sound processes across the lines of defence. We assess individual initiatives for their impact on ATB's cyber-risk profile and consider how they will strategically advance the maturity of our defences. ATB has controls in place to prevent, detect and respond to cyber threats. and we regularly conduct assessments of our control environment against best practices and standards. To bolster ATB's resiliency in the face of cyber attacks, defence capabilities are extended through partnerships with well-established cybersecurity vendors and we provide mandatory cybersecurity awareness training to all our team members.

Regulatory Compliance Risk

Regulatory compliance risk exists if ATB does not comply with applicable regulatory requirements, including those in the *ATB Act, ATB Regulation*, associated guidelines and other laws, rules, regulations and prescribed practices applicable to ATB in any jurisdiction in which we operate. These include anti-money laundering (AML) and anti-terrorist financing (ATF) regulatory requirements and privacy regulatory requirements.

Mounting regulatory changes are significant and include, but are not limited to, those addressing payment modernization, consumer-directed finance (open banking), ESG and climate change, Basel III reforms and operational risk. These changes— along with the delivery of other government interventions in the financial sector (e.g., lending to individuals and businesses) and ongoing and increasing expectations of regulators and partners to assess and more tightly manage the risk profile— carry the risk of materially impacting ATB's capacity to deliver on our business plan and strategic priorities.

Failure to properly manage regulatory compliance risks may result in litigation, criminal or regulatory proceedings commenced against ATB, sanctions and potential harm to ATB's reputation. Financial penalties, judgments and other costs associated with legal and regulatory proceedings may also adversely affect ATB's business, results or financial condition.

Regulatory Risk Governance

ATB is exposed to regulatory compliance risks in almost everything we do, and we have established a program to proactively promote risk-based management of regulatory compliance risk through an enterprise-wide risk-based model.

ATB's codes of conduct and ethics outline the principles and standards that guide the conduct of every ATB director and team member. The Board's code sets the "tone at the top" for upholding the law, rules and regulations. The Board Chair is ultimately responsible for monitoring Board members' compliance with their code of conduct and ethics. Multiple Board committees, including Risk and Audit, oversee ATB team members' compliance.

The second line of defence maintains an enterprise regulatory compliance management policy, framework and relevant procedures to identify, assess and manage compliance risk in alignment with the Board-approved risk appetite. Regulatory developments are actively monitored by the regulatory compliance risk management group, which works with the first line of defence to implement required changes to systems and processes, to manage legal and regulatory compliance risks within risk appetite. Legal Services provides legal strategies and advice on the performance of legal obligations and manages litigation that involves or impacts ATB or its subsidiaries. Regular reporting is provided to senior management and the Board to ensure compliance stewardship.

Money Laundering and Terrorist Financing Risk

Money laundering and terrorist financing risk is the risk that ATB will be used as a conduit to launder money or assets derived from criminal activity or to fund terrorist activities.

ATB has an established AML/ATF program, including policies, frameworks, technology and procedures that appropriately identify, assess, measure and manage ATB's AML/ATF risks in a way that does not expose the institution to a level of risk that would exceed the risk appetite approved by the Board. The Chief Anti-Money Laundering Officer (CAMLO) is responsible for managing the AML/ATF program.

The AML/ATF risk assessment methodology identifies current and emerging money laundering and terrorist financing risks inherent in ATB's business activities and is designed to meet the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated regulations. The objective of the risk assessment is to identify the AOEs and clients that are at a higher risk for money laundering or terrorist financing activities. Applicable business units are responsible for the design, documentation and implementation of business unit–specific policies, procedures and controls to manage all AML/ATF obligations identified by the CAMLO and to manage and mitigate inherent money laundering and terrorist financing risks. The CAMLO provides business unit oversight, including ongoing monitoring efforts and enhanced due diligence.

Privacy Risk

Privacy risk is the risk of ATB not complying with privacy legislation (e.g., all applicable privacy laws and regulations) that is relevant to the products or financial services offered by ATB.

ATB adopts the three-lines-of-defence model to manage privacy risk and has implemented a corporate privacy policy, framework, procedures and privacy risk management controls to address privacy risk and safeguard personal information. The level of safeguards implemented is commensurate with the nature and sensitivity of personal information involved. The privacy landscape is dynamic, and regulatory expectations continue to evolve. ATB continues to adopt privacy guidelines, regulatory guidance and industry best practices to enhance our implementation of privacy controls. Senior management and the Board exercise oversight to evaluate and monitor the privacy program.

Environmental and Social Risk

ATB's performance in our material ESG initiatives, which includes our corporate social responsibility (CSR) commitments, can strengthen or weaken the trust that team members, clients and all Albertans have in ATB, impacting our ability to achieve our strategy and business objectives while realizing long-term value creation for our stakeholders. ATB's material ESG initiatives can be found under Stakeholder Engagement in the Sustainability section of this report, with their definitions and our approach to managing them in the following five sections: Client Obsession, People and Culture, Community Impact, Environment and Governance.

ATB considers climate-related risk to be a subset of environmental risk, and in 2022 our Board approved a climate risk appetite statement. ATB supports the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and management continues to evolve its approach to implementing the recommendations over the coming years.

Climate Risk

Climate risk (also "climate-related risks") is the risk of possible financial loss or reputational damage resulting from physical, transition and liability impacts of climate change. Significant climate-related risks are connected to ATB's key risk categories, including credit, market, liquidity, operational, regulatory and reputational risk.

Physical risks caused by events such as severe weather and longer-term shifts in climate patterns, such as chronic drought, may impact the performance of ATB or its clients directly, indirectly or through cascading effects. Transition risks are the financial and reputational risks to ATB and our clients stemming from the economic, political, legal and technology changes expected to occur as society transitions to a lower-carbon economy to address climate change. Liability risks relate to potential exposure to the risks associated with climate-related litigation.

Climate Risk Governance

ATB's Board of Directors provides oversight of key risks, including those affected by climate change. The Risk Committee assists the Board in fulfilling its responsibilities by overseeing management of key business risks within risk appetite, establishment of key risk management policies and compliance with regulatory requirements. The Audit Committee oversees financial reporting, including climate change–related disclosure. The Governance and Conduct Review Committee develops governance policies and procedures, including ATB's CSR policy.

The management of climate risk requires a multidisciplinary approach across the three lines of defence. ATB's Chief Sustainability and Legal Officer will lead the formalization of ATB's ESG strategy. In support of ATB's ESG strategy, and to ensure that ATB continues to prudently manage its key risks, ATB's Risk Management team will give consideration to the establishment of policies, processes and controls to support the identification and management of climate risk. ATB's Executive Risk Management Committee will set the overall direction relating to the integration of climate risk within our existing enterprise risk management activities.

Climate Risk Strategy

In 2021, ATB announced our dedication to "making it possible" for our clients, team members and communities across industries and perspectives. In a uniquely Alberta and ATB way, we are committed to ESG principles and to creating long-term value through our environmental, social, governance and economic considerations. In recognition of shifting stakeholder sentiment, ATB introduced a new sustainability lens into strategic planning and risk management during the year. Ongoing monitoring of regulatory requirements and scenario analysis results will continue to inform strategic planning in the years to come.

Climate Risk Management

ATB has been managing environmental and climate risk exposure for many years. Our CSR policy guides our practices to minimize negative environmental impacts, including:

- Adhering to all environmental practices set out in municipal, provincial and federal requirements.
- Identifying opportunities to invest in organizations working to steward Alberta's environment.
- Supporting sustainability through corporate banking expertise.
- Measuring and reporting on ATB's own environmental impact, while actively seeking to reduce the business's footprint.
- Conducting enterprise efforts focused on carbon footprint assessments and best practices.

In addition, ATB considers the impacts of borrowers' environmental liabilities in our existing credit risk assessment processes. In recent years, we effectively managed the impacts of physical climate risks on our portfolio due to forest fires, drought, early snowfall and severe flooding. By offering relief programs and working directly with impacted clients to arrive at a solution, we have sustained their operations while mitigating our risk of loss.

During the year, our climate risk management activities focused on building capabilities to effectively integrate emerging climate change considerations into our existing risk practices across all business lines, as well as asset and liability classes. We engaged with industry experts to gain knowledge and build internal expertise, and we developed a methodology to conduct scenario analysis. The methodology includes both physical and transition risks and uses internationally recognized climate change scenarios and models. In addition, our ATB Business Research team incorporated ESG criteria into its investment process for certain corporate sectors during the year. SASB standards were used as a basis of its ESG research and include an environmental assessment based on corporate disclosures.

The results of ongoing scenario analysis, combined with the continued development of a standardized climate change risk assessment for material sectors and borrowers, will continue to inform ATB's identification, assessment, management and disclosure of climate-related risks and further development of ATB's climate risk management program.

Metrics and Targets

ATB has an environment scorecard that tracks metrics related to our total carbon footprint, direct and indirect energy consumption and adherence to environmental standards in all new buildings and renovations. These metrics include fiscal-year targets and action plans. For more details, see the Environment Scorecard section of this annual report.

We are developing further methodologies to calculate the impact of climate change on ATB, including measuring our credit exposure to carbon-related assets and high-carbon sectors. We will also measure our funding contributions to renewable energy projects, such as wind, solar and hydrogen.

Ethics Risk

Ethics risk refers to the risk of negative consequences of decisions and/or actions by ATB that are perceived as unethical. Ethics risk results from the possibility that ATB's actions violate an ethical principle (either ours or others'). The primary effect of a violation of an ethical principle is a negative impact to our reputation, as discussed in Reputational Risk.

ATB manages ethics risk through our team member code of conduct, the availability of a whistleblower hotline, an ethics framework touching on specific aspects of ATB's operations and a strong tone at the top to reinforce ATB's shared principles. Mitigation efforts address many aspects of ATB's operations and include the highlighting of ethics issues in communications to team members, the implementation of proactive testing regarding the ethical use of AI and data and the tracking of key indicators for significant third parties.

Strategy Risk

Strategy risk is the risk of current or prospective adverse impacts to ATB's earnings, capital, reputation or standing arising from ineffective strategic decisions or lack of responsiveness to industry, economic or technological changes. Innovation risk is a subset of strategy risk and reflects the risk of ineffective business strategies/models associated with failing to adapt to changing client needs or having others deliver new ways of meeting those needs. Business execution risk is also an extension of strategy risk and arises from an inability to successfully execute on strategic plans and goals. Business execution risk can negatively impact ATB's capital, earnings, operations or reputation. Strategy risk addresses whether ATB is "doing the right things," whereas business execution risk addresses whether we are "doing things right."

Strategy Risk Governance

The Board has overall stewardship of ATB, oversees ATB's strategic direction, monitors ATB's performance in executing its strategy and meeting its objectives, oversees implementation of an effective risk management culture and actively monitors ATB's risk profile relative to its risk appetite. The Risk Committee monitors strategy risk on a regular basis.

The Executive Risk Management Committee reviews and discusses significant risk issues and action plans as they arise in the implementation of the enterprise-wide strategy.

Strategy Risk Management

ATB aims to reduce strategy risk by deploying a dynamic strategic planning process that considers our evolving environment and enterprise capabilities. On an ongoing basis, ATB assesses performance and considers top threats to our strategies and to the execution of the plan. ATB manages innovation risk by driving an innovative mindset in how we work, identifying and assessing disruptive scenarios that can impact ATB today and in the future and elevating our investment in processes, tools and channels to address disruptive risks. We mitigate business execution risk through process enhancements such as reimagining how we collaborate, adopting a continuous improvement approach to foundational processes and closely monitoring the realization of our strategic tactics in our business results. Additionally, key talent risk is managed through our focus on leading people and culture programs, building on ATB's commitment to putting people first and creating an undeniable reputation in the talent marketplace as being the place to work.

Reputational Risk

Reputational risk is the risk that negative stakeholder impressions, whether true or not, regarding ATB's business practices, associations, actions or inactions will or may cause deterioration in ATB's value, brand, earnings, liquidity, client base or relationship with its Shareholder. ATB takes reputational risk seriously and strives to build and maintain a solid reputation with stakeholders. We recognize reputational risk as a foundational risk that is impacted by all other risks to which we are exposed. As a result, effectively managing all other risks within ATB is critical to our management of reputational risk.

ATB proactively manages reputational risk in a number of ways, including adopting transparent communication with our clients, maintaining high standards of governance, reinforcing ATB's codes of conduct and ethics, providing clear direction through Board and management policies and consistently monitoring social and traditional media to identify and respond to potential threats to ATB's reputation.

Executive Compensation Discussion and Analysis

Compensation Philosophy and Principles

Our executive compensation philosophy is based on ATB's beliefs that a high-performing executive team who can advance the corporate strategy is a cornerstone of our organization, that our executives must have the opportunity to earn competitive compensation for talent relative to our market and that leadership development and succession planning are critical.

ATB's competitive total compensation policies and programs are guided by business and talent strategies used to attract, retain and motivate the talent needed in a highly competitive marketplace.

- Our total compensation approach aligns with strategic goals, desired culture and engagement of the enterprise for both short-term results and long-term success.
- Our compensation plans align with Shareholder expectations by creating ongoing financial value, business sustainability and client obsession.
- Our compensation practices and performance setting follow good corporate governance.
- Our compensation plans are transparent and support performance-differentiated pay within acceptable risk practices and tolerances.

In keeping with our compensation philosophy, and to ensure successful execution of the Path to 2030, our compensation policies and programs align with the following key principles:

- Leaders and team members focused on the success of the Path to 2030, including long-term sustainability and One ATB.
- Performance-differentiated pay—pay reflects performance.
- Alignment with the competitive talent market—target mid-market on total direct compensation (base plus short-term and long-term incentives). The combination of culture, opportunities for personal and professional growth, health and wellness benefits, pension and support of life beyond work differentiates ATB from the market.
- Simple, fair and transparent compensation programs.

We continually review the breadth and depth of information we provide about compensation. Our disclosure is aligned with our competitors, including other Canadian financial institutions. We believe this format provides a fulsome review of our compensation plans and the appropriate level of information regarding the compensation packages of our President and CEO, Chief Financial Officer (CFO) and the next three most highly compensated senior executive officers at ATB.

Compensation Governance and Alignment to Corporate Strategy

Board of Directors

Approves the compensation and benefits for the CEO. Approves annually the CEO's performance objectives. The Board Chair, in partnership with the HR Committee Chair, evaluates the CEO's performance against pre-established objectives and approves all CEO short-term and long-term incentive compensation. The CEO's base salary is set by the Lieutenant-Governor in Council of Alberta. The Board reviews the evaluation of the CEO's performance and the CEO's variable pay elements. Reviews compensation awards and performance information for other senior executive officers in light of ATB's results. Reviews and ensures appropriate pension governance policies and procedures are in place related to its obligations as a plan sponsor and administrator in accordance with applicable legislation and regulations. Accountable for ensuring that appropriate risk management and internal controls structures are in place and broadly establishing structures to ensure good governance.

Human Resources Committee

Recommends to the Board of Directors to approve compensation and benefits for the CEO. Recommends annually to the Board of Directors to approve the CEO's performance objectives. The HR Committee Chair, in partnership with the Board of Directors Chair, evaluates the CEO's performance against pre-established objectives and approves all CEO short-term and long-term incentive compensation. The HR Committee reviews the evaluation of the CEO's performance and CEO's variable pay elements. Also reviews the compensation, benefits and performance assessment of executives who report directly to the President and CEO, are named executive officers or are designated officers. Approves total rewards strategies, compensation philosophy and principles, management's report on compensation disclosure, executive severance guidelines, pension plan risk management statement and governance structure, significant matters including funding and investment policies, and actuary reports. Recommends to the Board of Directors to approve new or material changes to enterprise-wide compensation and benefit plans.

Management

Provides recommendations on strategies, plans and programs for consideration by the HR Committee, including compensation programs, executive severance guidelines and pension plan. The CEO approves executive compensation, benefits and performance assessments for the top executives in the organization and presents this information to the HR Committee for review. Management utilizes the Compensation Executive Steering Committee (CESC) [1] to formulate recommendations for the HR Committee on matters pertaining to compensation philosophy and principles, management's report on compensation disclosure and new or material changes to enterprise-wide compensation and benefit plans. Management also reviews the Chief Risk Officer's (CRO's) annual report addressing alignment of risk appetite and compensation practices. The CESC approves the non-material compensation framework and design changes based on alignment to strategic business direction, expert advice and/or third-party market data and oversees the ongoing administrative requirements associated with compensation.

(1) The CESC meets quarterly, at a minimum, and includes the President and CEO, CFO, CRO, Chief Experience Officer and Chief People Officer. The Chair of the HR Committee of ATB's Board of Directors may observe with the intent to serve as a mentor for the committee.

ATB's compensation philosophy and established principles guide the design of our compensation programs. Executive goals reflect the journey to executing on our strategy and achieving the right results in both the short and long term. Emphasis is on performance-driven incentive pay, especially for outstanding executive leaders and performers. We believe our compensation programs support the right balance of acquisition and growth of critical executive talent that is required to deliver on ATB's corporate strategy.

Compensation Risk Management

Alignment With Risk Appetite

Risk awareness and mitigation are integrated into business planning, objective setting and governance—all of which influence the executive compensation program. The CFO and CRO ensure performance expectations align with our articulated risk profile and appetite. When setting goals, performance targets and compensation trajectories, ATB considers evolving risks such as market conditions, demographic shifts and regulatory standards. The Board of Directors approves all corporate performance targets. The setting of relevant performance objectives supports a clear line of sight to teams, AOEs and organizational goals, as applicable, without promoting excessive risk-taking. We aim to ensure compensation aligns with the short-term interests and long-term sustainability of our organization and Shareholder interests. The Risk Committee of the Board and the Board of Directors receive quarterly updates on risk performance relative to risk appetite, compliance with risk management policies, compliance with regulatory requirements and ATB's financial performance across the organization.

Annual Compensation Risk Assessment

Annually, the CRO conducts a compensation risk assessment, providing highlights to the Risk Committee and HR Committee. This assessment gives consideration to compensation plans—focusing on incentives, performance objectives and results, and adequacy of governance practices relative to ATB's risk appetite, Financial Stability Board principles and industry practices. Based on this assessment, the CRO may recommend an adjustment to an executive's incentive compensation, for consideration by the CEO, HR Committee and Board of Directors, as applicable. The CRO's FY2021-22 assessment did not identify any material issues affecting the overall integrity of ATB's compensation system.

Variable Compensation Forfeiture and Clawback

ATB's Executive Variable Compensation Forfeiture and Clawback Policy allows the Board of Directors to require, in specific situations, the reimbursement and/or forfeiture of incentive compensation awarded to named executive officers (NEOs). The policy assists in effectively balancing risk and reward for ATB from a compensation perspective. Variable compensation is any incentive pay earned for objective achievement, including but not limited to short-term incentives (STIs) and long-term incentives (LTIs)—subject to a two-fiscal-year look-back period. The CRO's annual compensation risk assessment supports the policy by reporting on material risk events and weaknesses to aid the HR Committee and Board in determining if forfeiture and clawback action should be taken.

The policy covers two types of material risk events: financial restatement and intentional wrongful acts. Wrongful acts include misconduct, theft, embezzlement, fraud or other malfeasance or misfeasance. In the event of financial restatement, the Board will conduct an independent review of the circumstances leading to the restatement. If the Board determines the restatement was due to an intentional wrongful act by one or more NEOs, the Board shall claw back or cancel some or all of the variable compensation awarded. If the Board determines the restatement was not due to an intentional wrongful act by one or more NEOs, the Board may at its discretion claw back or cancel some or all of the variable compensation awarded. In the event that the Board determines that an NEO committed an intentional wrongful act, regardless of whether a restatement has occurred or may occur, the Board will claw back or cancel some or all of the variable compensation awarded to that particular NEO.

ATB's LTI and STI plans that apply to executives, in addition to the NEOs, have provisions that provide for full forfeiture of outstanding and previously awarded but unpaid compensation, in the event of executive termination with cause. These plans also have provisions to correct any unpaid variable compensation values for all executives in an instance of material financial restatement.

Alignment With Shareholder Expectations

ATB's compensation is designed for the competitive financial services market in which we operate, to attract and retain talent while demonstrating alignment with the GoA's core compensation principles. These core principles require that compensation reflects a commitment to public service, diversity and inclusion; is fair and consistent; is transparent to Board members, employees and the public and is fiscally prudent. Under Alberta's *Reform of Agencies, Boards and Commissions Act*, ATB's executive compensation is reviewed by the GoA.

Independent Compensation Advice

ATB's HR Committee and management engage with independent advisors to provide external insight related to executive compensation best practices and market trends. The advisors offer specialized expertise relative to compensation philosophy, governance, design, and policy and performance measurement and assessment. In the early part of FY2022, Hugessen Consulting provided advice to the HR Committee related to ATB's short-term incentive plan payout for FY2021. In FY2022 Mercer (Canada) Limited advised management on executive compensation market benchmarking and structure, including benchmarking of incentive plans and pension, health benefits and perquisites. Hugessen Consulting provided an opinion for the HR Committee on Mercer (Canada) Limited's executive compensation insights and management's subsequent recommendations. In FY2022, Mercer also provided services to ATB for non-executive compensation matters.

Fiscal year billed	Independent advisor	Executive compensation-related fees	Other fees	Total	Grand total
2022	**Hugessen Consulting**	**$44,802**	**$3,233**	**$48,035**	
	Mercer (Canada) Limited	**151,575**	**2,484**	**154,059**	**$202,094**
2021	Hugessen Consulting	$44,131	$4,050	$48,181	
	Mercer (Canada) Limited	-	526,332	526,332	$574,513

Compensation Comparator Group and Market Positioning

To ensure executive compensation and practices that are aligned with the market, ATB benchmarks regularly against other organizations in the financial services industry. In FY2022, ATB retained executive compensation consulting expert Mercer (Canada) Limited to review ATB's benchmarking approach and comparator selection criteria, with an objective to better align with ATB's Path to 2030 and mandate. The resulting Board-approved executive compensation comparator group includes national and/or dominant regional private industry banking and financial services companies headquartered in Canada. ATB competes with these comparators from both a client and talent perspective. These organizations are generally one-third to three times ATB's revenue.

Executive Compensation Comparator Group

Canadian Western Bank	HSBC Bank Canada
CI Financial Corp.	IA Financial Corporation Inc.
E-L Financial Corporation Ltd.	IGM Financial Inc.
Equitable Group Inc.	Laurentian Bank of Canada
Fédération des caisses Desjardins du Québec	National Bank of Canada
First National Financial Corporation	Servus Credit Union Ltd.
Home Capital Group Inc.	

ATB's compensation philosophy is to position total compensation for each executive at the median (50th percentile) of our compensation comparator group, when results meet expectations. The size, scope and complexity of the comparator organizations and their NEO roles are considered when benchmarking ATB's NEO compensation. We ensure competitive compensation aligned with the market while taking into consideration the experience of each ATB incumbent.

Elements of Executive Total Direct Compensation

ATB's executive *base* salary is designed to pay at the middle of the market. Our *total* direct compensation, which includes base pay and short- and long-term incentives, is designed to pay a mid-market rate, reflecting target-level performance. The actual compensation received by an executive may be above or below mid-market because it reflects their relative performance.

Executive Total Direct Compensation

Element	Description	Why we provide it	How it aligns with external market comparators
Base salary	Fixed component	Reflects the complexity and value of job responsibilities and the executive's demonstrated skills, experience and job performance	Median, based on performance and internal equity
Short-term incentive	Variable component	Motivates and rewards performance relative to predetermined goals in the current fiscal year's business plan	Median, based on performance
Long-term incentive	Variable component	Incentivizes and rewards for achieving success in executing strategic objectives that create value and long-term sustainability. Granted as a three-year deferred incentive to align with future organizational performance.	Median, based on performance

Base Salary

Our base salary is designed to ensure that individual pay reflects the value and accountabilities of the position. The market reference point for each NEO is set at a competitive rate based on the median from within our comparator peer group, adjusted to reflect differences in scope and scale of the comparator market. The base salary of each NEO is determined by position, their sustained performance, strategic value and complexity of role, internal equity and market competitiveness for the role. The CEO's base salary is set by the Lieutenant-Governor in Council of Alberta. The base salaries of the other NEOs are set by the CEO and reviewed with the HR Committee of the Board.

Short-Term Incentive

STI is the component within the executive compensation program that rewards performance relative to pre-established goals over one year. STI is not guaranteed and is designed to:

- Create executive alignment with the achievement of annual business plans.
- Focus executive performance on achieving objectives at the enterprise level and area of expertise or strategic support unit level.

In FY2021, ATB used a significantly simpler STI approach due to the instability of the economic environment. In FY2022, ATB implemented a new performance enablement system and Enterprise STI Plan (STIP). Together, these improve team member experience, elevate performance and performance-differentiated pay and enable performance objectives to be more tightly aligned to business strategy. The executive STIP mirrors the broader enterprise plan. The plan is funded based on enterprise-level results, with distribution of the funding based on AOE or SSU and individual performance, with an opportunity for Board discretion.

Enterprise performance, to fund the plan, is measured using an enterprise scorecard with Client-Obsessed Value (COV), two distinct risk modifiers and Board discretion. As the predominant driver of financial performance, net income before provisions (NIBP) (for STIP) was weighted at 70%. COV was weighted at 30%, as a measure of the value generated from our clients, adjusted for how well we are meeting their needs. Each metric's result is assessed relative to the target in ATB's Board-approved business plan or budget and a threshold level of performance achieved to generate funding.

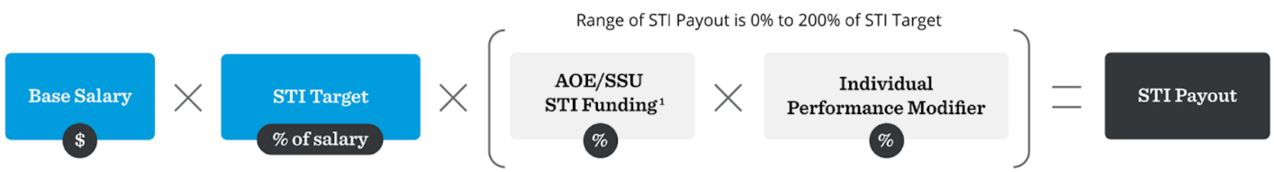
The objective of the risk modifiers within ATB's STIP is—in addition to financial performance and client experience—to correlate the impacts of risk management on the level of the incentive funding. The enterprise scorecard result may then be modified by up to 20%—positively or negatively—based on LLP management, which measures ATB's performance relative to peers and risk appetite. Then, a second modifier of up to 20% may be applied negatively, based on capital and liquidity levels relative to the risk appetite statement. The STIP will not be funded in the event of a breach of a Common Equity Tier 1 (CET1) and LCR regulatory floors.

The Board, in its discretion, may apply a qualitative adjustment to the plan's preliminary funding rate, resulting in the final plan funding. This qualitative assessment may be based on extraordinary and unforeseen circumstances.

Each AOE and SSU will share in ATB's success, as distribution of enterprise funding to AOE/SSUs is based on relative performance against predetermined and calibrated AOE/SSU scorecard results. The AOE/SSU scorecards have common metric dimensions to ensure a consistent and fair measure of performance and also include AOE/SSU–specific metrics designed to reflect the unique contribution that each AOE/SSU makes to realize the enterprise targets. Scorecard dimensions are: enterprise, financial, operational, client, risk management and human capital management. The specific metrics within each scorecard dimension are reviewed annually and may change to reflect the current fiscal year's business plan. Each AOE and SSU's STIP funding is determined by assessing metric performance results to targets, in combination with the weighting of each metric and within the context of the success of other AOE/SSUs.

The target award for each executive reflects a percentage of base salary. AOE/SSU funding and individual performance—including delivery on their respective AOE/SSU Operating Plan—differentiate the STI award for each executive. The maximum payout for high performers is 200% of STI target.

The STIP includes forfeiture provisions, to adjust or rescind unpaid awards in the case of termination of employment for cause and to align with the corrected financial results due to a material accounting restatement. No adjustments were required in FY2022.



(1) Determined by Enterprise STIP funding and distribution of funding based on AOE/SSU STI scorecard results.

Long-Term Incentive

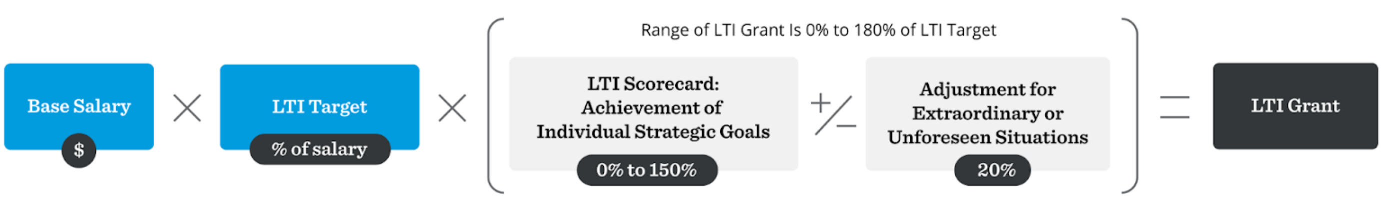
LTI rewards the successful execution of strategic performance and risk objectives over the longer term that create value and sustainability for the organization. LTI grant targets are expressed as a percentage of base salary. LTI strategic objectives are set annually by the leader of the executive. In the case of the CEO, the Board of Directors sets the strategic objectives. LTI grants, awarded annually, range from 0% to 150% of the grant target, based on the executive's success in achieving their strategic objectives. The resulting grant can also be adjusted upward or downward by a discretionary component of no more than 20% for any extraordinary or unforeseen situations. This creates an overall maximum of 180% of the target.

Determinations to adjust a grant above or below target are made by the HR Committee for the CEO. For other senior executives and designated officers, the determination of grants are reviewed with the HR Committee and approved by the CEO. A senior executive who is awarded an LTI grant greater than 100% of target has the option to keep the above-target portion in the plan or receive payment of that portion within 100 days of the fiscal year-end for which it is granted. If the above-target portion remains in the plan, the grant appreciation formula and other conditions and requirements apply. However, senior executives subject to United States taxation will be paid the above-target portion of their grant within 100 days of the end of the fiscal year in which it is granted; they will not have the option to leave the above-target portion of the grant in the program.

LTI grants vest (i.e., mature) over three years and appreciate or depreciate annually based on actual risk-adjusted return on capital (RAROC) performance measured against a RAROC target and an appropriate hurdle rate, which the Board of Directors sets in advance of each grant. When the fiscal-year-end RAROC meets or exceeds the target, previously awarded grants will appreciate by an amount equal to the actual RAROC attainment less the hurdle rate, to a maximum of 20% appreciation per year. Grants can depreciate by up to 30% each year when the fiscal-year-end RAROC is 50% or less of the target. When a grant matures, the current value, including appreciation or depreciation over the three-year grant term, is paid out.

The LTI plan includes forfeiture provisions to adjust or rescind previously awarded unpaid grants, and/or appreciation or depreciation—in the case of termination of employment for cause or to align with the corrected financial results due to a material accounting restatement.

In FY2022, ATB engaged Mercer (Canada) Limited to conduct a review of our Enterprise LTI plan. As a result, ATB will require all grants, including the above-target portion of a grant, to vest for three years and will be adopting a new approach to determining grant appreciation and depreciation for grants awarded for FY2023 performance and beyond.



Key Performance Indicators Driving Incentive Results

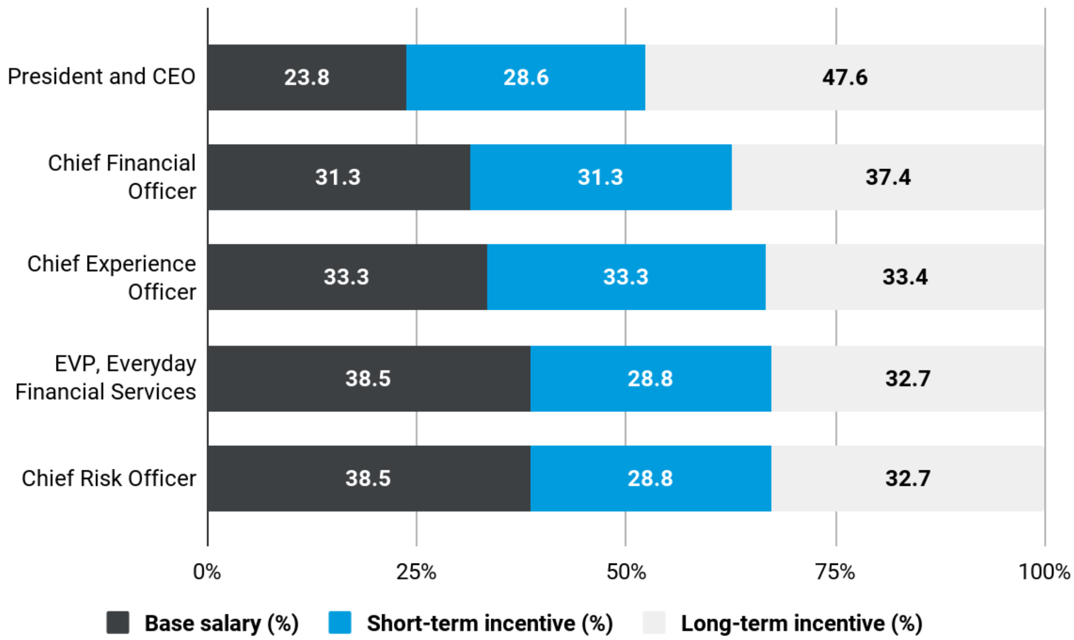
ATB's executive STI and LTI plans include annual objectives for the following performance metrics.

Net income before provisions (NIBP) (for STIP)	• Measures enterprise net income before payment in lieu of tax, provision for loan losses, short-term incentives and exceptional expenses and/or revenue • Aligns with ATB's strategic growth strategy
Client-obsessed value (COV) score	• Helps ATB grow in a way that delights clients by measuring the value generated from our clients (Economic Total Revenue, ETR) adjusted for how well we are meeting their needs (Client Obsession Index, COI) • Takes a holistic view of ATB clients across all products and AOEs and surveys their experience with ATB • Aligns with ATB's client experience, expert advisory services and digital platform strategies
Management of the provision for loan losses (LLP) modifier	• Measures how effectively ATB has managed LLP based on two factors: 1) expected losses as a portion of our total loan portfolio, compared to risk appetite, and 2) a set of quantitative measures to gauge ATB's loan loss performance relative to designated peers • Impacted by minimizing high risk and impaired loans through prudential underwriting, deployment of early intervention strategies, reducing levels of impaired loans and retaining strong client relationships while pursuing quality growth • May positively or negatively modify STI funding
Other risks modifier	• Assesses capital and liquidity levels relative to risk appetite • May negatively modify STI funding
Risk-adjusted return on capital (RAROC)	• Measures NI divided by risk-adjusted capital, where NI takes a long-term view of ATB's provision for loan losses across the economic cycle, rather than using the fiscal-year provision for loan losses • Takes a longer-term view of the value that ATB is producing so as to not overly reward or punish management for short-term economic volatilities

Target Total Direct Compensation Mix

The relative combination of base salary and incentive pay varies depending on market practice and the level of accountability for each role. In general terms, the more senior an executive, the greater the portion of their variable incentive pay in the form of STI and LTI.

The following graph represents the target total direct compensation mix of each of the top levels within our executive compensation structure. A significant portion of this compensation is "at risk" in order to motivate and reward executives for creating value for the Shareholder.



Beyond Cash for Executives – The Total Rewards Perspective

ATB's total rewards program includes cash compensation (base salary, STI and LTI) for executives, a flexible pension plan and a flexible health and wellness benefit plan. Non-monetary benefits include learning and development, recognition and programs promoting a healthy and balanced lifestyle.

Flexible Pension Plan

ATB's Flexible Pension Plan (FPP) for management and executive team members, excluding the President and CEO, is an innovative plan design focused on total wealth and financial wellness. It has a core employer contribution to a defined-contribution (DC) pension plan with a flexible employer contribution that is directed, based on personal preference, into retirement savings (DC pension plan or registered retirement savings plan, RRSP), debt reduction through mortgage repayment or a registered education savings plan. In addition to the core and flexible employer contributions, executives can also voluntarily contribute up to 6% of their pensionable earnings to the DC plan. ATB matches voluntary contributions up to 4% of the plan participant's pensionable earnings.

For any FPP participant whose annual pension contributions exceed allowable maximums under the *Income Tax Act*, excess amounts are allocated to the notional supplemental plan (NSP)—a non-registered plan that provides notional DC benefits that cannot be provided within the FPP due to income tax restrictions.

Benefits

ATB's executives and their families participate in the same benefits program as all other team members, providing security and contributing to their quality of life. The program provides all participants with core benefits and ATB-provided flexible benefits credits, which can be used to "purchase" from a variety of levels of health, dental, insurance, vision and prescription drug coverage based on family status and need. All participants have a health spending and wellness account and can use their flex credits to top up either account. All of these benefits are measured and benchmarked in line with the total rewards programs to ensure that ATB remains competitive with comparable organizations.

As another step in mitigating risk and investing in the holistic health of our senior executives, we encourage these critical leaders to participate in an annual comprehensive health assessment and in the LifePlus and Best Doctors programs, which feature expert medical care that includes around-the-clock virtual care and complimentary services.

Eligible executives also receive an annual perquisite allowance, in the form of a flat dollar amount, in lieu of ATB providing individual perquisites such as car allowances and club memberships. The amounts provided are reviewed regularly to align with the competitive offerings in the market.

Wellness

ATB's Total Health strategy puts people first by recognizing holistic health as the support system for exceptional performance, which enables our team members to deliver on our promise of client obsession. We create consistent and easy-to-understand language, concepts and actions that build on the pillars of physical, mental, social and financial wellness. Our efforts are inclusive and accessible to all team members. We leverage an internal network of wellness champions across the enterprise who model and encourage participation.

Annual mental health campaigns include Mental Health Awareness Week and National Depression Screening Day, supported by organizations with mental health expertise, such as the Canadian Mental Health Association and the Mental Health Commission of Canada. To support foundational resilience, ATB has engaged with Headversity—an app-based, self-directed coaching program—and an online employee and family assistance program called Inkblot, which provides mental health therapy, coaching support and access to a mental health crisis line.

ATB has fostered a strong partnership with the Mental Health Commission of Canada to deliver consistent training. The Working Mind assists ATB leaders and team members with managing mental health issues, reducing stigma and building confidence in having conversations about mental health, using the mental health continuum as a guide.

Leadership Development

Leadership development is directly linked to succession capability and organizational success. Leadership at ATB is defined by the Leadership system and development framework, which outlines the why, what and how of leadership at ATB. The leadership framework comprises a set of practices that clearly outlines the expected leader capabilities and skill required to successfully deliver on our Path to 2030 and purpose. Through the lens of this framework, we recruit, assess, develop and progressively advance leaders at all levels in the organization, including executives. Our intentional focus on development creates a pipeline of capable internal successors who not only know our business, but live our culture.

Succession at ATB is focused on our future leadership needs and includes a talent review that identifies leaders with the potential and desire to become executives. Success relies on our ability to anticipate and plan for change, critically assess our talent and develop successor capabilities for greater responsibilities. We actively develop leaders, including our executives, through a number of internal and external avenues. We've built an internal leadership community that promotes connections across the entire organization and engages leaders in unique experiences that enhance their understanding of enterprise governance while advancing their own leadership capabilities. We selectively invest in key executives' growth with independent developmental assessments and provide coaching through a roster of internal and external professionals.

Banking Products and Services

As a financial institution, we expect team members to use ATB products. We encourage them by offering preferred interest rates and fees for everyday banking, mortgages, loans, credit cards, foreign exchange and lines of credit. ATB has a team of experts who specialize in team member banking needs and offer focused and personalized service to help our team members reach their financial goals. As proud consumers of ATB's banking products, team members refer friends, family and other potential clients; we know firsthand that ATB provides great experiences and is reimagining banking. Advocacy is a key component to driving business success.

2021-22 Performance and Executive Compensation

Key Performance Indicators Driving Incentive Results

Metric	Threshold	Target	Maximum	Performance	Metric attainment
NIBP (for STIP) *($ in millions)*	$ 527.5	$ 620.6	$ 682.7	$ 654.0	Above target
COV score *($ in millions)*	736.3	866.2	952.8	905.1	Above target
Management of LLP modifier	(20.0)%	Neutral	20.0%	Neutral	At target
Other risks modifier	(20.0)%	Neutral	Neutral	Neutral	At target
RAROC	7.1%	14.1%	28.0%	14.5%	Above target

The first two financial and operational performance metrics above have a material weighting in determining STI awards for the CEO and other executive officers. ATB's FY2022 results include:

- Above-target NIBP (for STIP)—attributed primarily to growing our other income from wealth management, service charges, card fees and net gains on securities.
- Above-target COV—attributed to above-target ETR and below-target COI results. Record-setting total revenue—above the previous record set in FY2020-21—yielded strong ETR. COI results were below target, underscoring the need to *make it possible* for our clients by increasing functionality in digital spaces and improving response and processing times. ATB remained committed and focused on putting our clients first by keeping them safe at our ATB locations, bringing relief programs to Albertans and Alberta businesses and leveraging our community influence to sustain economic and social interests in Alberta.

The management of LLP and other risks were also performance measures impacting the STI awards for NEOs. LLP comprising net write offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans saw a significant recovery. This reduction reflects economic improvements, the effectiveness of early intervention strategies and the health of our loan portfolio, as we progress through the recovery stage of the pandemic. ATB engaged proactively with clients to offer sound advice and services that support client financial resiliency. As a result of these activities, ATB recorded a significant recovery in loan loss provisions and materially improved its provisions relative to peers. CET1 and LCR were managed within risk appetite, above the Board-approved minimum limits.

This year's LTI awards for ATB executives are a direct result of the progress made on individualized strategic objectives that provide long-term value to our Shareholder. The value of LTI grants that are still maturing has increased based on our above-target performance on RAROC. This appreciation signals both ATB's alignment to our risk appetite and appropriate levels of return relevant to risks taken.

Profiles, Performance and Compensation Awarded to Named Executive Officers

Curtis Stange

President and CEO

Curtis believes in the art of the possible and works alongside 5,000 team members as the President and CEO of ATB Financial, where each day provides a chance to uplift the legacies and livelihoods of more than 810,000 clients.

With courage, disciplined thought and precise action, Curtis is leading his team through one of the most challenging economic cycles in recent history. An inquisitive nature and a desire to know the people and places around him have inspired Curtis to look beyond his organization's day-to-day operations to the external forces shaping ATB Financial's reality over the long term. He believes this will allow the organization to react and respond competitively and have a strong position in the future of banking.

With more than 30 years of experience in financial services, touching every major Canadian province, Curtis is also a Stanford alumnus and member of the Alberta Business Council, the Canadian Chamber of Commerce Western Executive Council and the Government of Canada's Sustainable Finance Action Council. He also serves on the Edmonton International Airport and Visa Canada advisory boards, as well as on the STARS Air Ambulance board.

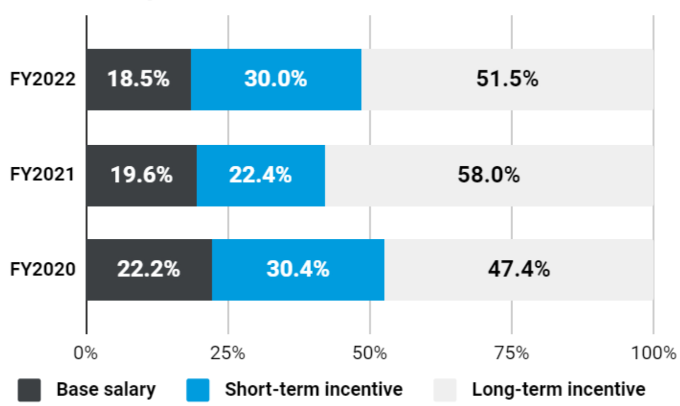
Fiscal-year performance highlights

- Positioned ATB for a competitive future and was recognized globally as one of the Top 50 Financial Technology CEOs of 2022 by the Financial Technology Report for leading the way technology enhances and automates the delivery of financial services.
- Advocated for Alberta and showed up as a key player in the ESG space through the Government of Canada's Sustainable Finance Action Council and the Canadian Chamber of Commerce Western Executive Council.
- Invested in ATB's culture, pledging to become an organization more deeply rooted in diversity, inclusion and belonging. By fostering a psychologically safe workplace, ATB was awarded for Best Workplaces for Giving Back, for Inclusion, for Women and for Mental Wellness.
- Grew the economic value of ATB through much economic and global unsteadiness, including achieving an all-time record net income of $586.4 million for the organization.

Actual total direct compensation

($ in thousands)	**Base salary**	**Short-term incentive**	**Long-term incentive**	**Total direct compen-sation**
FY2022	**$ 500**	**$ 810**	**$ 1,390**	**$ 2,700**
FY2021	500	570	1,481	2,551
FY2020	500	684	1,066	2,250

Actual compensation mix



Dan Hugo

Chief Financial Officer

Dan is a highly accomplished financial-service executive and corporate officer who has spent significant time in senior leadership with companies such as Bank of America, Capital One and Ernst & Young. He is actively involved with the fintech community and was a part of eBay at the height of the internet revolution.

Dan has established a reputation as a sage business advisor who strategically balances stakeholder needs with those of the business. In his 30 years of experience, he has gained an expert knowledge base in financial/commercial business operations, financial planning/reporting, forecasting, expense management, corporate development and strategy. Dan has a proven track record of growing businesses and finding innovative solutions to modern-day business challenges. His day-to-day mantra is to make today better than yesterday and tomorrow better than today and to impact people's lives positively and authentically.

Originally from South Africa, Dan is a Chartered Accountant (CA, South Africa) and a Certified Public Accountant (CPA, USA) and currently sits on the Board of Governors for NorQuest College and the Board of Directors for the Edmonton Humane Society.

Fiscal-year performance highlights

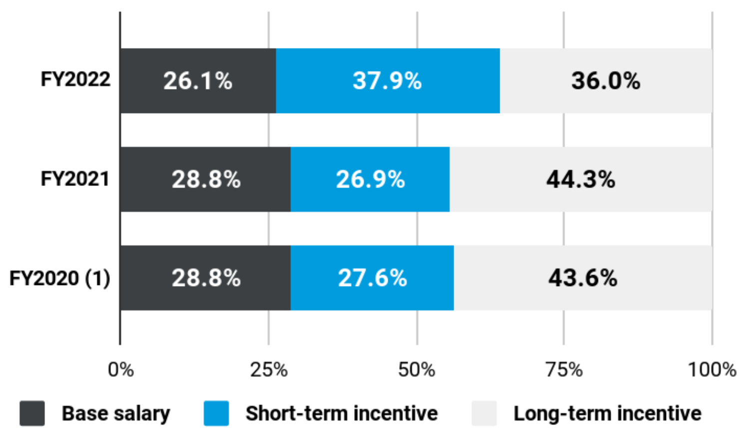
- Guided ATB to record net income of $586.4 million. Including payment in lieu of taxes and deposit guarantee fee, ATB contributed just over $820 million to the Government of Alberta.
- Provided guidance to help ATB increase its total revenue to $1.9 billion, an increase of 7.1% compared to the prior year. The revenue growth was well diversified between net interest income and other income.
- Led ATB to be one of only a few Canadian financial institutions that was able to increase net interest margin during the pandemic.
- Managed expenses prudently, resulting in a consistent efficiency ratio compared to prior year.
- Built a safe and sound balance sheet and increased capital to the highest levels in ATB's history.

Actual total direct compensation

($ in thousands)	Base salary	Short-term incentive	Long-term incentive	Total direct compen-sation
FY2022	**$ 375**	**$ 545**	**$ 518**	**$ 1,438**
FY2021	375	352	579	1,306
FY2020 (1)	87	83	131	301

(1) Dan Hugo joined ATB as CFO on January 6, 2020. The amounts shown for FY2020 represent only a partial fiscal year.

Actual compensation mix



(1) Dan Hugo joined ATB as CFO on January 6, 2020. The amounts attributable to the percentages shown for FY2020 represent only a partial fiscal year.

Chris Turchansky

Chief Experience Officer

ATB's Chief Experience Officer, Chris Turchansky, has spent his 25-year career in financial services filled with a passion for clients having access to advice and solutions that support their financial goals and enhance financial literacy. That passion has fuelled his 17-year journey at ATB, from early roles as an advisor and regional manager, to managing director, to President of ATB Wealth, to his current role as Chief Experience Officer.

Chris understands the need to put the client at the centre of everything we do at ATB and that an exceptional client experience starts with amazing team members. Team members who take the time to engage clients with intense curiosity, serve with deep expertise, build and maintain trust and deliver value create a company that is obsessed with our clients.

Chris holds a Commerce degree from the University of Alberta and an MBA from Athabasca University and earned his Chartered Financial Advisor (CFA) designation. He is involved with the Hockey Alberta Foundation and the Portfolio Management Association of Canada.

Fiscal-year performance highlights

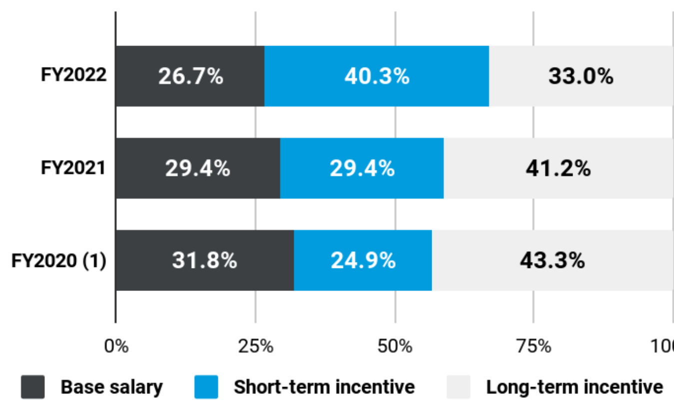
- Moved foundational work on an enterprise customer relationship management (CRM) system, payments modernization, a digital partnership and end-to-end lending, which will dramatically change the way we do business and are critical to repositioning ATB to be able to deliver world-class digital banking and client experiences.
- In partnership with our Technology, Innovation and Engineering team, launched ATB Personal Web and Mobile and migrated the majority of business clients to the new ATB Business mobile application. These new applications are resonating with clients, with app store ratings above 4 stars.
- Furthered the "Era of the Client" with the introduction of the ATB ID: Client Obsessed, a client metric framework and a model for action designed to create greater shared understanding across ATB of the current client experiences we are delivering and the overall value associated with them. This work contributed to ATB being ranked #1 in customer service among two prominent syndicated studies.
- Completed the initial evaluation of hundreds of existing products to ensure our portfolio is properly sized and offers the right solutions to our clients to help make it possible for them to achieve their financial goals.

Actual total direct compensation

($ in thousands)	Base salary	Short-term incentive	Long-term incentive	Total direct compen-sation
FY2022	**$ 325**	**$ 490**	**$ 401**	**$ 1,216**
FY2021	325	325	456	1,106
FY2020 (1)	298	233	405	936

(1) Chris Turchansky was appointed Chief Experience Officer on January 1, 2020. The amounts shown for FY2020 include compensation for his previous position as EVP and President, ATB Wealth.

Actual compensation mix



(1) Chris Turchansky was appointed Chief Experience Officer on January 1, 2020. The amounts shown for FY2020 include compensation for his previous position as EVP and President, ATB Wealth.

John Tarnowski

Executive Vice President, Everyday Financial Services

John has led ATB's EFS business since 2018. In his role, John is responsible for the strategy, leadership and execution of evolving and growing ATB's mass market businesses. With 25 years' experience in financial services, John is not your typical banker, beginning his career as a competitive ski racing coach. Following a decade of professional coaching, John entered the financial services industry. He has spent the last two decades transforming digital, payment and financial service experiences by placing the client at the centre of everything he does.

As technology and data continue to evolve and enable new and empowering client experiences, one of the opportunities for the industry—and a focus for ATB—is to prepare team members to deliver the value and expertise clients seek to achieve their financial and business goals. John believes now more than ever that team members must remain adaptable and versatile to keep pace with the needs and expectations of our clients. John is committed to the continuous development of the more than 2,000 team members across EFS, as the business and value propositions keep evolving.

As a professional leader with an educational background in investments and economics, John has a passion for client experience excellence and is a coach at heart. Whether he's dealing with high-performance athletes or his teammates at ATB, John takes every opportunity to motivate, inspire and bring out peak performance in everyone he encounters.

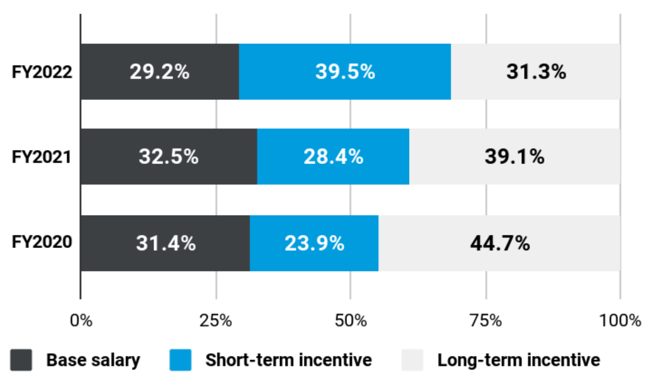
Fiscal-year performance highlights

- Refocused ATB's residential mortgage business, stimulating growth that contributed $3.4 billion in new mortgage origination combined with a mortgage renewal retention rate of 82.2%. ATB had the second highest market share growth rate for the Alberta residential lending market with an increase of 0.2% over the twelve-month period, and ended the fiscal year at 9.3% market share.
- Led EFS to top-level financial results in deposit growth, loan growth and total revenue exceeding $600 million, which resulted in four consecutive profitable quarters and full-year annual net income contribution to ATB since FY2014-15.
- Continued EFS's digital evolution focusing on team members' skill development and digital competencies, while also responding to changing client behaviours.
- Actively led EFS through the ever-changing waves of the COVID-19 pandemic without missing a beat and continuously adapted and evolved our service delivery model to meet client needs and protect team members.

Actual total direct compensation

($ in thousands)	Base salary	Short-term incentive	Long-term incentive	Total direct compen-sation
FY2022	**$ 275**	**$ 373**	**$ 295**	**$ 943**
FY2021	275	240	330	845
FY2020	275	209	391	875

Actual compensation mix



Lisa McDonald
Chief Risk Officer

As ATB's Chief Risk Officer, Lisa is responsible for supporting and elevating ATB's performance through the strategic oversight of risk-taking activities and management of risk and compliance.

Lisa is accountable to establish and institutionalize risk appetite, the enterprise risk management framework and key risk management and compliance practices across ATB. She leads a team of risk management professionals with expertise spanning multiple disciplines, including credit, liquidity, operational, market, regulatory compliance and strategy risk. During periods of crisis, Lisa also acts as the enterprise incident commander and is accountable for forming and leading enterprise response. Lisa became ATB's Chief Risk Officer in 2017, after five years as ATB's Vice President of Enterprise Risk Management and Chief Compliance Officer.

With 25 years of experience, Lisa knows that a dynamic approach, genuine relationships and a deep commitment to the well-being of clients and team members form the foundation of an effective risk culture and for navigating uncertain times.

Lisa holds an MBA from the Schulich School of Business at York University and a Bachelor of Business Commerce from Memorial University. She is currently enrolled in the Competent Boards ESG Designation program.

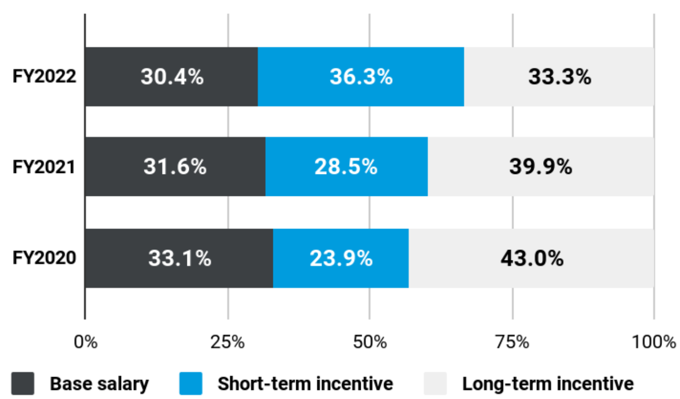
Fiscal-year performance highlights

- Led the design of a series of strategies that aligned enterprise resources to minimize loan losses while ensuring continued support for ATB's clients and the Alberta economy.
- Championed credit strategies that contributed to the $204 million recovery of loan loss provisions and the deployment of nearly $1.7 billion in federal government COVID relief programs into the Alberta economy.
- Designed the enterprise approach to evolve credit strategy, models and on-balance-sheet portfolio composition to enable growth and optimize risk-adjusted returns.
- Enhanced risk capabilities in the management of financial crime, overseeing improvements to cyber and fraud risk management skills, tools and processes.
- Developed an approach to climate risk scenario analysis that considers evolving regulatory considerations and ATB's unique risk profile.

Actual total direct compensation

($ in thousands)	Base salary	Short-term incentive	Long-term incentive	Total direct compen-sation
FY2022	**$ 275**	**$ 327**	**$ 301**	**$ 903**
FY2021	250	225	316	791
FY2020	250	180	325	755

Actual compensation mix



Compensation Summary

(audited)

Name and position	Fiscal year	Base salary (1)	Non-equity incentive plan compensation: Annual incentive plan (2)	Non-equity incentive plan compensation: LTI plan (3)	Pension value (4)	All other compensation (5) (6)	Total compensation
Curtis Stange CEO	**2022**	**$ 500,000**	**$ 809,968**	**$ 1,390,400**	**$ -**	**$ 223,496**	**$ 2,923,864**
	2021	500,000	570,000	1,480,625	-	243,475	2,794,100
	2020	500,000	683,745	1,066,256	-	222,792	2,472,793
Dan Hugo (7) CFO	**2022**	**$ 375,000**	**$ 545,490**	**$ 517,500**	**$ 7,000**	**$ 96,488**	**$ 1,541,478**
	2021	375,000	352,000	579,375	10,000	110,975	1,427,350
	2020	86,538	83,170	131,365	9,000	4,741	314,814
Chris Turchansky (8) Chief Experience Officer	**2022**	**$ 325,000**	**$ 490,465**	**$ 401,375**	**$ 7,000**	**$ 85,496**	**$ 1,309,336**
	2021	325,000	325,000	455,813	6,000	78,475	1,190,288
	2020	298,055	233,140	405,484	6,000	78,906	1,021,585
John Tarnowski Executive Vice President, Everyday Financial Services	**2022**	**$ 275,000**	**$ 372,690**	**$ 295,110**	**$ 9,000**	**$ 120,496**	**$ 1,072,296**
	2021	275,000	240,000	330,172	8,000	62,475	915,647
	2020	275,000	208,845	391,298	10,000	55,906	941,049
Lisa McDonald Chief Risk Officer	**2022**	**$ 274,711**	**$ 326,930**	**$ 300,955**	**$ 9,000**	**$ 90,996**	**$ 1,002,592**
	2021	250,000	225,000	315,562	11,000	80,975	882,537
	2020	250,000	180,201	325,125	12,000	53,906	821,232

(1) Actual base salary paid during April 1 to March 31 of each year.
(2) STI award earned for the year and paid as cash within the first 100 days of the end of the fiscal year.
(3) LTI grant earned for the year. Payment of the grant is deferred for up to three years, includes appreciation or depreciation annually based on ATB's RAROC performance over the term of the grant and is contingent upon the NEO's continued employment with ATB. The following Outstanding Long-Term Incentives Awards table includes appreciation or depreciation changes in outstanding and unvested grants.
(4) Pension value includes the annual compensatory value from the FPP. Additional detail is provided in the Flexible Pension Plan section.
(5) Benefits included in all other compensation are the benefits NEOs receive in excess of the benefits all other ATB team members receive. All other compensation for Curtis Stange includes perquisite allowance, health-care spending account (HCSA) credits, an executive health benefit, employer contributions to an RRSP and the DC supplemental executive retirement plan (SERP) within the CEO Pension Plan (details below), and a relocation benefit for FY2020. All other compensation for Dan Hugo includes: perquisite allowance and HCSA credits in FY2020, FY2021 and FY2022; personal tax advice, an executive health benefit and employer contributions to the NSP in FY2021 and FY2022; and relocation benefits in FY2020 and FY2021. All other compensation for Chris Turchansky, John Tarnowksi and Lisa McDonald includes perquisite allowance, HCSA credits, an executive health benefit and employer contributions to the NSP. John Tarnowski received a project bonus in FY2022. Lisa McDonald received a retention bonus in FY2021 and FY2022..
(6) ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act.* The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions. Additional detail is provided in the Notional Supplemental Plan section.
(7) Dan Hugo joined ATB as CFO on January 6, 2020. The amounts shown for FY2020 represent only a partial fiscal year.
(8) Chris Turchansky was appointed Chief Experience Officer on January 1, 2020. The amounts shown for FY2020 include compensation for his previous position as EVP and President, ATB Wealth.

Outstanding Long-Term Incentive Awards

LTI awards are granted after the close of a fiscal year and they vest (i.e., mature) at the end of a three-year term. The following table presents details of unvested LTI awards as at April 1, 2022. The current value of outstanding grants reflects the annual appreciation or depreciation based on actual RAROC during the term of the grant.

Name	Fiscal year of grant	Total grant awarded	Above-target portion of grant paid out (1)	Remaining portion of grant (2)	Current value of grant that has not vested (3)	Fiscal year-end that grant will vest		
						2023	2024	2025
Curtis Stange	**2022**	**$ 1,390,400**		**$ 1,390,400**	**$ 1,390,400**			**X**
	2021	1,480,625	480,625	1,000,000	1,075,300		X	
	2020	1,066,256	466,256	600,000	690,343	X		
Dan Hugo (4)	**2022**	**$ 517,500**		**$ 517,500**	**$ 517,500**			**X**
	2021	579,375	129,375	450,000	483,885		X	
	2020	131,365	27,519	103,846	119,482	X		
Chris Turchansky (5)	**2022**	**$ 401,375**		**$ 401,375**	**$ 401,375**			**X**
	2021	455,813	130,813	325,000	349,473		X	
	2020	405,484	139,156	266,328	306,429	X		
John Tarnowski	**2022**	**$ 295,110**		**$ 295,110**	**$ 295,110**			**X**
	2021	330,172	96,422	233,750	251,352		X	
	2020	391,298	157,548	233,750	268,946	X		
Lisa McDonald	**2022**	**$ 300,955**		**$ 300,955**	**$ 300,955**			**X**
	2021	315,562		315,562	339,324		X	
	2020	325,125	56,312	268,812	309,288	X		

(1) Executives awarded an LTI grant greater than 100% of target have the choice to receive payment of the above-target portion of the grant within 100 days of the end of the fiscal year in which it is granted. An exception is that a senior executive subject to United States taxation will be paid the above-target portion of their grant within 100 days of the fiscal year-end in which it is granted; they will not have the option to leave the above-target portion of the grant in the program.
(2) This value is subject to three-year vesting and appreciation or depreciation based on RAROC results.
(3) The current value includes appreciation or depreciation based on RAROC results for the years in which the grants were maturing.
(4) Dan Hugo joined ATB on January 6, 2020. The amounts shown for FY2020 represent only a partial fiscal year.
(5) Chris Turchansky was appointed Chief Experience Officer on January 1, 2020. The amounts shown for FY2020 include compensation for his previous position as EVP and President, ATB Wealth.

Incentive Plan Awards – Value Vested or Earned During the Year

The table below shows the total value of all LTI plan awards previously granted to NEOs that vested (i.e., matured) at the end of FY2021-22. It also shows the total amount earned from STI plan compensation in FY2021-22.

Name	LTI plan awards – value vested during the year (1)	STI plan compensation – value earned during the year (2)
Curtis Stange	$ 608,607	$ 809,968
Dan Hugo (3)	n/a	545,490
Chris Turchansky	263,875	490,465
John Tarnowski	168,708	372,690
Lisa McDonald	322,793	326,930

(1) This is the payout value of the FY2019 LTI plan awards.
(2) This is the STI plan cash award for FY2022. This amount is shown under the annual incentive plan in the Compensation Summary.
(3) Dan Hugo joined ATB on January 6, 2020. As a result, he did not receive an FY2019 grant.

Retirement Benefits

The following table outlines the NEO retirement benefits for FY2021-22. Detailed descriptions of the benefits follow the table.

Name	FPP contribution (1)	NSP contribution (2)	NSP return (3)	RRSP contribution (4)	DC SERP contribution (5)	DC SERP return (6)	Total
Curtis Stange	$ -	$ -	$ 12,000	$ 28,000	$ 165,000	$ 71,000	**$ 276,000**
Dan Hugo	7,000	73,000	(2,000)	n/a	n/a	n/a	**78,000**
Chris Turchansky	7,000	68,000	12,000	n/a	n/a	n/a	**87,000**
John Tarnowski	9,000	48,000	5,000	n/a	n/a	n/a	**62,000**
Lisa McDonald	9,000	51,000	4,000	n/a	n/a	n/a	**64,000**

(1) Employer contribution to the FPP (DC plan) on behalf of the NEO. This amount is shown under the FY2022 "Pension value" in the Compensation Summary.
(2) Employer contribution to the NSP on behalf of the NEO. This amount is included under the FY2022 "All other compensation" in the Compensation Summary.
(3) Return on the NSP, based on the rate of return of a designated balanced fund applied to the beginning of the calendar-year balance and the interest credit on current calendar-year contributions based on a designated savings-deposit rate. Both are provided by the employer on behalf of the NEO.
(4) Employer contribution to the RRSP on behalf of the CEO. This amount is included under the FY2022 "All other compensation" in the Compensation Summary.
(5) Employer contribution to the DC SERP on behalf of the CEO. This amount is included under the FY2022 "All other compensation" in the Compensation Summary.
(6) Return on the DC SERP is the same rate as that earned on the assets of the CEO's RRSP. All RRSP investment decisions are made by the CEO.

Flexible Pension Plan

ATB's FPP offers a combination of retirement savings in a registered DC plan with a wealth accumulation component that offers flexibility for plan members to save for retirement and achieve their financial goals, including an option for a spousal RRSP. ATB automatically contributes 4% of the team member's pensionable earnings (which include annual base salary and STI pay) to the DC portion of the plan. Plan members can also voluntarily contribute up to 6% of pensionable earnings to their DC plan account, and ATB will match up to 4% of those contributions.

Notional Supplemental Plan

For any FPP plan member, where annual pension contributions exceed allowable maximums under the *Income Tax Act,* excess amounts are allocated to the NSP, an unfunded non-registered plan that provides notional DC benefits that cannot be provided within the FPP due to income tax restrictions. The NSP has no formal contribution limit, however the *Income Tax Act* restricts annual contributions. As a result, NEOs may be limited in their voluntary contributions and ATB matching contributions. A gain or loss is provided on the beginning of the calendar-year balance of the account based on the return of a designated balanced fund. Contributions for the current calendar year receive an interest credit based on a designated savings-deposit rate. ATB's notional contributions to the NEO's NSP are included as other compensation in the Compensation Summary table.

CEO Pension Plan

Curtis Stange is the sole participant in the CEO Pension Plan. This plan includes an RRSP and an unfunded supplementary pension plan operating on a defined-contribution basis (DC SERP). ATB contributes 18% of Curtis Stange's base salary to the RRSP, up to the maximum annual contribution permitted under the Canadian *Income Tax Act* for a given calendar year. The DC SERP is maintained through a notional account that is credited annually with 18% of pensionable earnings minus the contribution to the RRSP. The notional account is also credited with interest each year at the same rate as is earned on the assets of the RRSP. All RRSP investment decisions are made by the CEO. The DC SERP is not funded until the CEO retires.

Termination and Change in Control Payments and Benefits

Employment Agreements

Two of ATB's NEOs have personal employment agreements: Curtis Stange and Dan Hugo. The incremental payments and benefits that each NEO would be contractually entitled to in the event of termination vary based on their agreement.

Curtis Stange

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Curtis Stange in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2022. The actual amount that Curtis Stange could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Curtis Stange would be obliged to abide by three conditions:

1. For 12 months following the earlier of early termination or July 2, 2023, he shall not accept, without prior written consent from ATB, employment with any ATB competitor in which his role would involve responsibilities for operations in the Province of Alberta.
2. For 12 months from his termination, he shall not directly nor indirectly recruit, hire or solicit, for the purpose of providing services to an ATB competitor, any person employed by ATB during his term.
3. For 12 months from his termination, he shall not directly nor indirectly contact or solicit business from ATB or provide financial services to any ATB client who was an ATB client during his term.

Payment/ benefit (1)	Early termination (2)	Resignation without good reason, with notice (3)	Retirement (4)
Severance	Lump sum equivalent to 18 months' salary plus a lump sum in lieu of benefits,[5] or salary continuance and benefits for 18 months. Lump sum equivalent to 18 months' STI—calculated at target or provided as salary continuance. Lump sum equivalent to 18 months' LTI—calculated at target or provided as salary continuance.	None	None
Short-term incentive	Prorated for fiscal year until early termination date, calculated at target.	None	Prorated for fiscal year until retirement date—pursuant to the eligibility criteria and based on fiscal-year-end results.[4]
Long-term incentive	Prorated for fiscal year until early termination date, calculated at target. All grants vest and are paid at current value.	Vested grants are paid at current value.	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan.[6] Unvested grants are paid at current value or left in the plan for payment on the scheduled date, based on participant's choice. Vested grants are paid at current value.
Relocation	Reimbursement of expenses, in accordance with ATB Relocation Policy, for relocation back to the previous municipality of residence.	None	None
Estimated total value	$ 6,597,743 [7 8]	$ 0 [8]	$ 3,156,043 [7 8]

(1) Curtis Stange would also receive, in all termination scenarios, payment of accrued vacation and his DC SERP account balance transferred to a retirement compensation arrangement or provided as a monthly pension, based on the option he elects.
(2) "Early termination" includes termination other than by Curtis Stange, including (a) absence of a written agreement renewing his current employment agreement and/or termination by virtue of his death or permanent disability; (b) the Board recommending termination of Curtis Stange to the LGIC whether or not an Order in Council is issued by the LGIC terminating him as CEO or removing or suspending him as CEO; and (c) without the recommendation of the Board, the LGIC issuing an Order in Council terminating Curtis Stange as CEO or removing or suspending him as CEO. "Early termination" can also include termination by Curtis Stange for good reason, with prior written notice.
(3) "Good reason" means a material reduction in authority, duties or responsibilities, or responsibilities inconsistent in any material respect from those of the CEO; a material reduction in remuneration or a change of at least 50% of the members of the Board of Directors over six consecutive months.
(4) Curtis Stange is eligible to retire at age 55 with at least 10 years of service, or at any age plus service years that together total at least 80 years, as per ATB's Senior Executive Compensation Plan.
(5) "Benefits" include perquisite allowance, health benefits, vacation, preferred banking rates and long-term disability.
(6) Eligibility criteria includes a satisfactory performance assessment, as per ATB's Senior Executive Compensation Plan.
(7) Curtis Stange's FY2022 STI payment is excluded from the total, as the payment (shown in Incentive Plan Awards – Value Vested or Earned During the Year) is not incremental, based on a March 31, 2022, termination date.
(8) Curtis Stange's vested FY2019 LTI grant payment (shown in Incentive Plan Awards – Value Vested or Earned During the Year) is excluded from the total as the payment is not incremental, based on a March 31, 2022, termination date.

Dan Hugo

The following table provides an overview of the contractually agreed payments and benefits that would be provided to Dan Hugo in each of the termination scenarios. The last row in the table shows the estimated incremental payments that would be provided if employment had been terminated as at March 31, 2022. The actual amount that Dan Hugo could receive in the future due to termination of employment could differ materially from the amounts below. In receiving these payments and benefits, Dan Hugo would be obliged to abide by three conditions:

1. In the event of termination for cause, choosing to terminate the employment agreement or the agreement not being renewed, not accept employment involving responsibilities for operations in the Province of Alberta with an ATB competitor, without prior written consent of ATB, such consent not to be unreasonably withheld, for a period of six months following the termination of the employment agreement.
2. For six months from his termination, he shall not directly nor indirectly recruit, hire or solicit, for the purpose of providing services to an ATB competitor, any person employed by ATB during his term..
3. For six months from his termination, he shall not directly nor indirectly contact or solicit business from ATB or provide financial services to any ATB client who was an ATB client during his term.

Payment/ benefit (1)	Terminatio n with cause	Termination without cause	Resignation with three months' notice	No longer legally able to work in Canada	Death or permanent disability
Severance	None	Lump sum equivalent to 12 months' salary or to end of term, whichever is less, plus a lump sum in lieu of benefits.[2] Lump sum equivalent to 12 months' STI or to end of term, whichever is less—calculated at target. Lump sum equivalent to 12 months' LTI or to end of term, whichever is less—calculated at target.	None	None	None
Short-term incentive	None	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results.[3]	None	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on fiscal-year-end results.[3]	CEO determines award for fiscal year, until date of death or disability.
Long-term incentive	None	Prorated for fiscal year, until termination date—pursuant to the eligibility criteria and based on attainment as per plan.[4] All grants vest and are paid at current value.	Vested grants are paid at current value.	Prorated for fiscal year until termination date—pursuant to the eligibility criteria and based on attainment as per plan.[4] All grants vest and are paid at current value.	CEO determines grant for fiscal year, until date of death or disability.[3] All grants vest and are paid at current value.
Estimated total value	$0	$ 2,384,617 [5 6]	$ 0	$ 1,120,867 [5 6]	$ 1,120,867 [5 6]

(1) The same as any salaried employee, in all termination scenarios, the NEO also receives payment of accrued vacation, FPP account balance transfer to a locked-in vehicle, payment of NSP account balance and, in accordance with the terms of the Achievement Notes Plan, payment of the current value of any achievement notes previously purchased.
(2) "Benefits" include perquisite allowance, health benefits, vacation, preferred banking rates and long-term disability.
(3) The CEO's determination is subject to HR Committee review.
(4) "Eligibility criteria" means a satisfactory performance assessment, as per ATB's Senior Executive Compensation Plan.
(5) Dan Hugo's FY2022 STI payment (as shown in the Incentive Plan Awards – Value Vested or Earned During the Year table) is excluded from the total, as the payment is not incremental, based on a March 31, 2022, termination date.
(6) All LTI grants vesting and being paid have been recognized as compensation previously in the year in which they were granted.

Remaining Named Executive Officers

ATB does not have employment agreements providing for termination or change in control benefits for the remaining NEOs. The actual amount that an NEO might receive as a result of termination is based on several factors, including type of termination, age, years of service, level and nature of the role and any other factors that may be relevant with respect to common law. The same as any salaried employee, these NEOs would receive, in all termination scenarios, payment of accrued vacation, FPP account balance transfer to a locked-in vehicle, payment of NSP account balance and payment of the current value of any previously purchased achievement notes, according to the terms of the Achievement Notes Plan.

Supplementary Financial Information

Five-Year Financial Review

Summarized Consolidated Statement of Financial Position

($ in thousands)	**2022**	**2021**	**2020**	**2019**	**2018**
Cash resources and securities	$ 8,352,866	$ 8,659,681	$ 6,045,098	$ 5,677,962	$ 6,206,601
Net loans	45,928,704	44,597,222	47,046,234	47,057,573	44,111,040
Other assets	2,770,465	2,498,132	2,774,190	1,660,465	1,575,450
Total assets	**$ 57,052,035**	**$ 55,755,035**	**$ 55,865,522**	**$ 54,396,000**	**$ 51,893,091**
Deposits	$ 37,319,482	$ 37,758,388	$ 35,373,367	$ 35,921,949	$ 32,683,773
Other liabilities	15,280,359	13,921,724	16,411,046	14,490,794	15,598,963
Subordinated debentures	-	-	-	339,140	331,199
Equity	4,452,194	4,074,923	4,081,109	3,644,117	3,279,156
Total liabilities and equity	**$ 57,052,035**	**$ 55,755,035**	**$ 55,865,522**	**$ 54,396,000**	**$ 51,893,091**

Summarized Consolidated Statement of Income

($ in thousands)	**2022**	**2021**	**2020**	**2019**	**2018**
Interest income	$ 1,699,977	$ 1,793,052	$ 2,082,624	$ 2,020,443	$ 1,718,857
Interest expense	457,662	614,485	888,435	828,643	596,477
Net interest income	1,242,315	1,178,567	1,194,189	1,191,800	1,122,380
Other income	661,566	599,380	532,629	490,839	460,535
Total revenue	1,903,881	1,777,947	1,726,818	1,682,639	1,582,915
(Recovery of) provision for loan losses	(203,879)	271,085	385,980	338,145	105,006
Non-interest expense	1,346,228	1,233,453	1,208,255	1,164,170	1,121,699
Net income before payment in lieu of tax	761,532	273,409	132,583	180,324	356,210
Payment in lieu of tax	175,152	62,884	30,675	41,629	81,651
Net income	**$ 586,380**	**$ 210,525**	**$ 101,908**	**$ 138,695**	**$ 274,559**
Net income attributable to ATB	$ 586,380	$ 210,525	$ 103,350	$ 138,942	$ 273,187
Net income attributable to non-controlling interests	-	-	(1,442)	(247)	1,372

Summarized Key Performance Indicators

(%)	**2022**	2021	2020	2019	2018
Return on average assets	1.0	0.4	0.2	0.3	0.6
Return on average risk-weighted assets	1.6	0.6	0.3	0.4	0.8
Total revenue change	7.1	3.0	2.6	6.3	7.3
Efficiency ratio	70.7	69.4	70.0	69.2	70.9
Performing loan change	2.3	(3.1)	0.1	6.1	8.2
Deposit change	(1.2)	6.7	(1.5)	4.7	(3.7)
Change in assets under administration	5.3	25.3	(2.2)	8.8	11.6

Quarterly Financial Review

Summarized Consolidated Statement of Financial Position

For the three months ended *($ in thousands)*	Q4 Mar 31/22	Q3 Dec 31/21	Q2 Sep 30/21	Q1 Jun 30/21	Q4 Mar 31/21	Q3 Dec 31/20	Q2 Sep 30/20	Q1 Jun 30/20
Cash resources and securities	$ 8,352,866	$ 8,331,267	$ 7,783,518	$ 8,365,915	$ 8,659,681	$ 8,211,215	$ 7,148,637	$ 6,832,127
Business loans	24,092,016	24,043,259	23,312,130	23,273,902	23,197,080	23,190,242	23,120,976	23,636,212
Residential mortgages	16,596,726	16,660,705	16,411,927	15,978,392	15,833,810	15,981,111	16,126,325	16,213,331
Personal loans	4,971,346	5,124,881	5,313,527	5,494,423	5,631,547	5,805,663	6,018,366	6,153,671
Credit card	686,871	709,675	694,518	693,478	660,652	694,710	696,351	688,101
Allowance for loan losses	(418,255)	(477,429)	(573,914)	(623,966)	(725,867)	(785,617)	(825,051)	(838,097)
Net loans	45,928,704	46,061,091	45,158,188	44,816,229	44,597,222	44,886,109	45,136,967	45,853,218
Other assets	2,770,465	2,170,152	2,669,195	2,335,748	2,498,132	2,534,040	2,692,532	2,537,417
Total assets	**$ 57,052,035**	**$ 56,562,510**	**$ 55,610,901**	**$ 55,517,892**	**$ 55,755,035**	**$ 55,631,364**	**$ 54,978,136**	**$ 55,222,762**
Transaction accounts	$ 13,386,975	$ 13,269,771	$ 13,440,017	$ 13,274,864	$ 12,035,331	$ 10,849,932	$ 10,355,565	$ 10,151,695
Savings accounts	12,060,980	12,409,241	12,442,295	12,288,089	12,241,167	11,903,712	11,294,667	10,561,963
Notice accounts	6,095,213	6,333,359	6,096,917	5,808,056	5,639,066	5,571,972	5,461,062	4,981,132
Non-redeemable fixed-date deposits	4,687,929	4,884,137	5,101,219	5,508,181	6,014,076	6,858,916	7,511,310	8,126,204
Redeemable fixed-date deposits	1,088,385	745,757	816,844	963,888	1,828,748	2,002,387	2,034,449	2,159,394
Deposits	37,319,482	37,642,265	37,897,292	37,843,078	37,758,388	37,186,919	36,657,053	35,980,388
Other liabilities	15,280,359	14,480,495	13,344,239	13,430,458	13,921,724	14,338,781	14,320,948	15,321,379
Equity	4,452,194	4,439,750	4,369,370	4,244,356	4,074,923	4,105,664	4,000,135	3,920,995
Total liabilities and equity	**$ 57,052,035**	**$ 56,562,510**	**$ 55,610,901**	**$ 55,517,892**	**$ 55,755,035**	**$ 55,631,364**	**$ 54,978,136**	**$ 55,222,762**

Consolidated Statement of Changes in Equity

For the three months ended *($ in thousands)*	Q4 Mar 31/22	Q3 Dec 31/21	Q2 Sep 30/21	Q1 Jun 30/21	Q4 Mar 31/21	Q3 Dec 31/20	Q2 Sep 30/20	Q1 Jun 30/20
Retained earnings								
Balance at beginning of the period	$ 4,411,105	$ 4,259,441	$ 4,123,261	$ 3,961,408	$ 3,868,470	$ 3,727,732	$ 3,638,294	$ 3,752,651
Net income attributable to ATB	136,907	148,907	138,804	161,762	92,625	141,724	90,390	(114,214)
Other	178	2,757	(2,624)	91	313	(986)	(952)	(143)
Balance at end of the period	**4,548,190**	**4,411,105**	**4,259,441**	**4,123,261**	**3,961,408**	**3,868,470**	**3,727,732**	**3,638,294**
Accumulated other comprehensive income (loss)								
Securities measured at fair value through other comprehensive income								
Balance at beginning of the period	(2,340)	8,130	(373)	(1,937)	601	(1,951)	(4,532)	(2,408)
Other comprehensive income (loss)	5,855	(10,470)	8,503	1,564	(2,538)	2,552	2,581	(2,124)
Balance at end of the period	**3,515**	**(2,340)**	**8,130**	**(373)**	**(1,937)**	**601**	**(1,951)**	**(4,532)**
Derivative financial instruments designated as cash flow hedges								
Balance at beginning of the period	13,342	89,658	116,151	131,745	300,485	340,285	356,804	332,642
Other comprehensive income (loss)	(189,588)	(76,316)	(26,493)	(15,594)	(168,740)	(39,800)	(16,519)	24,162
Balance at end of the period	**(176,246)**	**13,342**	**89,658**	**116,151**	**131,745**	**300,485**	**340,285**	**356,804**
Defined-benefit-plan liabilities								
Balance at beginning of the period	17,643	12,141	5,317	(16,293)	(63,892)	(65,931)	(69,571)	(1,776)
Other comprehensive income (loss)	59,092	5,502	6,824	21,610	47,599	2,039	3,640	(67,795)
Balance at end of the period	**76,735**	**17,643**	**12,141**	**5,317**	**(16,293)**	**(63,892)**	**(65,931)**	**(69,571)**
Accumulated other comprehensive income (loss)	(95,996)	28,645	109,929	121,095	113,515	237,194	272,403	282,701
Equity as at end of the period	**$ 4,452,194**	**$ 4,439,750**	**$ 4,369,370**	**$ 4,244,356**	**$ 4,074,923**	**$ 4,105,664**	**$ 4,000,135**	**$ 3,920,995**

Consolidated Statement of Cash Flows

For the three months ended	Q4	Q3	Q2	Q1
($ in thousands)	**Mar 31/22**	**Dec 31/21**	**Sep 30/21**	**Jun 30/21**
Cash flows from operating activities				
Net income	$ 136,907	$ 148,907	$ 138,804	$ 161,762
Adjustments for non-cash items and others				
Provision for loan losses	(41,785)	(74,393)	(26,532)	(61,169)
Depreciation and amortization	28,218	30,617	32,663	33,333
Net (gains) losses on securities	(14,260)	(6,276)	(848)	(1,158)
(Gains) losses on foreign-denominated wholesale borrowings	(3,123)	(2,375)	7,300	(3,402)
Writeoff of a non-strategic asset	-	37,162	-	-
Adjustments for net change in operating assets and liabilities				
Loans	174,172	(828,510)	(315,427)	(157,838)
Deposits	(322,781)	(255,022)	54,224	84,746
Derivative financial instruments	17,589	42,550	(30,237)	14,565
Prepayments and other receivables	(91,178)	40,652	4,803	(32,071)
Accounts receivable – financial market products	224,468	(81,126)	(142,957)	73,466
Due to clients, brokers and dealers	9,661	(13,893)	42,477	(5,986)
Deposit guarantee fee payable	15,787	14,076	14,546	(43,811)
Accounts payable and accrued liabilities	118,636	(4,935)	(85,457)	60,100
Accounts payable – financial market products	(100,467)	201,305	(9,356)	(59,701)
Liability for payment in lieu of tax	43,408	44,479	38,946	(14,565)
Net interest receivable and payable	4,226	(8,207)	7,050	(71,448)
Change in accrued-pension-benefit liability	1,514	1,102	1,137	1,117
Other	4,213	7,116	5,845	(16,252)
Net cash (used in) provided by operating activities	**205,205**	**(706,771)**	**(263,019)**	**(38,313)**
Cash flows from investing activities				
Purchase of securities	(1,677,543)	(405,512)	(202,975)	(62,306)
Proceeds from sales and maturities of securities	389,139	507,246	451,330	85,160
Change in interest-bearing deposits with financial institutions	(727,247)	218,806	(25,841)	(287,148)
Purchases and disposals of property and equipment, and software and other intangibles	(29,612)	(24,949)	(22,062)	(14,952)
Net cash (used in) provided by investing activities	**(2,045,263)**	**295,591**	**200,452**	**(279,246)**
Cash flows from financing activities				
Issuance of wholesale borrowings	3,222,538	3,474,835	1,749,623	2,574,633
Repayment of wholesale borrowings	(3,300,000)	(1,980,000)	(2,150,000)	(2,650,000)
Issuance of collateralized borrowings	193,091	209,986	261,353	188,283
Repayment of collateralized borrowings	(250,000)	(350,000)	(199,909)	(349,637)
Change in securities sold under repurchase agreements	-	(56,027)	41,296	1
Repayment of lease liabilities	(8,906)	(8,973)	(8,551)	(9,496)
Net cash (used in) provided by financing activities	**(143,277)**	**1,289,821**	**(306,188)**	**(246,216)**
Net increase (decrease) in cash	(1,983,335)	878,641	(368,755)	(563,775)
Cash at beginning of the period	4,589,714	3,711,073	4,079,828	4,643,603
Cash at end of the period	**$ 2,606,379**	**$ 4,589,714**	**$ 3,711,073**	**$ 4,079,828**
Net cash (used in) provided by operating activities includes:				
Interest paid	$ (81,204)	$ (142,762)	$ (132,344)	$ (149,999)
Interest received	392,283	451,025	410,566	452,763

For the three months ended *($ in thousands)*	Q4 Mar 31/21	Q3 Dec 31/20	Q2 Sep 30/20	Q1 Jun 30/20
Cash flows from operating activities				
Net income (loss)	$ 92,625	$ 141,724	$ 90,390	$ (114,214)
Adjustments for non-cash items and others				
(Recovery of) provision for loan losses	(14,369)	(12,016)	52,154	245,316
Depreciation and amortization	29,647	34,522	33,960	32,655
Net (gains) losses on securities	(402)	835	(3,230)	(3,678)
(Gains) losses on foreign-denominated wholesale borrowings	(5,163)	(12,008)	(29,419)	(51,579)
Adjustments for net change in operating assets and liabilities				
Loans	304,981	268,393	669,265	952,784
Deposits	571,814	529,868	676,667	607,597
Derivative financial instruments	8,349	22,538	7,868	49,735
Prepayments and other receivables	(135,019)	29,637	58,786	(8,443)
Accounts receivable – financial market products	(18,038)	59,933	(254,256)	90,035
Due to clients, brokers and dealers	(3,126)	19,736	3,079	(28,824)
Deposit guarantee fee payable	16,288	14,483	13,796	(41,070)
Accounts payable and accrued liabilities	(70,759)	(78,562)	(146,678)	(371,664)
Accounts payable – financial market products	14,829	(35,679)	215,810	(58,910)
Liability for payment in lieu of tax	27,669	35,215	-	(30,846)
Net interest receivable and payable	(9,607)	4,578	12,370	(50,243)
Change in accrued-pension-benefit liability	(50)	1,056	(1,504)	1,452
Other	1,454	(16,557)	1,575	15,652
Net cash (used in) provided by operating activities	**811,123**	**1,007,696**	**1,400,633**	**1,235,755**
Cash flows from investing activities				
Purchase of securities	(133,015)	(872,583)	(687,758)	(739,409)
Proceeds from sales and maturities of securities	29,810	407	1,570,045	1,841,607
Change in interest-bearing deposits with financial institutions	(234,984)	(33,402)	(10,658)	(9,399)
Purchases and disposals of property and equipment, and software and other intangibles	(19,304)	(20,507)	(13,482)	(10,647)
Net cash (used in) provided by investing activities	**(357,493)**	**(926,085)**	**858,147**	**1,082,152**
Cash flows from financing activities				
Issuance of wholesale borrowings	2,122,042	2,374,563	1,577,440	2,744,097
Repayment of wholesale borrowings	(2,375,000)	(1,723,360)	(2,704,254)	(2,808,206)
Issuance of collateralized borrowings	135,708	208,901	227,113	402,791
Repayment of collateralized borrowings	(196,221)	(780,650)	(193,112)	(418,540)
Change in securities sold under repurchase agreements	(25,934)	6,192	34,472	(350,828)
Repayment of lease liabilities	(11,587)	(7,345)	(9,576)	(9,575)
Issuance of subordinated debentures	-	-	-	30,845
Repayment of subordinated debentures	-	-	-	(30,845)
Net cash (used in) provided by financing activities	**(350,992)**	**78,301**	**(1,067,917)**	**(440,261)**
Net increase (decrease) in cash	102,638	159,912	1,190,863	1,877,646
Cash at beginning of the period	4,540,965	4,381,053	3,190,190	1,312,544
Cash at end of the period	**$ 4,643,603**	**$ 4,540,965**	**$ 4,381,053**	**$ 3,190,190**
Net cash (used in) provided by operating activities includes:				
Interest paid	$ (153,767)	$ (181,463)	$ (134,375)	$ (198,293)
Interest received	447,775	502,620	439,223	410,854

Quarterly Segmented Results

For the three months ended ($ in thousands)	Net interest income	Other income (loss)	Total revenue (loss)	Provision for (recovery of) loan losses	Non-interest expenses (1)	Net income (loss) before payment in lieu of tax	Payment in lieu of tax	Net income (loss)	Total assets	Total liabilities
March 31, 2022										
Everyday Financial Services	$ 120,544	$ 33,072	$ 153,616	$ (4,286)	$ 142,659	$ 15,243	$ 3,507	$ 11,736	$ 28,192,931	$ 16,941,643
ATB Business	176,963	68,692	245,655	(44,929)	127,518	163,066	37,504	125,562	24,066,722	18,739,775
ATB Wealth	8,093	69,705	77,798	(440)	69,187	9,051	2,082	6,969	1,058,865	1,069,861
Strategic support units	3,034	23,183	26,217	7,870	27,908	(9,561)	(2,201)	(7,360)	3,733,517	15,848,562
Total	**$ 308,634**	**$ 194,652**	**$ 503,286**	**$ (41,785)**	**$ 367,272**	**$ 177,799**	**$ 40,892**	**$ 136,907**	**$ 57,052,035**	**$ 52,599,841**
December 31, 2021										
Everyday Financial Services	$ 119,193	$ 31,556	$ 150,749	$ 7,072	$ 129,628	$ 14,049	$ 3,248	$ 10,801	$ 27,747,583	$ 16,658,241
ATB Business	181,657	63,429	245,086	(77,238)	107,830	214,494	49,290	165,204	23,906,310	18,862,735
ATB Wealth	8,049	72,826	80,875	671	69,316	10,888	2,504	8,384	791,176	805,857
Strategic support units (2)	9,142	(11,661)	(2,519)	(4,898)	48,424	(46,045)	(10,563)	(35,482)	4,117,441	15,795,927
Total	**$ 318,041**	**$ 156,150**	**$ 474,191**	**$ (74,393)**	**$ 355,198**	**$ 193,386**	**$ 44,479**	**$ 148,907**	**$ 56,562,510**	**$ 52,122,760**
September 30, 2021										
Everyday Financial Services	$ 121,002	$ 29,433	$ 150,435	$ (237)	$ 130,477	$ 20,195	$ 3,476	$ 16,719	$ 27,435,619	$ 16,498,866
ATB Business	174,633	59,000	233,633	(21,931)	105,470	150,094	34,565	115,529	24,234,752	19,467,836
ATB Wealth	7,892	72,279	80,171	(661)	70,229	10,603	2,439	8,164	956,482	979,458
Strategic support units	7,361	(5,034)	2,327	(3,703)	6,657	(627)	981	(1,608)	2,984,048	14,295,371
Total	**$ 310,888**	**$ 155,678**	**$ 466,566**	**$ (26,532)**	**$ 312,833**	**$ 180,265**	**$ 41,461**	**$ 138,804**	**$ 55,610,901**	**$ 51,241,531**
June 30, 2021										
Everyday Financial Services	$ 120,414	$ 28,405	$ 148,819	$ 4,104	$ 128,302	$ 16,413	$ 4,926	$ 11,487	$ 27,195,280	$ 17,694,859
ATB Business	167,404	54,070	221,474	(60,748)	102,692	179,530	41,293	138,237	23,667,364	19,139,801
ATB Wealth	6,530	68,152	74,682	(1,270)	67,647	8,305	1,910	6,395	978,651	1,000,227
Strategic support units	10,404	4,459	14,863	(3,255)	12,284	5,834	191	5,643	3,676,597	13,438,649
Total	**$ 304,752**	**$ 155,086**	**$ 459,838**	**$ (61,169)**	**$ 310,925**	**$ 210,082**	**$ 48,320**	**$ 161,762**	**$ 55,517,892**	**$ 51,273,536**
Year ended March 31, 2022	**$ 1,242,315**	**$ 661,566**	**$ 1,903,881**	**$ (203,879)**	**$ 1,346,228**	**$ 761,532**	**$ 175,152**	**$ 586,380**	**$ 57,052,035**	**$ 52,599,841**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(2) For the three months ended December 31, 2021, results include the $37.2 million writeoff of a non-strategic technology asset.

For the three months ended ($ in thousands)	**Net interest income**	**Other income (loss)**	**Total revenue**	**Provision for (recovery of) loan losses**	**Non-interest expenses (1)**	**Net (loss) income before payment in lieu of tax**	**Payment in lieu of tax**	**Net (loss) income**	**Total assets**	**Total liabilities**
March 31, 2021										
Everyday Financial Services (2)	$ 120,298	$ 29,239	$ 149,537	$ 12,091	$ 144,443	$ (6,997)	$ (221)	$ (6,776)	$ 26,725,291	$ 17,452,570
ATB Business	161,836	76,901	238,737	(24,929)	118,499	145,167	33,389	111,778	23,042,814	18,793,198
ATB Wealth	5,789	64,603	70,392	192	64,717	5,483	1,261	4,222	1,519,727	1,557,216
Strategic support units (2)	15,692	(11,355)	4,337	(1,723)	29,419	(23,359)	(6,760)	(16,599)	4,467,203	13,877,128
Total	**$ 303,615**	**$ 159,388**	**$ 463,003**	**$ (14,369)**	**$ 357,078**	**$ 120,294**	**$ 27,669**	**$ 92,625**	**$ 55,755,035**	**$ 51,680,112**
December 31, 2020										
Everyday Financial Services (2)	$ 119,390	$ 26,346	$ 145,736	$ 3,602	$ 128,155	$ 13,979	$ -	$ 13,979	$ 26,185,373	$ 17,151,724
ATB Business	163,955	57,440	221,395	(15,124)	98,351	138,168	26,286	111,882	22,358,671	18,330,880
ATB Wealth	5,267	62,498	67,765	(1,416)	58,483	10,698	2,461	8,237	1,677,505	1,711,398
Strategic support units (2)	16,024	11,061	27,085	922	12,069	14,094	6,468	7,626	5,409,815	14,331,698
Total	**$ 304,636**	**$ 157,345**	**$ 461,981**	**$ (12,016)**	**$ 297,058**	**$ 176,939**	**$ 35,215**	**$ 141,724**	**$ 55,631,364**	**$ 51,525,700**
September 30, 2020										
Everyday Financial Services (2)	$ 110,835	$ 27,112	$ 137,947	$ 1,148	$ 127,617	$ 9,182	$ -	$ 9,182	$ 25,552,913	$ 16,800,543
ATB Business	161,198	46,542	207,740	56,111	90,424	61,205	-	61,205	21,867,503	18,136,269
ATB Wealth	4,133	60,143	64,276	351	54,112	9,813	2,257	7,556	1,657,953	1,685,608
Strategic support units (2)	18,711	(315)	18,396	(5,456)	13,662	10,190	(2,257)	12,447	5,899,767	14,355,581
Total	**$ 294,877**	**$ 133,482**	**$ 428,359**	**$ 52,154**	**$ 285,815**	**$ 90,390**	**$ -**	**$ 90,390**	**$ 54,978,136**	**$ 50,978,001**
June 30, 2020										
Everyday Financial Services (2)	$ 107,526	$ 24,898	$ 132,424	$ 35,263	$ 133,033	$ (35,872)	$ -	$ (35,872)	$ 25,025,697	$ 16,556,042
ATB Business	148,865	47,483	196,348	185,729	95,703	(85,084)	-	(85,084)	21,011,251	17,430,968
ATB Wealth	4,658	55,642	60,300	5,300	54,760	240	55	185	1,717,145	1,745,955
Strategic support units (2)	14,390	21,142	35,532	19,024	10,006	6,502	(55)	6,557	7,468,669	15,568,802
Total	**$ 275,439**	**$ 149,165**	**$ 424,604**	**$ 245,316**	**$ 293,502**	**$ (114,214)**	**$ -**	**$ (114,214)**	**$ 55,222,762**	**$ 51,301,767**
Year ended March 31, 2021	**$ 1,178,567**	**$ 599,380**	**$ 1,777,947**	**$ 271,085**	**$ 1,233,453**	**$ 273,409**	**$ 62,884**	**$ 210,525**	**$ 55,755,035**	**$ 51,680,112**

(1) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, creates fluctuations in ATB's segmented results.
(2) In June 2021, the financial results and balances for certain loan products were moved to the SSUs from EFS. Results for the year ended March 31, 2021, were reclassified to conform with current period presentation.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2022

Statement of Responsibility for Financial Reporting

ATB's consolidated financial statements and all other information contained in the annual report, including Management's Discussion and Analysis (MD&A) of ATB's operating results and financial position, have been prepared and presented by management, who are responsible for the integrity and fair presentation of the information therein. The consolidated financial statements have been prepared in accordance with IFRS. (See Glossary and Acronyms for our defined terms.)

Other financial information presented in this annual report is consistent with that in the consolidated financial statements. The consolidated financial statements, MD&A and related financial information presented in this annual report reflect amounts determined by management based on informed judgments and estimates as to the expected future effects of current events and transactions, with appropriate consideration to materiality.

Management is responsible for the design and maintenance of an accounting and financial reporting system, along with supporting systems of internal controls designed to provide reasonable assurance that financial information is reliable, transactions are properly authorized and recorded, liabilities are recognized and ATB's assets are appropriately safeguarded. These controls include written policies and procedures, the careful selection and training of qualified staff, a corporate code of conduct and the establishment of organizational structures with well-defined delegations of authority that provide appropriately defined divisions of responsibilities and accountabilities for performances. This process includes a Compliance team that independently supports management in its evaluation of the design and effectiveness of its internal controls over financial reporting.

The Vice President of Internal Assurance and his team of internal assurance partners periodically review and evaluate all aspects of ATB's operations and, in particular, its systems of internal controls. The Vice President of Internal Assurance has full and unrestricted access to and meets regularly with the Audit Committee to discuss the results of his team's work.

The Board of Directors (the Board), acting through the Audit Committee, oversees management's responsibilities for ATB's financial reporting and systems of internal controls. The committee reviews the consolidated financial statements and other financial information presented in the quarterly and annual reports, as well as any issues related to them, with both management and the external auditors before recommending the consolidated financial statements for approval to the Board. The Audit Committee's review of the consolidated financial statements includes an assessment of key management estimates and judgments material to the financial results. The committee also assesses the effectiveness of internal controls over the accounting and financial reporting systems.

The Auditor General of Alberta has performed an independent, external audit of these consolidated financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the report following. The Auditor General has full and unrestricted access to the Audit Committee and meets with it periodically, both in the presence and absence of management, to discuss his audit, including any findings as to the integrity of ATB's financial reporting processes and the adequacy of our systems of internal controls.

Joan Hertz
Chair of the Board
Edmonton, Alberta
May 25, 2022

Curtis Stange
President and CEO
Edmonton, Alberta
May 25, 2022

Dan Hugo
Chief Financial Officer
Edmonton, Alberta
May 25, 2022

Auditor General
OF ALBERTA

Independent Auditor’s Report

To the President of Treasury Board and Minister of Finance

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of ATB Financial (the Group), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *2022 Annual Report*, but does not include the consolidated financial statements and my auditor’s report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

May 25, 2022

Edmonton, Alberta

Consolidated Statement of Financial Position

As at *($ in thousands)*	Note	March 31 2022	March 31 2021
Cash	6	$ 2,606,379	$ 4,643,603
Interest-bearing deposits with financial institutions		1,210,901	389,471
Total cash resources		**3,817,280**	**5,033,074**
Securities measured at fair value through profit or loss		128,188	92,093
Securities measured at fair value through other comprehensive income		4,407,398	3,534,514
Total securities	7	**4,535,586**	**3,626,607**
Business		24,092,016	23,197,080
Residential mortgages		16,596,726	15,833,810
Personal		4,971,346	5,631,547
Credit card		686,871	660,652
Total gross loans		**46,346,959**	**45,323,089**
Allowance for loan losses	9	(418,255)	(725,867)
Total net loans	8	**45,928,704**	**44,597,222**
Derivative financial instruments	10	1,779,577	1,181,796
Property and equipment	11	222,984	238,269
Software and other intangibles	12	227,575	282,708
Other assets	13	540,329	795,359
Total other assets		**2,770,465**	**2,498,132**
Total assets		**$ 57,052,035**	**$ 55,755,035**
Transaction accounts		$ 13,386,975	$ 12,035,331
Saving accounts		12,060,980	12,241,167
Notice accounts		6,095,213	5,639,066
Non-redeemable fixed-date deposits		4,687,929	6,014,076
Redeemable fixed-date deposits		1,088,385	1,828,748
Total deposits	14	**37,319,482**	**37,758,388**
Collateralized borrowings	15	7,614,949	7,931,082
Wholesale borrowings	20	4,442,967	3,508,819
Derivative financial instruments	10	1,882,405	921,411
Securities sold under repurchase agreements		-	14,730
Other liabilities	16	1,340,038	1,545,682
Total other liabilities		**15,280,359**	**13,921,724**
Total liabilities		**52,599,841**	**51,680,112**
Retained earnings		4,548,190	3,961,408
Accumulated other comprehensive (loss) income		(95,996)	113,515
Total equity		**4,452,194**	**4,074,923**
Total liabilities and equity		**$ 57,052,035**	**$ 55,755,035**

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

Approved by the Board:

Joan Hertz
Chair of the Board

Barry James
Chair of the Audit Committee

Consolidated Statement of Income

For the year ended March 31 *($ in thousands)*	Note	2022	2021
Loans		$ 1,674,395	$ 1,767,527
Securities		13,968	16,364
Interest-bearing deposits with financial institutions		11,614	9,161
Interest income		**1,699,977**	**1,793,052**
Deposits		251,556	397,606
Wholesale borrowings		64,931	65,871
Collateralized borrowings		141,175	151,006
Subordinated debentures		-	2
Interest expense		**457,662**	**614,485**
Net interest income		**1,242,315**	**1,178,567**
Wealth management		279,166	239,970
Service charges		83,840	71,943
Card fees		73,834	61,345
Credit fees		54,426	49,319
Financial markets group		58,556	59,306
Capital markets revenue		53,035	58,018
Foreign exchange		11,462	20,067
Insurance		25,138	23,848
Net (losses) gains on derivative financial instruments		(12,246)	9,682
Net gains on securities		22,542	6,475
Sundry		11,813	(593)
Other income		**661,566**	**599,380**
Total revenue		**1,903,881**	**1,777,947**
(Recovery of) provision for loan losses	9	(203,879)	271,085
Salaries and employee benefits	17, 18	729,705	674,913
Data processing		152,467	132,661
Premises and occupancy, including depreciation		69,800	90,430
Professional and consulting costs		80,225	63,402
Deposit guarantee fee	14	51,483	52,442
Equipment, including depreciation		14,131	20,782
Software and other intangibles amortization	12	79,795	81,740
General and administrative		69,859	57,127
ATB agencies		15,150	14,898
Other		46,451	45,058
Writeoff of a non-strategic technology asset	12	37,162	-
Non-interest expense		**1,346,228**	**1,233,453**
Net income before payment in lieu of tax		761,532	273,409
Payment in lieu of tax	19	175,152	62,884
Net income		**$ 586,380**	**$ 210,525**

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

Consolidated Statement of Comprehensive Income

For the year ended March 31 *($ in thousands)*	2022	2021
Net income	$ 586,380	$ 210,525
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	4,365	7,379
Net (gains) losses reclassified to net income	1,087	(6,908)
Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges		
Unrealized net gains (losses) arising during the period	(206,703)	(168,173)
Net (gains) losses reclassified to net income	(101,288)	(32,724)
Items that will not be reclassified to profit or loss		
Remeasurement of defined-benefit plan liabilities	93,028	(14,517)
Other comprehensive income (loss)	**(209,511)**	**(214,943)**
Comprehensive income (loss)	**$ 376,869**	**$ (4,418)**

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

Consolidated Statement of Changes in Equity

For the year ended March 31 *($ in thousands)*	2022	2021
Retained earnings		
Balance at beginning of the period	$ 3,961,408	$ 3,752,651
Net income	586,380	210,525
Other	402	(1,768)
Balance at end of the period	**4,548,190**	**3,961,408**
Accumulated other comprehensive income (loss)		
Securities measured at fair value through other comprehensive income		
Balance at beginning of the year	(1,937)	(2,408)
Other comprehensive income (loss)	5,452	471
Balance at end of the period	**3,515**	**(1,937)**
Derivative financial instruments designated as cash flow hedges		
Balance at beginning of the period	131,745	332,642
Other comprehensive income (loss)	(307,991)	(200,897)
Balance at end of the period	**(176,246)**	**131,745**
Defined-benefit-plan liabilities		
Balance at beginning of the year	(16,293)	(1,776)
Other comprehensive income (loss)	93,028	(14,517)
Balance at end of the period	**76,735**	**(16,293)**
Accumulated other comprehensive income (loss)	**(95,996)**	**113,515**
Equity	**$ 4,452,194**	**$ 4,074,923**

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

Consolidated Statement of Cash Flows

For the year ended March 31 *($ in thousands)*	**2022**	**2021**
Cash flows from operating activities		
Net income	$ 586,380	$ 210,525
Adjustments for non-cash items and other items		
Provision for loan losses	(203,879)	271,085
Depreciation and amortization	124,831	130,784
Net (gains) losses on securities	(22,542)	(6,475)
(Gains) losses on foreign-denominated wholesale borrowings	(1,600)	(98,169)
Writeoff of a non-strategic asset	37,162	-
Adjustments for net changes in operating assets and liabilities		
Loans	(1,127,603)	2,195,423
Deposits	(438,833)	2,385,946
Derivative financial instruments	44,467	88,490
Prepayments and other receivables	(77,794)	(55,039)
Accounts receivable – financial market products	73,851	(122,326)
Due to clients, brokers and dealers	32,259	(9,135)
Deposit guarantee fee payable	598	3,497
Accounts payable and accrued liabilities	88,344	(667,663)
Accounts payable – financial market products	31,781	136,050
Liability for payment in lieu of tax	112,268	32,038
Net interest receivable and payable	(68,379)	(42,902)
Change in accrued-pension-benefit liability	4,870	954
Other	921	2,124
Net cash (used in) provided by operating activities	**(802,898)**	**4,455,207**
Cash flows from investing activities		
Purchase of securities	(2,348,336)	(2,432,765)
Proceeds from sales and maturities of securities	1,432,875	3,441,869
Change in interest-bearing deposits with financial institutions	(821,430)	(288,443)
Purchases and disposals of property and equipment, software and other intangibles	(91,575)	(63,940)
Net cash (used in) provided by investing activities	**(1,828,466)**	**656,721**
Cash flows from financing activities		
Issuance of wholesale borrowings	11,021,629	8,818,142
Repayment of wholesale borrowings	(10,080,000)	(9,610,820)
Issuance of collateralized borrowings	852,713	974,513
Repayment of collateralized borrowings	(1,149,546)	(1,588,523)
Change in securities sold under repurchase agreements	(14,730)	(336,098)
Repayment of lease liabilities	(35,926)	(38,083)
Issuance of subordinated debentures	-	30,845
Repayment of subordinated debentures	-	(30,845)
Net cash (used in) provided by financing activities	**594,140**	**(1,780,869)**
Net increase (decrease) in cash	(2,037,224)	3,331,059
Cash at beginning of the year	4,643,603	1,312,544
Cash at end of the year	**$ 2,606,379**	**$ 4,643,603**
Net cash (used in) provided by operating activities includes:		
Interest paid	$ (536,053)	$ (667,898)
Interest received	1,706,637	1,800,472

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1 Nature of Operations

ATB is an Alberta-based financial services provider engaged in retail and commercial banking, credit cards, digital banking 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 its Board of Directors appointed by the Lieutenant-Governor in Council (LGIC). Under 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 GoA designed to be in lieu of such charges. (See Note 19.)

2 Significant Accounting Policies

a. General Information

Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) and the accounting requirements of the ASFI. These consolidated financial statements were approved by the Board of Directors on May 25, 2022.

The consolidated financial statements have been prepared on a historical cost basis, except for securities measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI), derivative financial instruments, financial assets and liabilities designated at FVTPL, equity instruments designated at FVOCI and liabilities for cash-settled, share-based payments, which have been measured at fair value.

The consolidated financial statements are presented in Canadian dollars, and all values are rounded to the nearest thousand dollars, except where otherwise indicated.

Consolidation – Subsidiaries

Subsidiaries are entities controlled by ATB. Control exists when ATB is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control starts until the date it ends. The financial statements of the subsidiaries have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

These consolidated financial statements include the assets, liabilities and results of operations and cash flows of ATB and its subsidiaries. All intercompany transactions and balances have been eliminated from the consolidated results.

The following wholly owned subsidiaries, created for offering investor services, were established by OC and incorporated under the *Business Corporations Act* (Alberta):

- ATB Investment Management Inc., incorporated August 21, 2002
- ATB Securities Inc., incorporated February 6, 2003
- ATB Insurance Advisors Inc., incorporated July 21, 2006

The following wholly owned subsidiaries, created for offering advisory and institutional financial services, were incorporated under the *Business Corporations Act* (Alberta):

- ATB Capital Markets Inc., incorporated May 17, 2010
- ATB Capital Markets (USA) Inc., incorporated June 21, 2010
- ATB Private Equity GP Inc., incorporated February 24, 2012
- ATB Private Equity, LP, registered March 23, 2020

A series of consolidated structured entities were incorporated on November 19, 2020, under the *Business Corporations Act* (Alberta). There was no significant activity in these entities as of March 31, 2022, resulting in no impact on the consolidated statements of financial position, income or cash flow.

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.

The consolidated financial statements for the year ended March 31, 2022, provide additional information in the following notes:

2(b): Impairment of financial assets — for establishing the allowance for loan losses
2(b): Financial instruments — for establishing the fair value
7: Securities — for establishing the fair value of investments made by ATB and subsidiaries in a broad range of mainly private Alberta companies
18: Employee benefits — for establishing the assumptions used

COVID-19

Although the market volatility associated with COVID-19 has decreased, there are still lingering impacts of the pandemic and risks of further waves, which may impact our financial results. The most significant impact would be estimates relating to the allowance for loan losses. See Note 9 for more information.

Russia's Invasion of Ukraine

The invasion of Ukraine by Russia has brought about global disruptions and uncertainty in markets and in the economy as a whole. This has led to various sanctions and controls imposed on Russia by Canada and other countries. Although ATB's exposure to Ukraine and Russia is limited, the impact of these measures and potential counter-responses by Russia is uncertain. Adverse changes, including those related to interest rates, credit spreads, market volatility and foreign exchange rates could affect ATB's earnings.

Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Total revenue and expenses related to foreign currency transactions are translated using the exchange rate in effect at the date of the transaction. Realized and unrealized gains and losses arising from these translations are included in other income in the consolidated statement of income.

b. Financial Instruments

Classification and Measurement of Financial Assets

To determine the classification and measurement category of financial assets, IFRS 9 *Financial Instruments* requires all financial assets except equity instruments and derivatives to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The categories under IFRS 9 are:

- Debt instruments at amortized cost.
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses in profit or loss on derecognition.
- FVTPL.

Business Model Assessment

ATB determines its business model at a level that best reflects how the financial assets are managed. Judgment is used in determining ATB's business model, which is supported by observable relevant factors, such as:

- How the asset and performance are evaluated and reported to key management personnel.
- The risks that affect the asset's performance and how they are managed.
- The expected frequency, value, and timing of sales.

ATB's business models fall into three categories, which are indicative of the key strategies used:

- Hold to collect (HTC): In the HTC model, financial assets are held to collect the contractual principal and interest cash flows. Sales may occur, but they are incidental and expected to be insignificant or infrequent.
- Hold to collect and sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving this business model's objective.
- Other fair-value business models: Neither HTC nor HTC&S, other fair-value business models represent business objectives where assets are managed on a fair-value basis.

The following table presents the business model for ATB's financial assets:

Financial asset	Business model
Cash	Hold to collect
Interest-bearing deposits with financial institutions	Other fair-value business models
Securities measured at fair value through profit or loss	Other fair-value business models
Securities measured at fair value through other comprehensive income	Hold to collect and sell
Securities purchased under reverse repurchase agreements	Hold to collect
Loans	Hold to collect
Derivatives	Other fair-value business models
Other assets	Hold to collect

Financial Assets Measured at Amortized Cost

Financial assets are measured at amortized cost if they are held within an HTC business model and their contractual cash flows pass the solely payments of principal and interest (SPPI) test. The assets are initially recognized at fair value—which is the cash consideration to originate or purchase the asset, including any transaction costs and up-front fees—and subsequently measured at amortized cost using the effective interest rate (EIR) method. Financial assets measured at amortized cost are reported in the consolidated statement of financial position as loans, securities purchased under reverse repurchase agreements and other assets. Interest is included in the consolidated statement of income as part of NII. For loans, ECLs are reported in the consolidated statement of financial position as an allowance for loan losses that reduces the loan's carrying value and are recognized in the consolidated statement of income as a provision for loan losses (LLP).

The Solely Payments of Principal and Interest Test

ATB assesses the contractual terms of the financial asset to determine if the contractual cash flows represent a basic lending agreement, where the cash flows comprise SPPI. Principal is defined as the fair value of the asset at initial recognition, and it may change over the asset's life due to repayments or amortization of premiums and discounts. Interest payments primarily include compensation for credit risk and the time value of money, as well as liquidity risks and servicing or administrative costs.

The contractual terms of a financial asset may also include contractual cash flows that are not related to a basic lending agreement. Where contractual terms introduce exposure to risk or variability of cash flows that are inconsistent with a basic lending agreement, the related financial asset is classified and measured at FVTPL.

Fair Value Through Other Comprehensive Income

Financial assets with an HTC&S business model where contractual cash flows meet the SPPI test are measured at FVOCI. Financial assets at FVOCI are subsequently measured at fair value, with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are included in the consolidated statement of income in NII and foreign exchange revenue in OI, respectively.

Fair Value Through Profit or Loss

Financial assets in this category are not held for trading and are either irrevocably designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL only upon initial recognition on an instrument-by-instrument basis when the designation eliminates or significantly reduces the inconsistent treatment that would result from measuring the assets or recognizing gains or losses differently.

Financial assets at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded to the relevant category in OI in the consolidated statement of income. Interest earned from instruments designated at FVTPL is accrued in interest income using the EIR, taking into account any discount/premium and qualifying transaction costs as being integral parts of the instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded to OI in the consolidated statement of income as sundry income when the right to the payment has been established.

Equity Instruments

Upon initial recognition, ATB occasionally elects to irrevocably classify, on an instrument-by-instrument basis, some of its equity investments at FVOCI when they are not held for trading.

Gains and losses on these equity instruments are never transferred to the consolidated statement of income. Dividends are recognized as sundry income when the right of the payment has been established, except when the proceeds are a partial recovery of the instrument's cost. If so, the proceeds are instead recorded in OCI. Equity instruments at FVOCI are not assessed for impairment.

If the instrument is measured at FVTPL, fair-value changes are recorded as part of net gains on securities in OI in the consolidated statement of income.

Classification of Financial Liabilities

Financial liabilities are classified and measured either at FVTPL or amortized cost.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities in this category are those not held for trading and either designated by management upon initial recognition or mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL only upon initial recognition, instrument by instrument, when one of the following criteria is met:

- The designation eliminates or significantly reduces the inconsistent treatment that would result from measuring the liabilities or recognizing gains or losses differently.
- The liabilities are part of a group of financial liabilities managed and their performance evaluated on a fair-value basis, in accordance with a documented risk management or investment strategy.

Financial liabilities at FVTPL are recorded at fair value in the consolidated statement of financial position. Changes in fair value are recorded to the relevant category in OI in the consolidated statement of income, excluding movements in fair value of liabilities designated at FVTPL if there were changes in ATB's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get transferred to profit or loss. Interest incurred on instruments designated at FVTPL is accrued in interest expense using the EIR, taking into account any discount/premium and qualifying transaction costs being integral parts of the instrument. ATB classifies certain wholesale borrowings at FVTPL.

Financial Liabilities Measured at Amortized Cost

Financial liabilities not classified as FVTPL are measured at amortized cost and reported on the consolidated statement of financial position. They include deposits, wholesale borrowings, collateralized borrowings and other liabilities. Interest expense is recognized using the EIR method and included in the consolidated statement of income as part of NII.

Reclassification of Financial Assets and Liabilities

ATB has not reclassified any of its financial assets and would do so only if a significant change were to occur subsequent to initial recognition. Financial liabilities are never reclassified.

Impairment of Financial Assets

IFRS 9 incorporates a forward-looking ECL approach. ATB records an allowance for loan losses for all loans and financial assets not held at FVTPL, which includes loan commitments and financial guarantee contracts. Equity investments are not subject to impairment under IFRS 9.

For financial assets measured at FVOCI, the calculated ECL is recognized as an allowance in OCI as an accumulated impairment amount with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is transferred to OI as net gains on securities when the asset is derecognized.

For loans carried at amortized cost, impairment losses are recognized at each reporting date as an allowance for loan loss on the consolidated statement of financial position and an LLP on the consolidated statement of income. Allowances associated with undrawn amounts are presented under other liabilities on the consolidated statement of position and disclosed in Note 9. Losses are based on the three-stage impairment model outlined below.

ATB assesses at each reporting date whether an asset has experienced a significant increase in credit risk since initial recognition. Assets are grouped into Stage 1, Stage 2 or Stage 3, described as follows:

- **Stage 1**: When the asset is recognized, an allowance is recorded based on the 12-month ECL, which represents a portion of the lifetime ECL expected within 12 months of the reporting date. An asset will remain in Stage 1 until it has experienced a significant increase in credit risk since origination. Stage 1 also includes assets previously classified as Stage 2 if the credit risk has improved.
- **Stage 2**: When an asset has experienced a significant increase in credit risk since origination, an allowance is recognized for the lifetime ECL. Stage 2 also includes assets previously classified as Stage 3 if the asset is no longer credit impaired.
- **Stage 3**: Assets are considered credit impaired, with an allowance recognized equal to the discounted contractual cash shortfall expected over the remaining lifetime. Interest for assets in this stage is calculated based on the net loan balance.

Assessing for significant increases in credit risk is done at least quarterly based on the following three factors. Should any of these indicate a significant increase in credit risk, the loan is moved from Stage 1 to Stage 2:

- Established thresholds are based on both a percentage and absolute change in lifetime probabilities of default relative to initial recognition.
- Loans 30 days past due are typically considered to have experienced a significant increase in credit risk, except, all else being equal, for payment deferrals granted under ATB's relief programs.
- All non-retail loans with a borrower risk rating (BRR) between 10 and 13 are generally considered high risk, as described in Note 8.

Both the lifetime and 12-month ECLs are calculated either individually or collectively. If the credit quality improves in subsequent periods to the point where a significant increase in credit risk no longer exists, the ECLs are measured at the 12-month ECL as the loan is moved back to Stage 1 from Stage 2.

Measurement of Expected Credit Losses

ECL calculations use a complex model that is reviewed and updated when necessary. The calculation methods for each stage are summarized as follows:

- **Stage 1**: ATB estimates an asset's projected probability of default (PD), exposure at default (EAD) and loss given default (LGD) over a maximum of 12 months following the reporting date and discounts the ECLs by the asset's EIR.
- **Stage 2**: ATB estimates an asset's projected PD, EAD and LGD over the remaining lifetime of the asset and discounts the ECLs by the asset's EIR.
- **Stage 3**: For credit-impaired assets, ATB recognizes the cumulative changes in lifetime ECLs since initial recognition. The calculation is similar to Stage 2 assets, with the PD set at 100%.

Forward-Looking Information

To measure the expected cash shortfalls, the model is based on three probability-weighted scenarios (pessimistic, baseline and optimistic) designed to capture a wide range of possible outcomes associated with different PDs, EADs and LGDs and probability of occurrence. The probability and scenarios are adjusted quarterly, based on forecasted future economic conditions. The scenarios are subject to review and challenged by the established Economic Forecast Committee, which is composed of ATB team members from across the enterprise, including Risk, Capital Markets (Energy, Foreign Exchange), the CFO Portfolio, Business (Agriculture, Real Estate), Everyday Financial Services and Customer Experience.

In the model, ATB relies on a broad range of forward-looking economic information. The inputs vary based on the asset and include:

- GDP.
- Unemployment rate.
- Housing starts.
- 3-month T-Bill yield
- Oil prices.
- Foreign exchange rate.

As the inputs may not capture all factors at the date of the financial statements, qualitative adjustments may be applied when these differences are considered material.

Expected Life

For loans in Stages 2 and 3, allowances are based on the ECLs over the loan's expected remaining lifetime. For most loans, the life is based on the remaining contractual life.

Exceptions can apply if:

- The loan includes both a loan and an undrawn commitment component.
- The loan agreement includes the contractual ability to demand repayment and cancel the undrawn commitment.
- Credit loss exposure exceeds the contractual notice period.

Loans with these characteristics are exposed to credit losses exceeding the remaining contractual life and are not mitigated by ATB's normal credit risk management practices. The estimated period is based on significant judgment using historical information for similar exposures and normal credit risk management actions that vary by product.

Significant Increase in Credit Risk

Stage 1 and Stage 2 movement relies on significant judgment to assess whether a loan's credit risk has significantly increased, relative to the date the loan was initially recognized. For this assessment, an increase in credit risk is based on a loan's lifetime PD, segregated by product or segment and done at the instrument level.

Movement from Stage 2 back to Stage 1 is symmetrical to moving from Stage 1 to Stage 2. As a result, if a loan is no longer considered to have a significant increase in credit risk relative to its initial recognition, the loan moves back to Stage 1.

Financial assets with low credit risk are considered to have a low risk of default, as the borrower can still fulfil its contractual obligations—even in stress scenarios. For these assets, ATB has assumed that the credit risk has not increased significantly since initial recognition. Securities measured at FVOCI, securities purchased under reverse repurchase agreements and certain financial assets have been identified as having low credit risk.

Definition of Default

Loans are assessed at each reporting date to determine if one or more loss events have occurred. ATB's definition of default is consistent with our internal credit risk management practices and varies across products. ATB's loans are considered impaired when they are more than 90 days past due, unless there is a reasonable expectation of timely collection of principal and interest. Impairment may also occur earlier if there is objective evidence of a negative impact on the loan's estimated future cash flows.

Writeoffs

Financial assets are written off either partially or entirely only when there is no reasonable expectation of recovery or ATB has stopped pursuing the recovery. If the amount written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance and then applied against the gross carrying amount. Any subsequent recoveries are credited to the consolidated statement of income.

Modifications and Derecognitions

A modification occurs when a financial asset's original term, payment schedule, interest rate and limit are renegotiated or modified, which results in a change to the loan's contractual cash flows.

A modification gain or loss is calculated by taking the net present value of the new contractual cash flows, discounted at the original EIR less the current carrying value. The asset will continue to be subject to the same assessments for significant increase in credit risk and stage migration prior to being modified.

When an asset is derecognized and re-recognized, the new loan will be recorded in Stage 1 unless the loan was credit impaired when renegotiated. When assessing for significant increases in credit risk, the date of initial recognition is based on the date the loan was modified.

Estimated Fair Value

The fair value of a financial instrument is the price that would be received in the sale of a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value of a financial instrument at initial recognition is the fair value of the consideration received or paid.

When financial instruments are subsequently remeasured, quoted market prices in an active market provide the best evidence of fair value. When such prices are available, ATB uses them to measure financial instruments. A financial instrument is considered to be quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or pricing service and those prices reflect actual and regularly occurring market transactions on an arm's-length basis. The fair value of a financial asset traded in an active market generally reflects the quoted closing bid price, and that of a financial liability traded in an active market generally reflects the quoted closing ask price.

If the market for a financial instrument is not active, ATB establishes fair value using a valuation technique that primarily makes use of observable market inputs. Such valuation techniques include the use of available information concerning recent market transactions, reference to the current fair value of a comparable financial instrument, discounted cash flow analysis, option pricing models and all other valuation techniques commonly used by market participants that provide reliable estimates.

In cases where the fair value is established using valuation models, ATB makes assumptions about the amount, the timing of estimated future cash flows and the discount rates used. These assumptions are based primarily on observable market inputs such as interest rate yield curves, foreign exchange rates, credit curves and price and rate volatility factors. When one or more significant inputs are not observable in the markets, fair value is established primarily on the basis of internal estimates and data, considering the valuation policies in effect at ATB, the economic environment, the specific characteristics of the financial asset or liability and other relevant factors. For investments made by ATB and its subsidiaries in private Alberta companies where there is no observable market price, fair value is estimated using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies while applying liquidity discounts as appropriate, and other valuation techniques. (See Notes 4 and 7.)

The fair values are estimated at the balance sheet date using the following valuation methods and assumptions.

Financial Instruments Whose Carrying Value Equals Fair Value

The estimated fair value of items that are short term in nature is considered to be equal to their carrying value. These items include cash, securities purchased under reverse repurchase agreements, other assets and other liabilities.

Securities and Interest-Bearing Deposits With Financial Institutions

The fair values of securities and interest-bearing deposits with financial institutions are based on quoted market prices, if available. Where an active market for identical assets does not exist, the fair value is estimated using observable market data. Where there is no quoted and observable market data, management judgment and valuation techniques based on certain assumptions are used.

Derivative Instruments

Fair value of over-the-counter and embedded derivative financial instruments is estimated using pricing models that take into account credit valuation adjustments, current market and contractual prices for the underlying instruments, and time value and yield curve or volatility factors underlying the positions. The fair value of exchange-traded contracts is based on quoted market prices in an active market.

Hybrid instruments are contracts that contain an embedded derivative. If the contract is a financial asset in scope of the standard, IFRS 9's classification and measurement criteria are applied to the entire hybrid instrument. If the contract is either a financial liability or an asset not in scope of IFRS 9, the embedded derivative is separately recognized if it is not closely related to the contract, unless the fair-value option has been elected. The contract is then accounted for in accordance with its relevant accounting standard.

Loans and Deposits

For floating-rate financial instruments, fair value is equal to carrying value as the interest rates reprice when market rates change. For fixed-rate loans, fair value is estimated by discounting the expected future cash flows at market rates. For fixed-rate deposits, fair value is estimated by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms.

Due to the use of subjective assumptions and measurement uncertainty, the fair-value amounts should not be interpreted as being realizable in an immediate settlement of these instruments.

Wholesale Borrowings and Collateralized Borrowings

The fair values of wholesale borrowings and collateralized borrowings are estimated by discounting contractual cash flows using market reference rates currently offered for debt instruments with similar terms and credit risk ratings.

Derecognition of Financial Assets and Liabilities

ATB derecognizes a financial asset when the contractual right to receive cash flows from the asset has expired or when all risks and rewards of ownership are substantially transferred. For funding transactions, all financial assets that cannot be derecognized continue to be held on ATB's consolidated statement of financial position, and a secured liability is recognized for the proceeds received. ATB derecognizes a financial liability when its contractual obligations are discharged or canceled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and consideration paid is recognized as sundry income in the consolidated statement of income.

Securities Purchased Under Reverse Repurchase Agreements and Securities Sold Under Repurchase Agreements

Securities purchased under reverse repurchase agreements represent a purchase of Government of Canada securities by ATB with a simultaneous agreement to sell them back at a specified price on a future date. The difference between the cost of the purchase and the predetermined proceeds to be received based on the repurchase agreement is recorded as securities interest income in the consolidated statement of income. Securities purchased under reverse repurchase agreements are fully collateralized—minimizing credit risk—and have been classified and measured at amortized cost.

Securities sold under repurchase agreements represent a sale of Government of Canada securities by ATB with a simultaneous agreement to buy them back at a specified price on a future date. The difference between the proceeds of the sale and the predetermined cost to be paid based on the repurchase agreement is recorded as interest expense in the consolidated statement of income.

Derivative Financial Instruments

Derivative financial instruments are financial contracts whose value is derived from an underlying reference rate such as an interest rate, a currency exchange rate, the price of an equity or debt security, or an equity or commodity index.

ATB enters into various over-the-counter and exchange-traded derivatives in the normal course of business, including interest rate swaps, futures and foreign exchange and commodity contracts. ATB uses such instruments for two purposes: for its risk management program and to meet the needs of ATB clients.

ATB's corporate derivative portfolio is not intended for speculative income generation but for asset/liability management purposes—that is, to manage ATB's interest rate, foreign exchange and equity-related exposures arising from its portfolio of investments, loan assets, deposits, CMBs and wholesale borrowings.

ATB's client derivative portfolio is not used to generate trading income through active assumption of market risk, but rather to meet the risk management requirements of ATB clients. ATB accepts no net exposure to such derivative contracts (except for credit risk), as it either enters into offsetting contracts with other financial institution counterparties or incorporates them into its own risk management programs.

Some derivative financial instruments, including embedded derivatives, are classified at FVTPL and measured at fair value in the consolidated statement of financial position. Derivatives with positive fair value are presented as derivative assets, and those with negative fair value are presented as derivative liabilities. Changes in the fair value of derivative financial instruments are recorded to the relevant category in OI in the consolidated statement of income, unless the derivative is designated for hedge accounting as a cash flow hedge, in which case the changes in fair value are reflected in OCI.

Hedge Accounting

For a derivative instrument to qualify for hedge accounting, the hedging relationship between the derivative (hedging) instrument and the hedged item(s) must be designated and formally documented at inception. ATB must also document, both at the inception of the hedging relationship and on an ongoing basis, an assessment of the effectiveness of the derivative instrument in offsetting changes in cash flows or fair value of the hedged item. When ATB designates a derivative as a hedge, it is classified as either a cash flow or fair-value hedge. ATB has elected to continue applying the hedge accounting principles under International Accounting Standard (IAS) 39 instead of those under IFRS 9.

ATB discontinues hedge accounting when one of the following conditions occurs:

- It is determined that a derivative is not or has ceased to be highly effective as a hedge;
- The derivative expires or is sold, terminated or exercised;
- The hedged item matures or is sold or repaid; or
- A forecast transaction is no longer deemed highly probable.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the hedged item is ultimately recognized in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is immediately transferred to OI as net gains on derivatives in the consolidated statement of income.

Cash Flow Hedge

ATB's derivative instruments in cash flow hedges are intended to generate cash flows that offset the variability in expected and/or anticipated cash flows from the hedged item. ATB uses various interest rate and cross-currency derivatives to manage risk relating to the variability of cash flows from certain loans and deposits. In a qualifying cash flow hedge relationship, the effective portion of the change in fair value of the hedging derivative instrument is recognized in OCI and the ineffective portion to net gains on derivatives in the consolidated statement of income. Amounts are reclassified from OCI into NII in the consolidated statement of income in the same period that the underlying hedged item affects NII.

Fair-Value Hedge

Changes in fair value of derivatives that qualify and are designated as fair-value hedges are recorded to net gains on derivatives in OI in the consolidated statement of income, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk recorded to sundry income in OI in the consolidated statement of income. ATB uses interest rate swaps to manage our exposure to fair-value changes of certain fixed-interest-rate loans and alternative funding sources caused by interest rate changes. If the hedge relationship no longer meets the criteria for hedge accounting, it is discontinued. For fair-value hedges of interest rate risk, the fair-value adjustment to the hedged item is amortized to the consolidated statement of income over the period to maturity of the previously designated hedge relationship, using the EIR method. If the hedged item is sold or repaid, the unamortized fair-value adjustment is recognized immediately in the consolidated statement of income.

Financial Guarantees

Liabilities under financial guarantee contracts are initially recorded at their fair value, which is generally the fee received or receivable. Subsequently, the financial guarantee liabilities are measured at the higher of the initial fair value, less cumulative amortization, and the best estimate of the expenditure required to settle the obligation.

Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments are recognized in the consolidated statement of income using the EIR method. When calculating the EIR, ATB estimates cash flows by considering all contractual terms of the financial instrument (e.g., prepayment options). The calculation includes all fees integral to the EIR that are paid or received between parties to the contract, transaction costs and all other premiums or discounts.

Financial Markets Group

Income generated by this group comprises various over-the-counter and exchange-traded derivatives, including interest rate swaps, foreign exchange and commodity contracts. These are used to meet the risk management requirements of ATB clients, and ATB either enters into offsetting contracts with other financial institution counterparties or incorporates them into its own risk management programs, thereby resulting in no net exposure. Changes in the fair value of derivative financial instruments are recorded as part of Financial Markets Group (FMG) in OI in the consolidated statement of income.

c. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, except for land, which is carried at cost. Buildings, computer equipment, furniture and fixtures and other equipment, and leasehold improvements are depreciated on a straight-line basis over their estimated useful lives, consistent with the expected economic benefits obtained from the asset. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets, considering expected usage and expected physical wear and tear. The depreciable amount is the gross carrying amount less the estimated residual value at the end of the asset's useful economic life. Property and equipment acquired under a finance lease are capitalized, and the depreciation period for a finance lease corresponds to the lesser of the useful life or lease term. No depreciation is recorded on property and equipment under construction or development until the assets are available for use. The estimated useful life for each asset class is as follows:

- Buildings — up to 20 years;
- Right-of-use assets — up to 20 years, with renewals assessed case by case;
- Computer equipment — up to 5 years;
- Furniture and fixtures — up to 10 years;
- Other equipment — up to 5 years; and
- Leasehold improvements — lease term, plus one renewal period if reasonably assured, for branch properties; lease term for corporate properties, if applicable.

Depreciation rates, calculation methods and the residual values underlying the calculation of depreciation of items of property and equipment are reviewed to account for any change in circumstances. Gains and losses on the disposal of property and equipment are recorded to other expenses in the consolidated statement of income in the year of disposal.

d. Software, Goodwill and Other Intangibles

Software and other intangibles are carried at cost less accumulated amortization and amortized on a straight-line basis over their estimated useful lives, consistent with the expected economic benefits obtained from the asset. Goodwill refers to any sum paid above the fair value of the net identifiable assets obtained on the date the business is acquired. No amortization is recorded on software under construction or development until the assets are available for use. The estimated useful life for software and other intangibles is 3 to 5 years, with certain software having a useful life of 15 years.

Costs related to software developed or obtained for internal use are capitalized if it is probable that future economic benefits will flow to ATB and that the cost can be measured reliably. Eligible costs include external direct costs for materials and services, as well as payroll and payroll-related costs for employees directly associated with an internally developed software project.

e. Impairment of Property and Equipment, Software, Goodwill and Other Intangibles

The carrying amount of non-financial assets—which include property and equipment, software, goodwill and other intangibles—is reviewed for impairment whenever events, changes in circumstances or technical or commercial obsolescence indicates that the carrying amount may not be recoverable. Goodwill and software under development are tested annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest level where there are separately identifiable cash inflows, or cash-generating units (CGUs).

If there is any indication of impairment, the asset's recoverable amount is estimated. The recoverable amount is the greater of an asset's fair value, less cost to sell, or its value in use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Impairment losses are recorded to the appropriate line under NIE in the consolidated statement of income.

Impairment losses may be reversed if the circumstances leading to impairment are no longer present and only to the extent that the asset's carrying amount does not exceed the carrying amount net of depreciation or amortization that would have been determined if no impairment loss had been recognized. Impairment loss reversals are recorded to other expenses in the consolidated statement of income.

Goodwill is tested for impairment annually, or more frequently if there are objective indications of impairment, by comparing the recoverable amount of a CGU with its carrying amount. The recoverable amount of a CGU is the higher of its fair value, less costs of disposal or its value in use. The recoverable amount is determined using a discounted cash flow model that projects future cash flows based on forecasted revenue. The discount rate is based on an implied internal rate of return using a combination of working capital, cash flow growth, annual capital expenditures and ATB's PILOT. Both estimates involve significant judgment when determining the inputs. If the carrying amount of a CGU exceeds its recoverable amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to other identifiable assets proportionately based on the carrying amount of each asset. Subsequent reversals of goodwill impairment are prohibited. No goodwill impairment was recorded for the year ended March 31, 2022, and at March 31, 2021.

f. Leases

IFRS 16 *Leases* provides a single lessee accounting model, requiring all leases to be included in the consolidated statement of financial position.

The interest rate for lease liabilities has been calculated using the weighted-average approach. ATB did not hold any short-term or low-value asset leases as at March 31, 2022, or at March 31, 2021.

Lessee Accounting

Classification

ATB assesses at the start of a contract if the contract is or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, a right-of-use asset and a lease liability are recognized. The right-of-use asset is presented under property and equipment, and the lease liability is presented under other liabilities on the consolidated statement of financial position.

Measurement

Measuring the lease liability includes the following components:

- Fixed lease payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts ATB expects to pay for residual-value guarantees;
- The amount paid for a purchase option if ATB is reasonably certain it will exercise the option; and
- Penalties for terminating the lease, if the term includes the option to terminate and that option is exercised.

The lease liability is measured at amortized cost using the EIR method and remeasured when:

- Future lease payments change due to an index or rate change.
- The amount ATB expects to collect for a residual-value guarantee changes.
- The likelihood of exercising a purchase, extension or termination option changes.

Remeasurements are recorded to the carrying amount of the right-of-use asset or to profit or loss if that carrying amount is zero.

Lease payments are discounted over the non-cancellable term using the interest rate implicit in the lease. However, if the interest rate cannot be readily determined, the incremental borrowing rate is used. For ATB, the incremental borrowing rate is based on our wholesale borrowing costs.

The right-of-use asset is initially measured to be equal to the right-of-use liability and is recorded under property and equipment. The assets are depreciated until the earlier of:

- The end of the useful life of the right-of-use asset or
- The lease term.

The straight-line method is applied, as it best reflects the expected pattern of consumption of the future economic benefits. In addition, right-of-use assets may be reduced by impairment losses, if any, or for certain remeasurements made to the lease liability.

If the contract does not contain a lease, no asset or liability is recorded on the consolidated statement of financial position. Instead, payments are recognized to NIE as equipment, including depreciation, in the consolidated statement of income on a straight-line basis over the term of the contract.

Lessor Accounting

Classification

A lease is classified as a "finance lease" if it transfers substantially all risks and rewards related to the underlying asset. A lease is classified as "operating" if it does not transfer substantially all risks and rewards related to the underlying asset.

The classification is done at inception and is reassessed only if a lease modification occurs. Changes in estimates (e.g., of the economic life or residual value of the underlying asset) or changes in circumstances (e.g., by default by the lessee) do not change a lease's classification.

Measurement

A lessor recognizes a finance lease on its consolidated statement of financial position (presented as a receivable at an amount equal to the net investment in the lease). The lease receivable includes:

- Fixed payments (including in-substance fixed payments) less any lease incentives payable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts ATB expects to receive for residual-value guarantees.
- The amount received for a purchase option if the lessee is reasonably certain to exercise it.
- Penalties for terminating the lease if the term includes the option to terminate and the lessee is expected to exercise the option.

Subleases

A sublease is a transaction where a lessee ("intermediate lessor") leases an underlying asset to a third party. The lease ("head lease") between the head lessor and lessee remains unchanged.

If a transaction fits this criteria, the sublease is classified as either a finance or operating lease based on the right-of-use asset arising from the head lease. However, if the recognition exemption is applied to the head lease, then the sublease shall be classified as an operating lease.

g. Salaries and Employee Benefits

ATB provides benefits to current and past employees through a combination of DB and defined-contribution (DC) plans.

Non-management employees currently participate in the Public Service Pension Plan (PSPP) with other Alberta public-sector employees. The PSPP is a DB pension plan that provides benefits based on members' years of service and earnings. ATB provides its management employees with a registered pension plan (the ATB Plan) with either DB or DC provisions. ATB also provides a non-registered DB supplemental retirement plan (SRP) and other post-employment benefits (OPEB) for designated management employees. Where employees have annual contributions over the allowed maximum under the *Income Tax Act,* ATB provides the employees with a notional supplemental plan (NSP) in which excess amounts are allocated. This non-registered plan gives employees notional DC benefits that cannot be provided with the ATB Plan due to contribution limitations.

All expenses related to employee benefits are recorded in the consolidated statement of income as salaries and employee benefits in non-interest expenses.

The cost of the DB plan is determined using an actuarial valuation. The valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Details of the salaries and benefits of ATB's key management personnel included in Note 17 are presented in the audited Compensation Summary table of this report relating to key management personnel compensation.

Accounting for Defined-Benefit Plans – Registered, Supplemental and Other

The PSPP and the DB portion of the ATB Plan, SRP and OPEB obligations provides employee benefits based on members' years of service and highest average salary. The net liability recognized in other liabilities in the consolidated statement of financial position in respect of DB pension plans is the present value of the DB obligation at the date of the consolidated statement of financial position less the fair value of plan assets. The DB obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the DB obligation is determined by discounting the estimated future cash outflows. Actuarial gains and losses are recognized in OCI. Past-service costs are recognized immediately in salaries and employee benefits in the consolidated statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Accounting for Defined-Contribution Plans

Contributions are expensed as they become due and recorded in salaries and employee benefits in the consolidated statement of income.

Plan Valuations, Asset Allocation and Funding

On March 31 each year, ATB measures its accrued-benefit obligations and the fair values of plan assets for accounting purposes for the PSPP, ATB Plan, SRP and OPEB obligations. ATB makes regular funding contributions to the DB plan according to the most recent valuation for funding purposes. The SRP and OPEB obligations are not pre-funded, and such benefits are paid from ATB's assets as they become due. The most recent actuarial valuation of the DB provisions of the ATB Plan was performed on December 31, 2019. The DB plan's investment policy sets targets for an acceptable range for the allocation of plan assets between equity, debt and other assets. (See Note 18.)

h. Provisions

Provisions are recognized when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate can be made of the amount of the obligation.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are:

- Possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ATB; or
- Present obligations that have arisen from past events but are not recognized because settlements will not require an outflow of economic benefits or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognized in the financial statements but are disclosed (in Note 21) unless the probability of settlement is remote.

i. Securitization

To provide ATB with additional sources of liquidity, we periodically securitize and guarantee certain securities and RMLs through CMHC's CMB program or through third-party investors. Credit card receivables may also be secured by ATB. All of our securitization activities are recorded on our consolidated statement of financial position and carried at amortized cost, as the derecognition criteria is not met due to retaining substantially all risks and rewards of ownership. ATB recognizes a liability for cash proceeds received from securitization. This liability is presented under collateralized borrowings in the consolidated statement of financial position.

j. Segmented Information

An AOE is a distinguishable component of ATB that provides products or services and is subject to risks and returns that are different from those of other AOEs. The SLT regularly reviews operating activity by AOE. All transactions between AOEs are conducted at arm's length, with intra-segment revenue and expenses being eliminated in SSUs. Income and expenses associated with each AOE are included in determining that AOE's performance.

k. Revenue Recognition

Fees and Commission Income

Wealth Management

Wealth management income includes revenue earned from trailer fees and mutual fund commissions, fund management, financial planning servicing and account servicing fees. Except for certain one-time account fees and commissions that are recognized when the services are completed, revenues are deferred and recognized over time for management and advisory services provided evenly throughout the month—assuming that a significant reversal of revenue will likely not occur.

Most commission revenue for insurance services is recognized immediately; a portion is deferred and recorded as a contract liability in other liabilities in the consolidated statement of financial position. The liability is then recognized as revenue in future years as performance obligations are fulfilled by managing policyholder relationships.

Service Charges

Service charges generate revenue from offering services to clients. Transaction-based fees are recognized when the transaction occurs or the service is completed.

Card Fees

Revenue is generated from issuing Mastercard® and Visa[1] Debit cards, from merchant credit card terminals and associated services and from interchange fees. All three types of fees are recognized when the transaction has taken place, except for certain recurring merchant fees that are recognized over time. Credit card reward program expenses are recorded as a reduction to card fee revenue, as the program is managed by a third party, with ATB acting as an agent.

Credit Fees

Fees are earned on various services related to a client's loan, letters of credit and guarantees, syndication and standby fees. When a fee is charged for a one-time service, revenue is recorded immediately. If the fee relates to an ongoing service, revenue is recorded over time. Fees associated with letters of credit and guarantees are deferred and recorded to revenue monthly, over the term of the letter.

Insurance

This refers to revenue generated from insurance plans offered with loans. There are two fees: variable fees based on the plan's surplus, which are deferred and recognized over the loan, and commission earned from each successful referral made to Sun Life Financial Inc. by ATB, which is recognized when the transaction takes place.

Capital Markets Revenue

These fees include underwriting services, mergers and acquisitions (M&A) and Project Finance advisory services. Underwriting services are earned and recognized upon completion by an agent/underwriter distributing the securities of issuers. M&A fees are deferred and recognized over the period of the engagement as the services are provided, and the remaining fees are recognized when the transactions and services provided are completed or certain milestones have been achieved.

Contract Assets and Liabilities

A contract asset is defined as an entity's right to consideration in exchange for goods or services that the entity has transferred to a client when that right is conditional on something other than the passage of time (e.g., the entity's future performance). This is similar to the concept of unbilled receivables.

A contract liability is defined as an entity's obligation to transfer goods or services to a client, for which the entity has received consideration (or the amount is due) from the client. This is similar to the concept of unearned revenue. (See Note 25.)

ATB had no material contract assets or liabilities as at March 31, 2022, and at March 31, 2021.

Remaining Performance Obligations

Remaining performance obligations are defined as unsatisfied or partially satisfied performance obligations that an entity has promised to transfer to a client, as stated in the contract.

ATB had no material remaining performance obligations longer than one year as at March 31, 2022, and at March 31, 2021.

I. Business Combinations

Business combinations are accounted for using the acquisition method, which involves recognizing the identifiable assets, including intangible assets not previously recognized by the acquiree, and liabilities, including contingent liabilities, for the acquired business. The assets and liabilities are measured at their fair value on the date of acquisition, and any transaction costs are recorded directly to other expenses in the consolidated statement of income. Goodwill is recorded as part of software and other intangibles on the consolidated statement of financial position if the acquisition cost exceeds the fair value of the identifiable net assets acquired. If the acquisition cost is less than the fair value of the net assets acquired, the fair value is remeasured and any remaining difference is recognized immediately to other expenses in the consolidated statement of income. Subsequent fair-value changes for contingent liabilities are recorded to other expenses on the consolidated statement of income.

Any non-controlling interest (NCI) is measured either at its fair value or based on its proportionate share of the identifiable net assets at the acquisition date, with the measurement method applied transaction by transaction.

ATB had no business combinations for the years ended March 31, 2022, and March 31, 2021.

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[1] Trademark of Visa International Service Association and used under license.

3 Summary of Accounting Policy Changes

Change in Accounting Policies and Disclosures

Interest Rate Benchmark Reform (IBOR) Phase 2

In August 2020, the IASB finalized amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts*, and IFRS 16 *Leases*. The amendments provide guidance to address instances, for issues that may affect financial reporting, where an existing interest rate benchmark is replaced with an alternative interest rate that modifies financial assets and financial liabilities, including lease liabilities, hedge accounting requirements and IBOR-reform-related disclosures. In October 2020, the Accounting Standards Board (AcSB) approved the amendments.

The amendment provides relief when a financial instrument moves to an alternative interest rate that is economically equivalent to IBOR:

- For modifications of financial instruments carried at amortized cost, benchmark interest rate changes are reflected prospectively by updating the effective interest rate with no immediate gain or loss recognized.
- Existing hedging relationships are allowed to continue upon moving to an alternative rate under certain qualifying criteria. If an alternative interest rate is not specifically identified at the date it is designated for hedge accounting, it will be deemed to meet the requirements if the rate can be identified within a 24-month period. If this criteria cannot be met, then hedge accounting will be discontinued prospectively.

ATB has established a comprehensive approach to the IBOR reform project. The implementation plan includes the following objectives:

- Identifying all clients and transactions impacted by the transition;
- Determining new pricing for all products that will be transitioned;
- Updating client contracts to reflect the transition; and
- Supporting changes to impacted systems, processes and policies impacted by the transition.

We are following the recommended target date for cessation of IBOR-based products, which was revised from December 31, 2021, to June 30, 2023.

During the first quarter of FY2022, ATB partially adopted the Phase 2 amendments, which had no impact on our financial statements.

Hedging Relationships Impacted by the Interest Rate Benchmark Reform

As at March 31, 2022, ATB has four hedging relationships that have been impacted by the interest rate benchmark reform.

The following table shows the notional amount of our hedging instruments that will expire after June 30, 2023, and result in the amendment of hedging relationships and related documentation. The notional amounts of our hedging instruments also approximate the extent of the risk exposure we manage through hedging relationships.

As at March 31, 2022 *($ in thousands)*	**Notional amount**
Interest rate swaps	
USD London Interbank Offered Rate (LIBOR)	$ 188,484

Non-Derivative Financial Assets and Undrawn Commitments

The following table reflects ATB's exposure to non-derivative financial assets and undrawn commitments as at March 31, 2022, subject to reform that have yet to transition to alternative benchmark rates. These exposures will remain outstanding until USD LIBOR ceases, which is expected to be June 30, 2023.

As at March 31, 2022 *($ in thousands)*	**Amount**
Non-derivative financial assets (1)	$ 916,061
Authorized and committed undrawn commitments	-

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

Future Accounting Policy Changes

The following standards have been issued but are not yet effective on the date of issuance of ATB's consolidated financial statements. ATB is currently assessing the impact of the application of these standards and will adopt them when they become effective.

Annual Improvements to IFRS Standards 2018-2020

In May 2020, the IASB issued *Annual Improvements to IFRS Standards 2018-2020*, amending a number of standards as part of its annual improvements. IFRS 9 *Financial Instruments* clarifies which fees are included when applying the "10% test" to assess whether a financial liability is derecognized. Under IFRS 16 *Leases*, an example for reimbursements made by the lessor for leasehold improvements has been removed. In September 2020, the AcSB endorsed the IASB's annual improvements.

ATB has assessed the impact of these improvements and determined there is no impact on our financial presentation. The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with early application permitted. The amendments for IFRS 9 provide clarification and for IFRS 16 an illustrative example has been updated, therefore have no effective date.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)

In May 2020, the IASB issued *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*, which clarifies that the cost of fulfilling a contract is included in determining whether a contract is onerous or not. The cost includes incremental and allocated costs that relate directly to fulfilling the contract.

ATB has assessed the impact of these amendments and determined there is no impact on our financial presentation. This amendment is effective for annual reporting periods beginning on or after January 1, 2022, and must be applied for all obligations not fulfilled at the beginning of the fiscal year in which the amendment is adopted. Earlier application is permitted. The amendments take effect April 1, 2022, the start of ATB's FY2023.

Proceeds Before Intended Use (Amendments to IAS 16 *Property, Plant and Equipment*)

In May 2020, the IASB issued *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*. The change prohibits deducting from the cost of property, plant and equipment any proceeds from selling items produced while readying the assets for use. Instead, the cost of producing those items and the proceeds from selling them must be recognized immediately in profit or loss.

ATB has assessed the impact of these amendments and determined there is no impact on our financial presentation. This amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendments take effect April 1, 2022, the start of ATB's FY2023.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1 *Presentation of Financial Statements*)

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*, which amends the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, nor the information that entities disclose about those items.

ATB has assessed the impact of the new definition, which is effective for annual reporting periods beginning on or after January 1, 2023, and determined that there is no impact on our financial presentation. Earlier application is permitted. We will adopt the amendments to IAS 1 on April 1, 2023, the start of ATB's FY2024.

Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements*)

In February 2021, the IASB issued *Disclosure of Accounting Policies (Amendments to IAS 1)*, which is intended to disclose material accounting policies and distinguish these from significant accounting policies. The amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance on how to apply a four-step materiality process to accounting policy disclosures.

ATB is currently assessing the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023, and is applied prospectively, with earlier application permitted. The amendments to IAS 1 take effect April 1, 2023, the start of ATB's FY2024.

Definition of Accounting Estimates (Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)

In February 2021, the IASB issued *Definition of Accounting Estimates (Amendments to IAS 8)* which updates the definition of accounting estimates and provides guidance to help entities distinguish changes in accounting estimates from changes in accounting policies.

ATB is currently assessing the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023, and is applied prospectively, with earlier application permitted. The amendments to IAS 1 take effect April 1, 2023, the start of ATB's FY2024.

IFRS 17 *Insurance Contracts*

In May 2017, the IASB published a new standard, IFRS 17 *Insurance Contracts*, establishing the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

ATB assessed the impact of the new standard and determined there is no impact on our financial presentation. IFRS 17 will replace IFRS 4 *Insurance Contracts*, effective for annual reporting periods beginning on or after January 1, 2023, and, for ATB, effective starting April 1, 2023, the start of ATB's FY2024. Earlier application is permitted if IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have also been applied. ATB has chosen to not adopt the standard early.

Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction (Amendments to IAS 12 *Income Taxes*)

In May 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*, which clarifies that the initial recognition exemption permitted in IAS 12 does not apply to transactions (such as leases and decommissioning obligations) where an asset and liability is recorded that result in equal and offsetting temporary tax differences.

ATB has assessed the impact of the amendment, which is effective for annual reporting periods beginning on or after January 1, 2023, and is applied retrospectively. The amendments to IAS 12 take effect April 1, 2023, the start of ATB's FY2024. Instead of income tax, ATB pays an amount equal to 23% of consolidated net income as reported in its audited annual financial statements. (See Note 19.) Therefore, there is no impact to our financial statements.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IAS 17 *Insurance Contracts*)

In December 2021, the IASB issued *Initial Application of IFRS 17 and IFRS 9 (Amendments to IFRS 17).* The amendment applies to entities that apply IFRS 17 and 9 at the same time. The option allows, on an instrument-by-instrument basis, an entity to present comparative information under IFRS 9 for financial assets that would not have been restated for IFRS 9. The relief helps entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities and improves the usefulness of comparative information.

ATB has assessed the impact of the amendment and determined there is no impact on our financial presentation. The amendment is effective from April 1, 2023, the start of ATB's FY2024.

4 Financial Instruments

Classification and Carrying Value

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

As at March 31, 2022 *($ 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)	$ -	$ -	$ -	$ -	$ 2,606,379	$ 2,606,379
Interest-bearing deposits with financial institutions (1)	-	1,210,901	-	-	-	1,210,901
Total cash resources	-	1,210,901	-	-	2,606,379	3,817,280
Total securities (1)	83,185	45,003	4,358,351	49,047	-	4,535,586
Business loans	-	-	-	-	24,092,016	24,092,016
Residential mortgages	-	-	-	-	16,596,726	16,596,726
Personal loans	-	-	-	-	4,971,346	4,971,346
Credit card	-	-	-	-	686,871	686,871
Allowances for loan losses	-	-	-	-	(418,255)	(418,255)
Total loans (2)	-	-	-	-	45,928,704	45,928,704
Derivative financial instruments	1,779,577	-	-	-	-	1,779,577
Other assets (1) (6)	-	-	-	-	402,579	402,579
Total other assets	1,779,577	-	-	-	402,579	2,182,156
Total financial assets	**$ 1,862,762**	**$ 1,255,904**	**$ 4,358,351**	**$ 49,047**	**$ 48,937,662**	**$ 56,463,726**
Financial liabilities						
Transaction accounts	$ -	$ -	$ -	$ -	$ 13,386,975	$ 13,386,975
Savings accounts	-	-	-	-	12,060,980	12,060,980
Notice accounts	-	-	-	-	6,095,213	6,095,213
Non-redeemable fixed-date deposits	-	-	-	-	4,687,929	4,687,929
Redeemable fixed-date deposits	-	-	-	-	1,088,385	1,088,385
Total deposits (3)	-	-	-	-	37,319,482	37,319,482
Collateralized borrowings (5)	-	-	-	-	7,614,949	7,614,949
Wholesale borrowings (4)	-	253,998	-	-	4,188,969	4,442,967
Derivative financial instruments (1)	1,882,405	-	-	-	-	1,882,405
Securities sold under repurchase agreements (1)	-	-	-	-	-	-
Other liabilities (1) (6)	-	-	-	-	1,106,257	1,106,257
Total other liabilities	1,882,405	253,998	-	-	12,910,175	15,046,578
Total financial liabilities	**$ 1,882,405**	**$ 253,998**	**$ -**	**$ -**	**$ 50,229,657**	**$ 52,366,060**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $46,277,309.
(3) The fair value of deposits is estimated at $36,283,156.
(4) The fair value of wholesale borrowings is estimated at $4,403,013.
(5) The fair value of collateralized borrowings is estimated at $7,530,073.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

As at March 31, 2021 ($ 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)	$ -	$ -	$ -	$ -	$ 4,643,603	$ 4,643,603
Interest-bearing deposits with financial institutions (1)	-	389,471	-	-	-	389,471
Total cash resources	-	389,471	-	-	4,643,603	5,033,074
Total securities (1)	56,070	36,023	3,519,592	14,922	-	3,626,607
Business loans	-	-	-	-	23,197,080	23,197,080
Residential mortgages	-	-	-	-	15,833,810	15,833,810
Personal loans	-	-	-	-	5,631,547	5,631,547
Credit card	-	-	-	-	660,652	660,652
Allowance for loan losses	-	-	-	-	(725,867)	(725,867)
Total loans (2)	-	-	-	-	44,597,222	44,597,222
Derivative financial instruments	1,181,796	-	-	-	-	1,181,796
Other assets (1) (6)	-	-	-	-	323,387	323,387
Total other assets	1,181,796	-	-	-	323,387	1,505,183
Total financial assets	**$ 1,237,866**	**$ 425,494**	**$ 3,519,592**	**$ 14,922**	**$ 49,564,212**	**$ 54,762,086**
Financial liabilities						
Transaction accounts	$ -	$ -	$ -	$ -	$ 12,035,331	$ 12,035,331
Savings accounts	-	-	-	-	12,241,167	12,241,167
Notice accounts	-	-	-	-	5,639,066	5,639,066
Non-redeemable fixed-date deposits	-	-	-	-	6,014,076	6,014,076
Redeemable fixed-date deposits	-	-	-	-	1,828,748	1,828,748
Total deposits (3)	-	-	-	-	37,758,388	37,758,388
Collateralized borrowings (5)	-	-	-	-	7,931,082	7,931,082
Wholesale borrowings (4)	-	274,251	-	-	3,234,568	3,508,819
Derivative financial instruments (1)	921,411	-	-	-	-	921,411
Securities sold under repurchase agreements (1)	-	-	-	-	14,730	14,730
Other liabilities (1) (6)	-	-	-	-	1,415,276	1,415,276
Total other liabilities	921,411	274,251	-	-	12,595,656	13,791,318
Total financial liabilities	**$ 921,411**	**$ 274,251**	**$ -**	**$ -**	**$ 50,354,044**	**$ 51,549,706**

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $46,187,190.
(3) The fair value of deposits is estimated at $37,644,667.
(4) The fair value of wholesale borrowings is estimated at $3,592,122.
(5) The fair value of collateralized borrowings is estimated at $8,170,998.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.

Fair-Value Hierarchy

Financial instruments recorded at fair value in the consolidated statement of financial position are classified using a fair-value hierarchy based on the quality and reliability of the information used to estimate the fair value. The fair-value hierarchy has the following levels:

- Level 1 — Fair value based on quoted prices in active markets;
- Level 2 — Fair value estimated using valuation techniques with market-observable inputs other than quoted market prices; and
- Level 3 — Fair value estimated using inputs not based on observable market data.

The fair-value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For the years ended March 31, 2022, and March 31, 2021, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

The categories of financial instruments whose fair values are classified as Level 3 consist of investments made by ATB and its subsidiaries in a broad range of private Alberta companies and funds. Valuation techniques are disclosed in Note 7.

The following tables present the level within the fair-value hierarchy of ATB's financial assets and liabilities measured at fair value:

As at March 31, 2022 *($ in thousands)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 1,210,901	$ -	$ 1,210,901
Securities				
Securities measured at FVTPL	45,132	-	83,056	128,188
Securities measured at FVOCI	4,358,351	-	49,047	4,407,398
Other assets				
Derivative financial instruments	-	1,779,577	-	1,779,577
Total financial assets	**$ 4,403,483**	**$ 2,990,478**	**$ 132,103**	**$ 7,526,064**
Financial liabilities				
Wholesale borrowings	$ -	$ 253,998	$ -	$ 253,998
Other liabilities				
Derivative financial instruments	-	1,882,405	-	1,882,405
Total financial liabilities	**$ -**	**$ 2,136,403**	**$ -**	**$ 2,136,403**

As at March 31, 2021 *($ in thousands)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Interest-bearing deposits with financial institutions	$ -	$ 389,471	$ -	$ 389,471
Securities				
Securities measured at FVTPL	37,927	-	54,166	92,093
Securities measured at FVOCI	3,519,592	-	14,922	3,534,514
Other assets				
Derivative financial instruments	13,055	1,168,741	-	1,181,796
Total financial assets	**$ 3,570,574**	**$ 1,558,212**	**$ 69,088**	**$ 5,197,874**
Financial liabilities				
Wholesale borrowings	$ -	$ 274,251	$ -	$ 274,251
Other liabilities				
Derivative financial instruments	11,176	910,235	-	921,411
Total financial liabilities	**$ 11,176**	**$ 1,184,486**	**$ -**	**$ 1,195,662**

ATB performs a sensitivity analysis for fair-value measurements classified as Level 3, substituting one or more reasonably possible alternative assumptions for the unobservable inputs. These sensitivity analyses are detailed in Note 7 for the other securities designated at FVTPL.

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, 2021	$ 14,922	$ 54,166
Total realized and unrealized losses included in net income	-	23,581
Total realized and unrealized gains included in other comprehensive income	20,256	-
Purchases and issuances	13,869	11,766
Sales and settlements	-	(6,457)
Fair value as at March 31, 2022	**$ 49,047**	**$ 83,056**
Change in unrealized gain included in income regarding financial instruments held as at March 31, 2022	$ -	$ 19,863

($ in thousands)	**Securities designated as at FVOCI**	**Securities classified as at FVTPL**
Fair value as at March 31, 2020	$ 10,081	$ 36,112
Total realized and unrealized losses included in net income	-	(1,514)
Total realized and unrealized gains included in other comprehensive income	(611)	-
Purchases and issuances	5,452	19,568
Sales and settlements	-	-
Fair value as at March 31, 2021	**$ 14,922**	**$ 54,166**
Change in unrealized loss included in income with respect to financial instruments held as at March 31, 2021	$ -	$ (1,514)

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.

Offsetting Financial Assets and Financial Liabilities

A financial asset or liability or securities purchased under reverse repurchase agreements or derivative assets and liabilities must be offset in the consolidated statement of financial position when and only when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis or realize the asset and settle the liability simultaneously. A legally enforceable right exists when the right is enforceable both in the normal course of business and in the event of default, insolvency, or bankruptcy.

A financial asset or liability is not offset in the consolidated statement of financial position if it is subject to master netting arrangements (which include those by the International Swaps and Derivatives Association [ISDA]) or similar arrangements that only permit offsetting outstanding transactions with the same counterparty in the event of default, insolvency or bankruptcy.

ATB receives and pledges collateral in the form of cash and marketable securities relating to its derivative assets and liabilities to manage credit risk in accordance with the terms and conditions of the ISDA credit support annex.

The following tables present information about financial assets and liabilities that are set off and not set off in the consolidated statement of financial position and are subject to a master netting agreement or similar arrangement:

As at March 31, 2022 *($ in thousands)*	Gross recognized amounts	Set-off amounts	Net amounts recognized in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amount
				Financial instruments (1)	Financial collateral received/ pledged	
Financial assets						
Derivative financial instruments	$ 2,004,571	$ 224,994	$ 1,779,577	$ 625,170	$ 108,291	$ 1,046,116
Amounts receivable from clients and financial institutions	2,303	-	2,303	-	-	2,303
Total financial assets	**$ 2,006,874**	**$ 224,994**	**$ 1,781,880**	**$ 625,170**	**$ 108,291**	**$ 1,048,419**
Financial liabilities						
Securities sold under reverse repurchase agreements	$ -	$ -	$ -	$ -	$ -	$ -
Derivative financial instruments	2,107,399	224,994	1,882,405	625,170	1,000,518	256,717
Amounts payable to clients and financial institutions	102,695	-	102,695	-	-	102,695
Total financial liabilities	**$ 2,210,094**	**$ 224,994**	**$ 1,985,100**	**$ 625,170**	**$ 1,000,518**	**$ 359,412**

As at March 31, 2021 *($ in thousands)*	Gross recognized amounts	Set-off amounts	Net amounts recognized in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position		Net amount
				Financial instruments (1)	Financial collateral received/ pledged	
Financial assets						
Derivative financial instruments	$ 1,181,796	$ -	$ 1,181,796	$ 557,471	$ 97,515	$ 526,810
Amounts receivable from clients and financial institutions	393,295	-	393,295	270,045	-	123,250
Total financial assets	**$ 1,575,091**	**$ -**	**$ 1,575,091**	**$ 827,516**	**$ 97,515**	**$ 650,060**
Financial liabilities						
Securities sold under reverse repurchase agreements	$ 14,730	$ -	$ 14,730	$ -	$ -	$ 14,730
Derivative financial instruments	921,411	-	921,411	557,471	123,198	240,742
Amounts payable to clients and financial institutions	392,341	-	392,341	270,045	-	122,296
Total financial liabilities	**$ 1,328,482**	**$ -**	**$ 1,328,482**	**$ 827,516**	**$ 123,198**	**$ 377,768**

(1) This is the carrying amount of financial assets and liabilities that are subject to a master netting agreement or similar arrangement but that do not meet the offsetting criteria.

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 an integral part of the 2022 consolidated financial statements.

6 Cash Resources

Cash consists of cash on hand, bank notes and coins, non-interest-bearing deposits and cash held at the Bank of Canada through the LVTS. Interest-bearing deposits with financial institutions have been designated at FVTPL and are recorded at fair value. Interest income on interest-bearing deposits with financial institutions is recorded on an accrual basis. Cash has been classified as financial instruments measured at amortized cost, as disclosed in Note 4.

As at March 31, 2022, the carrying value of interest-bearing deposits with financial institutions consists of $1.2 billion (2021: $389.5 million) designated at FVTPL.

ATB has restricted cash that represents deposits held in trust in connection with securitization activities. These deposits include cash accounts that hold principal and interest payments collected from mortgages securitized through the *National Housing Act* mortgage-backed security (MBS) Program. The deposits are awaiting payment to their respective investors and held in interest reinvestment accounts in connection with ATB's participation in the CMB program. As at March 31, 2022, the amount of restricted cash is $220.4 million (2021: $159.2 million).

7 Securities

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

As at March 31, 2022 *($ in thousands)*	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total carrying value**
Securities measured at FVTPL				
Issued or guaranteed by the federal or provincial government	$ 44,976	$ -	$ -	$ 44,976
Other securities	119	44,180	38,913	83,212
Total securities measured at FVTPL	**$ 45,095**	**$ 44,180**	**$ 38,913**	**$ 128,188**
Securities measured at FVOCI				
Issued or guaranteed by the federal or provincial government	$ 2,645,734	$ 1,712,617	$ -	$ 4,358,351
Other securities	-	-	49,047	49,047
Total securities measured at FVOCI	**$ 2,645,734**	**$ 1,712,617**	**$ 49,047**	**$ 4,407,398**

As at March 31, 2021 *($ in thousands)*	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total carrying value**
Securities measured at FVTPL				
Issued or guaranteed by the federal or provincial government	$ 36,023	$ -	$ -	$ 36,023
Other securities	390	42,184	13,496	56,070
Total securities measured at FVTPL	**$ 36,413**	**$ 42,184**	**$ 13,496**	**$ 92,093**
Securities measured at FVOCI				
Issued or guaranteed by the federal or provincial government	$ 1,107,460	$ 2,412,132	$ -	$ 3,519,592
Other securities	-	-	14,922	14,922
Total securities measured at FVOCI	**$ 1,107,460**	**$ 2,412,132**	**$ 14,922**	**$ 3,534,514**

Other Securities

These securities in the current year relate to investments made by ATB and its subsidiaries in a broad range of mainly private Alberta companies and funds. There is no observable market price for the investments made in these private Alberta companies and capital funds as at the balance sheet date. For direct investments in private companies, ATB estimated 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 (NAV) is used in estimating the fair value of ATB's interest. The key assumptions in this model are noted below:

			March, 31 2022		March 31, 2021	
			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	3.9	11.6	3.8	10.3
		Enterprise value/revenue multiple	6.2	6.2	6.2	6.2
	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 $7.1 million increase and $5.8 million decrease in fair value (March 2021: $6.5 million increase and $5.3 million decrease in fair value). The estimate is adjusted depending on the type of investment.

8 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 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 table presents 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				March 31				March 31
($ in thousands)				2022				2021
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 4,396,886	$ 133,175	$ -	$ 4,530,061	$ 3,612,447	$ 271,146	$ -	$ 3,883,593
Low risk	13,896,167	480,903	-	14,377,070	12,288,476	1,026,331	-	13,314,807
Medium risk	3,732,998	235,997	-	3,968,995	3,955,165	404,824	-	4,359,989
High risk	-	615,848	-	615,848	-	779,782	-	779,782
Not rated (1)	56,462	5,375	-	61,837	39,811	550	-	40,361
Impaired	-	-	538,205	538,205	-	-	818,548	818,548
Total business	**22,082,513**	**1,471,298**	**538,205**	**24,092,016**	**19,895,899**	**2,482,633**	**818,548**	**23,197,080**
Very low risk	7,855,319	6,476	-	7,861,795	7,212,459	115,142	-	7,327,601
Low risk	5,723,778	20,086	-	5,743,864	4,593,117	847,397	-	5,440,514
Medium risk	2,286,246	50,388	-	2,336,634	1,299,111	1,050,768	-	2,349,879
High risk	466,168	115,819	-	581,987	204,242	408,148	-	612,390
Not rated (1)	13,983	230	-	14,213	6,985	7,481	-	14,466
Impaired		-	58,233	58,233	-	-	88,960	88,960
Total residential mortgages	**16,345,494**	**192,999**	**58,233**	**16,596,726**	**13,315,914**	**2,428,936**	**88,960**	**15,833,810**
Very low risk	2,240,715	18,002	-	2,258,717	2,522,359	25,348	-	2,547,707
Low risk	1,681,869	35,001	-	1,716,870	1,356,544	551,758	-	1,908,302
Medium risk	686,908	63,512	-	750,420	454,485	412,057	-	866,542
High risk	115,326	84,100	-	199,426	72,639	167,447	-	240,086
Not rated (1)	14,739	367	-	15,106	6,660	16,373	-	23,033
Impaired	-	-	30,807	30,807	-	-	45,877	45,877
Total personal	**4,739,557**	**200,982**	**30,807**	**4,971,346**	**4,412,687**	**1,172,983**	**45,877**	**5,631,547**
Very low risk	101,778	2,918	-	104,696	92,741	3,905	-	96,646
Low risk	284,351	18,532	-	302,883	263,660	19,347	-	283,007
Medium risk	172,505	16,942	-	189,447	171,548	19,569	-	191,117
High risk	25,118	10,209	-	35,327	23,015	12,949	-	35,964
Not rated (1)	43,213	6,155	-	49,368	43,855	4,702	-	48,557
Impaired	-	-	5,150	5,150	-	-	5,361	5,361
Total credit card	**626,965**	**54,756**	**5,150**	**686,871**	**594,819**	**60,472**	**5,361**	**660,652**
Total loans	43,794,529	1,920,035	632,395	46,346,959	38,219,319	6,145,024	958,746	45,323,089
Total allowance for loan losses	(91,872)	(111,150)	(215,233)	(418,255)	(126,821)	(251,401)	(347,645)	(725,867)
Total net loans	**$ 43,702,657**	**$ 1,808,885**	**$ 417,162**	**$ 45,928,704**	**$ 38,092,498**	**$ 5,893,623**	**$ 611,101**	**$ 44,597,222**

(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)*				March 31 2022				March 31 2021
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low risk	$ 4,656,276	$ 5,990	$ -	$ 4,662,266	$ 4,578,085	$ 11,785	$ -	$ 4,589,870
Low risk	1,147,588	5,282	-	1,152,870	882,632	208,072	-	1,090,704
Medium risk	170,724	2,101	-	172,825	100,269	51,847	-	152,116
High risk	14,181	6,311	-	20,492	9,362	10,386	-	19,748
Not rated (1)	14,344	56	-	14,400	8,532	7,471	-	16,003
Total undrawn loan commitments – retail	**6,003,113**	**19,740**	**-**	**6,022,853**	**5,578,880**	**289,561**	**-**	**5,868,441**
Total allowance for loan losses (2)	(17,169)	(2,547)	-	(19,716)	(11,460)	(3,061)	-	(14,521)
Total net undrawn	**$ 5,985,944**	**$ 17,193**	**$ -**	**$ 6,003,137**	**$ 5,567,420**	**$ 286,500**	**$ -**	**$ 5,853,920**
Very low risk	$ 5,513,705	$ 78,750	$ -	$ 5,592,455	$ 5,223,651	$ 457,148	$ -	$ 5,680,799
Low risk	7,746,963	149,686	-	7,896,649	5,946,434	579,491	-	6,525,925
Medium risk	801,340	30,947	-	832,287	1,043,995	123,480	-	1,167,475
High risk	1,923	76,881	-	78,804	1,360	135,180	-	136,540
Not rated (1)	158,743	7,455	-	166,198	150,598	5,428	-	156,026
Total undrawn loan commitments – non-retail	**14,222,674**	**343,719**	**-**	**14,566,393**	**12,366,038**	**1,300,727**	**-**	**13,666,765**
Total allowance for loan losses (2)	(10,953)	(4,332)	-	(15,285)	(14,795)	(15,574)	-	(30,369)
Total net undrawn	**$ 14,211,721**	**$ 339,387**	**$ -**	**$ 14,551,108**	**$ 12,351,243**	**$ 1,285,153**	**$ -**	**$ 13,636,396**

(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.

The total net carrying value of the above loans includes those denominated in U.S. funds, totalling $1.2 billion as at March 31, 2022 (2021: $1.3 billion). As at March 31, 2022, the amount of foreclosed assets held for resale is $21.4 million (2021: $28.3 million).

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 March 31, 2022 *($ in thousands)*	Business	Residential mortgages	Personal	Credit card	Total	Percentage of total gross loans
Up to 1 month (1)	$ 11,602	$ 104,823	$ 18,512	$ 27,173	$ 162,110	0.4%
Over 1 month up to 2 months	88,030	81,153	18,324	6,508	194,015	0.4%
Over 2 months up to 3 months	11,542	13,259	5,279	3,405	33,485	0.1%
Over 3 months	1,720	-	170	5,026	6,916	0.0%
Total past due but not impaired	**$ 112,894**	**$ 199,235**	**$ 42,285**	**$ 42,112**	**$ 396,526**	**0.9%**

As at March 31, 2021 *($ in thousands)*	Business	Residential mortgages	Personal	Credit card	Total	Percentage of total gross loans
Up to 1 month (1)	$ 72,348	$ 74,022	$ 21,931	$ 22,716	$ 191,017	0.4%
Over 1 month up to 2 months	90,614	76,028	25,719	5,273	197,634	0.5%
Over 2 months up to 3 months	32,404	11,356	8,124	2,391	54,275	0.1%
Over 3 months	5,860	262	430	5,009	11,561	0.0%
Total past due but not impaired	**$ 201,226**	**$ 161,668**	**$ 56,204**	**$ 35,389**	**$ 454,487**	**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.

9 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking 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 economic impact of the COVID-19 pandemic, the Russia-Ukraine conflict and rising inflation. We continue to closely monitor external conditions and their impacts on our clients. Uncertainty in judgments and assumptions remains elevated as at March 31, 2022, due to the unique conditions in the current environment.

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 table presents the primary forward-looking economic information used to measure ECLs over the next 12 months and the remaining two-year forecast period for the three probability-weighted scenarios:

	As at March 31, 2022								
	Baseline scenario			Optimistic scenario			Pessimistic scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
GDP *(%)*	4.7	3.2	2.7	7.0	4.3	3.6	2.0	1.9	1.5
Unemployment rate *(%)*	7.0	6.3	5.9	5.9	5.0	4.5	8.4	8.1	7.9
Housing starts	31,777	31,026	29,631	35,825	37,245	37,690	28,322	25,875	22,817
Oil prices *(WTI, US$/bbl)*	92	76	73	115	95	91	69	57	55
3m T-bill yield *(%)*	1.2	2.1	2.2	1.5	2.6	2.7	0.9	1.5	1.6
Foreign exchange rate *(C$1/US$1)*	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

	As at March 31, 2021								
	Baseline scenario			Optimistic scenario			Pessimistic scenario		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
GDP *(%)*	4.1	2.6	2.2	5.2	3.8	3.1	1.0	1.1	0.8
Unemployment rate *(%)*	10.1	9.5	8.6	8.9	8.8	8.7	12.3	11.9	11.5
Housing starts	22,700	22,700	22,500	25,000	24,400	23,900	19,300	19,000	18,500
Oil prices *(WTI, US$/bbl)*	51	50	50	60	60	60	40	35	35
3m T-bill yield *(%)*	0.1	0.2	0.7	0.0	0.0	0.0	0.0	0.1	0.8
Foreign exchange rate *(C$1/US$1)*	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8

Sensitivity of Allowance for Loan Losses

The Stage 1 and 2 allowance for loan losses is sensitive to the inputs used in the model, as described in Note 2. Changes to these inputs and assumptions would have an impact when assessing for a significant increase in credit risk and the measurement of ECL.

The following table presents a comparison between the reported allowance for loan losses for Stage 1 and 2 loans and the allowance under the baseline, optimistic and pessimistic scenarios:

	As at March 31, 2022				As at March 31, 2021			
($ in thousands)	**Reported under IFRS 9**	**Baseline scenario**	**Optimistic scenario**	**Pessimistic scenario**	**Reported under IFRS 9**	**Baseline scenario**	**Optimistic scenario**	**Pessimistic scenario**
Allowance for loan losses (Stage 1 and 2)	$ 238,023	$ 235,238	$ 212,269	$ 269,156	$ 423,112	$ 417,612	$ 357,530	$ 504,773

The following table presents the estimated impact of staging on the allowance for loan losses for loans and off balance sheet commitments if they were fully calculated under Stage 1 compared to the actual allowance recorded:

	As at March 31, 2022			As at March 31, 2021		
($ in thousands)	**Stage 1 and 2 allowance under IFRS 9**	**Allowance – 100% in Stage 1**	**Impact of staging**	**Stage 1 and 2 allowance under IFRS 9**	**Allowance – 100% in Stage 1**	**Impact of staging**
Loans	$ 238,023	$ 220,028	$ (17,995)	$ 423,112	$ 327,489	$ (95,623)

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

	For the year ended March 31, 2022						
						Comprises	
($ in thousands)	**Balance at beginning of period**	**(Recovery of) Provision for loan losses**	**Net writeoffs**	**Discounted cash flows on impaired loans and other**	**Balance at end of period**	**Loans**	**Other credit instruments (1)**
Business	$ 633,122	$ (203,730)	$ (93,126)	$ 11,534	$ 347,800	$ 331,079	$ 16,721
Residential mortgages	16,042	(4,368)	(2,612)	135	9,197	8,372	825
Personal	88,921	(6,526)	(25,389)	196	57,202	48,729	8,473
Credit card	32,672	10,745	(4,205)	(155)	39,057	30,075	8,982
Total	**$ 770,757**	**$ (203,879)**	**$ (125,332)**	**$ 11,710**	**$ 453,256**	**$ 418,255**	**$ 35,001**

	For the year ended March 31, 2021						
						Comprises	
($ in thousands)	**Balance at beginning of period**	**(Recovery of) Provision for loan losses**	**Net writeoffs**	**Discounted cash flows on impaired loans and other**	**Balance at end of period**	**Loans**	**Other credit instruments (1)**
Business	$ 552,640	$ 224,026	$ (138,043)	$ (5,501)	$ 633,122	$ 604,143	$ 28,979
Residential mortgages	12,858	9,278	(6,074)	(20)	16,042	15,969	73
Personal	92,624	35,498	(38,986)	(215)	88,921	80,739	8,182
Credit card	41,133	2,283	(10,690)	(54)	32,672	25,016	7,656
Total	**$ 699,255**	**$ 271,085**	**$ (193,793)**	**$ (5,790)**	**$ 770,757**	**$ 725,867**	**$ 44,890**

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

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

	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Performing		Impaired		Performing		Impaired	
($ 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	$ 92,490	$ 210,688	$ 329,944	$ 633,122	$ 54,309	$ 139,869	$ 358,462	$ 552,640
Provision for loan losses								
Transfers into (out of) Stage 1 (1)	41,220	(39,567)	(1,653)	-	117,695	(104,971)	(12,724)	-
Transfers into (out of) Stage 2 (1)	(7,772)	23,908	(16,136)	-	(22,945)	37,135	(14,190)	-
Transfers into (out of) Stage 3 (1)	(158)	(20,011)	20,169	-	(687)	(44,501)	45,188	-
New originations (2)	34,333	139,758	44,517	218,608	68,818	221,225	130,452	420,495
Repayments (3)	(32,582)	(195,647)	(24,448)	(252,677)	(37,933)	(187,052)	(111,104)	(336,089)
Remeasurements (4)	(65,801)	(33,388)	(70,472)	(169,661)	(86,577)	149,906	76,291	139,620
Total provision for loan losses	**(30,760)**	**(124,947)**	**(48,023)**	**(203,730)**	**38,371**	**71,742**	**113,913**	**224,026**
Writeoffs	-	-	(101,692)	(101,692)	-	-	(167,190)	(167,190)
Recoveries	-	-	8,566	8,566	-	-	29,147	29,147
Discounted cash flows on impaired loans and other	(22)	105	11,451	11,534	(190)	(923)	(4,388)	(5,501)
Balance at end of period	**$ 61,708**	**$ 85,846**	**$ 200,246**	**$ 347,800**	**$ 92,490**	**$ 210,688**	**$ 329,944**	**$ 633,122**

	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Performing		Impaired		Performing		Impaired	
($ in thousands)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Allowance for loan losses – residential mortgages								
Balance at beginning of period	$ 4,571	$ 8,056	$ 3,415	$ 16,042	$ 3,007	$ 5,469	$ 4,382	$ 12,858
Provision for loan losses								
Transfers into (out of) Stage 1 (1)	4,107	(3,620)	(487)	-	3,237	(3,142)	(95)	-
Transfers into (out of) Stage 2 (1)	(200)	591	(391)	-	(1,082)	2,374	(1,292)	-
Transfers into (out of) Stage 3 (1)	(5)	(410)	415	-	(2)	(643)	645	-
New originations (2)	386	(634)	173	(75)	1,219	(177)	151	1,193
Repayments (3)	(211)	(238)	(149)	(598)	(232)	(429)	(116)	(777)
Remeasurements (4)	(4,379)	(1,599)	2,283	(3,695)	(1,576)	4,604	5,834	8,862
Total provision for loan losses	**(302)**	**(5,910)**	**1,844**	**(4,368)**	**1,564**	**2,587**	**5,127**	**9,278**
Writeoffs	-	-	(3,098)	(3,098)	-	-	(6,823)	(6,823)
Recoveries	-	-	486	486	-	-	749	749
Discounted cash flows on impaired loans and other	-	-	135	135	-	-	(20)	(20)
Balance at end of period	**$ 4,269**	**$ 2,146**	**$ 2,782**	**$ 9,197**	**$ 4,571**	**$ 8,056**	**$ 3,415**	**$ 16,042**

($ in thousands)	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Allowance for loan losses – personal loans								
Balance at beginning of period	$ 36,095	$ 41,290	$ 11,536	$ 88,921	$ 42,834	$ 31,697	$ 18,093	$ 92,624
Provision for loan losses								
Transfers into (out of) Stage 1 (1)	27,370	(26,882)	(488)	-	28,710	(27,857)	(853)	-
Transfers into (out of) Stage 2 (1)	(2,657)	4,502	(1,845)	-	(8,082)	12,036	(3,954)	-
Transfers into (out of) Stage 3 (1)	(120)	(3,560)	3,680	-	(206)	(5,079)	5,285	-
New originations (2)	4,306	502	402	5,210	6,671	2,784	435	9,890
Repayments (3)	(3,141)	(3,135)	(722)	(6,998)	(4,042)	(4,706)	(5,928)	(14,676)
Remeasurements (4)	(29,805)	3,440	21,627	(4,738)	(29,790)	32,415	37,659	40,284
Total provision for loan losses	**(4,047)**	**(25,133)**	**22,654**	**(6,526)**	**(6,739)**	**9,593**	**32,644**	**35,498**
Writeoffs	-	-	(26,030)	(26,030)	-	-	(40,208)	(40,208)
Recoveries	-	-	641	641	-	-	1,222	1,222
Discounted cash flows on impaired loans and other	-	-	196	196	-	-	(215)	(215)
Balance at end of period	**$ 32,048**	**$ 16,157**	**$ 8,997**	**$ 57,202**	**$ 36,095**	**$ 41,290**	**$ 11,536**	**$ 88,921**

($ in thousands)	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Allowance for loan losses – credit card								
Balance at beginning of period	$ 19,920	$ 10,002	$ 2,750	$ 32,672	$ 8,677	$ 29,591	$ 2,865	$ 41,133
Provision for loan losses								
Transfers into (out of) Stage 1 (1)	14,576	(14,576)	-	-	26,185	(26,185)	-	-
Transfers into (out of) Stage 2 (1)	(1,734)	1,734	-	-	(1,892)	1,892	-	-
Transfers into (out of) Stage 3 (1)	(115)	(1,951)	2,066	-	(90)	(1,751)	1,841	-
New originations (2)	564	112	-	676	545	293	-	838
Repayments (3)	294	650	39	983	385	1,516	(51)	1,850
Remeasurements (4)	(11,536)	17,911	2,711	9,086	(13,873)	4,648	8,820	(405)
Total provision for loan losses	**2,049**	**3,880**	**4,816**	**10,745**	**11,260**	**(19,587)**	**10,610**	**2,283**
Writeoffs	-	-	(19,008)	(19,008)	-	-	(21,735)	(21,735)
Recoveries	-	-	14,803	14,803	-	-	11,045	11,045
Discounted cash flows on impaired loans and other	-	(2)	(153)	(155)	(17)	(2)	(35)	(54)
Balance at end of period	**$ 21,969**	**$ 13,880**	**$ 3,208**	**$ 39,057**	**$ 19,920**	**$ 10,002**	**$ 2,750**	**$ 32,672**
Total balance as at end of period	**$ 119,994**	**$ 118,029**	**$ 215,233**	**$ 453,256**	**$ 153,076**	**$ 270,036**	**$ 347,645**	**$ 770,757**
Comprises: Loans	$ 91,872	$ 111,150	$ 215,233	$ 418,255	$ 126,821	$ 251,401	$ 347,645	$ 725,867
Comprises: Other credit instruments (5)	28,122	6,879	-	35,001	26,255	18,635	-	44,890

(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 on the consolidated statement of financial position.

10 Derivative Financial Instruments

Most of ATB's derivative contracts are over-the-counter (OTC) transactions that are privately negotiated between ATB and the counterparty to the contract. The remainder are exchange-traded contracts transacted through organized and regulated exchanges and consist primarily of futures. Fair-value changes in our corporate derivative portfolios are recorded to the relevant category in OI in the consolidated statement of income, and fair-value changes in our client derivative portfolios are recorded as part of FMG in OI in the consolidated statement of income. ATB uses the following derivative financial instruments.

Swaps

Swaps are transactions in which two parties agree to exchange defined cash flows. ATB uses the following types of swap contracts:

- Interest rate swaps are OTC contracts in which ATB exchanges fixed- and floating-rate interest payments with a counterparty based on an agreed notional principal amount denominated in a single currency. These are used in the corporate derivative portfolio to manage exposure to interest rate fluctuations primarily arising from the investment, loan and deposit portfolios. Interest rate swaps are also used in the client derivative portfolio to help our corporate clients in managing risks associated with interest rate fluctuations.
- Cross-currency swaps are foreign exchange transactions in which ATB exchanges interest and principal payments in different currencies. These are used in both the corporate and client portfolios to manage ATB's and its corporate clients' foreign exchange risk.

Forwards and Futures

Foreign exchange and commodity forwards are OTC transactions in which two parties agree to either buy or sell a specified amount of a currency or commodity at a specific price and on a predetermined future date. ATB uses foreign exchange forward contracts in both its corporate and client derivative portfolios to manage currency exposure either arising from its own foreign currency–denominated loans and deposits or for its clients. Commodity forward contracts are used only in the client derivative portfolio.

Futures are contractual obligations to buy or sell an interest-rate-sensitive financial instrument on a predetermined future date at a specified price. Futures contracts are transacted in standardized amounts on regulated exchanges that are subject to daily cash margining, and they are used only in the corporate derivative portfolio.

The fair value of derivative financial instruments segregated between contracts in a favourable position (i.e., having positive fair value) and contracts in an unfavourable position (i.e., having negative fair value) consists of the following:

	2022		2021	
As at March 31 *($ in thousands)*	**Favourable position**	**Unfavourable position**	**Favourable position**	**Unfavourable position**
Contracts not designated for hedge accounting				
Interest rate contracts				
Swaps	$ 161,455	$ (140,883)	$ 144,088	$ (125,798)
Futures	0	(0)	13,055	(11,176)
Total interest rate contracts	**161,455**	**(140,883)**	**157,143**	**(136,974)**
Embedded derivatives				
Market-linked deposits	**-**	**-**	-	(689)
Total embedded derivatives	**-**	**-**	**-**	**(689)**
Foreign-exchange contracts				
Forwards	79,984	(76,351)	91,126	(89,377)
Cross-currency swaps	29,802	(30,143)	32,189	(31,010)
Total foreign-exchange contracts	**109,786**	**(106,494)**	**123,315**	**(120,387)**
Commodity contracts				
Forwards	1,332,433	(1,299,549)	538,642	(471,484)
Total commodity contracts	**1,332,433**	**(1,299,549)**	**538,642**	**(471,484)**
Total fair value of contracts not designated for hedge accounting	**1,603,674**	**(1,546,926)**	**819,100**	**(729,534)**
Contracts designated for hedge accounting				
Foreign-exchange contracts				
Cross-currency swaps	-	(627)	9,190	(9,332)
Total foreign-exchange contracts	**-**	**(627)**	**9,190**	**(9,332)**
Interest rate contracts				
Swaps	175,903	(334,852)	353,506	(182,545)
Total interest rate contracts	**175,903**	**(334,852)**	**353,506**	**(182,545)**
Total fair value of contracts designated for hedge accounting	**175,903**	**(335,479)**	**362,696**	**(191,877)**
Total fair value	**$ 1,779,577**	**$ (1,882,405)**	**$ 1,181,796**	**$ (921,411)**
Less: impact of master netting agreements	(625,170)	625,170	(557,471)	557,471
Less: impact of financial institution counterparty collateral held/posted	(108,291)	1,000,518	(97,515)	123,198
Residual credit exposure on derivatives to ATB	**$ 1,046,116**	**$ (256,717)**	**$ 526,810**	**$ (240,742)**

Fair Value Hedges

The following table presents the effects of fair-value hedges on the consolidated statement of financial position and the consolidated statement of income.

	For the year ended March 31, 2022				
($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Carrying amounts for hedged items**	**Accumulated amount of fair-value hedge adjustments on hedged items**
Assets					
Interest rate risk					
Financial assets at FVOCI	$ (9,992)	$ 9,768	$ (224)	$ 1,648,745	$ (9,992)
Loans	(4,932)	4,237	(695)	73,823	(4,932)
Total assets	**$ (14,924)**	**$ 14,005**	**$ (919)**	**$ 1,722,568**	**$ (14,924)**
Liabilities					
Interest rate risk					
Securitization liabilities at amortized cost	$ 9,600	$ (9,952)	$ (352)	$ 390,400	$ 9,600
Total liabilities	**$ 9,600**	**$ (9,952)**	**$ (352)**	**$ 390,400**	**$ 9,600**
Total	**$ (5,324)**	**$ 4,053**	**$ (1,271)**		

	For the year ended March 31, 2021				
($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Carrying amounts for hedged items**	**Accumulated amount of fair-value hedge adjustments on hedged items**
Assets					
Interest rate risk					
Financial assets at FVOCI	$ -	$ -	$ -	$ -	$ -
Loans	-	-	-	-	-
Total assets	**-**	**-**	**-**	**-**	**-**
Liabilities					
Interest rate risk					
Securitization liabilities at amortized cost	$ (9,190)	$ 9,190	-	$ 290,189	$ 35,699
Total liabilities	**$ (9,190)**	**$ 9,190**	**-**	**$ 290,189**	**$ 35,699**
Total	**$ (9,190)**	**$ 9,190**	**-**		

Cash Flow Hedges

The following table presents the effects of cash flow hedges on the consolidated statement of income and consolidated statement of comprehensive income.

	For the year ended March 31, 2022					
($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Hedging gains (losses) recognized in other comprehensive income**	**Amount reclassified from accumulated other comprehensive income (loss) to earnings**	**Net change in other comprehensive income (loss)**
Cash flow hedges						
Interest rate risk	$ 302,554	$ (320,802)	$ (18,248)	$ (207,728)	$ 99,448	$ (307,176)
Foreign exchange risk	(2,860)	2,860	-	1,025	1,840	(815)
Total cash flow hedges	**$ 299,694**	**$ (317,942)**	**$ (18,248)**	**$ (206,703)**	**$ 101,288**	**$ (307,991)**

	For the year ended March 31, 2021					
($ in thousands)	**Change in value of hedged items for ineffectiveness measurement**	**Change in fair value of hedging instruments for ineffectiveness measurement**	**Hedge ineffectiveness gains (losses)**	**Hedging gains (losses) recognized in other comprehensive income**	**Amount reclassified from accumulated other comprehensive income (loss) to earnings**	**Net change in other comprehensive income (loss)**
Cash flow hedges						
Interest rate risk	$ 202,670	$ (200,622)	$ 2,048	$ (99,099)	$ 98,138	$ (197,238)
Foreign exchange risk	132,548	(132,548)	-	(69,073)	(65,414)	(3,659)
Total cash flow hedges	**$ 335,218**	**$ (333,170)**	**$ 2,048**	**$ (168,172)**	**$ 32,724**	**$ (200,897)**

Reconciliation of Accumulated Other Comprehensive Income (Loss)

The following table presents the effects of cash flow hedges on the consolidated statement of comprehensive income.

	For the year ended March 31, 2022				
($ in thousands)	**Accumulated other comprehensive income (loss) at beginning of year**	**Net changes in other comprehensive income (loss)**	**Accumulated other comprehensive income (loss) at end of year**	**Accumulated other comprehensive income (loss) on designated hedges**	**Accumulated comprehensive income (loss) on de-designated hedges**
Cash flow hedges					
Interest rate risk	$ 128,189	$ (307,176)	$ (178,987)	$ (237,716)	$ 58,729
Foreign exchange risk	3,556	(815)	2,741	2,741	-
Total cash flow hedges	**$ 131,745**	**$ (307,991)**	**$ (176,246)**	**$ (234,975)**	**$ 58,729**

($ in thousands)	For the year ended March 31, 2021				
	Accumulated other comprehensive income (loss) at beginning of year	Net changes in other comprehensive income (loss)	Accumulated other comprehensive income (loss) at end of year	Accumulated other comprehensive income (loss) on designated hedges	Accumulated comprehensive income (loss) on de-designated hedges
Cash flow hedges					
Interest rate risk	$ 325,427	$ (197,238)	$ 128,189	$ 77,769	$ 50,420
Foreign exchange risk	7,215	(3,659)	3,556	3,556	-
Total cash flow hedges	**$ 332,642**	**$ (200,897)**	**$ 131,745**	**$ 81,325**	**$ 50,420**

Term to Maturity

The notional amounts of derivative instruments represent the underlying principal amount, to which the specified rate or price is applied in order to calculate the amount of cash flows to be exchanged, and have varying maturity dates. Notional amounts do not represent assets or liabilities and are not recorded in the consolidated statement of financial position. The remaining contractual terms to maturity for the notional amounts of all derivative instruments are as follows:

As at March 31, 2022 ($ in thousands)	Not designated for hedge accounting	Designated for hedge accounting	Residual term of contract			
			Within 1 year	1 to 5 years	Over 5 years	Total
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 10,458,234	$ 16,419,499	$ 6,116,239	$ 13,454,688	$ 7,306,806	$ 26,877,733
Total interest rate contracts	**10,458,234**	**16,419,499**	**6,116,239**	**13,454,688**	**7,306,806**	**26,877,733**
Embedded derivatives						
Market-linked deposits	-	-	-	-	-	-
Total embedded derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange contracts						
Forwards	11,504,231	-	10,506,484	997,747	-	11,504,231
Cross-currency swaps	1,136,304	18,786	19,111	1,023,533	112,446	1,155,090
Total foreign exchange contracts	**12,640,535**	**18,786**	**10,525,595**	**2,021,280**	**112,446**	**12,659,321**
Commodity contracts						
Forwards	10,784,100	-	7,993,912	2,790,188	-	10,784,100
Total commodity contracts	**10,784,100**	**-**	**7,993,912**	**2,790,188**	**-**	**10,784,100**
Total over-the-counter contracts	**33,882,869**	**16,438,285**	**24,635,746**	**18,266,156**	**7,419,252**	**50,321,154**
Exchange-traded contracts						
Interest rate contracts						
Futures	-	-	-	-	-	-
Total interest rate contracts	**-**	**-**	**-**	**-**	**-**	**-**
Total exchange-traded contracts	**-**	**-**	**-**	**-**	**-**	**-**
Total	**$ 33,882,869**	**$ 16,438,285**	**$ 24,635,746**	**$ 18,266,156**	**$ 7,419,252**	**$ 50,321,154**

As at March 31, 2021 ($ in thousands)	Not designated for hedge accounting	Designated for hedge accounting	Residual term of contract Within 1 year	1 to 5 years	Over 5 years	Total
Over-the-counter contracts						
Interest rate contracts						
Swaps	$ 10,304,444	$ 21,685,125	$ 8,937,445	$ 15,498,587	$ 7,553,537	$ 31,989,569
Total interest rate contracts	**10,304,444**	**21,685,125**	**8,937,445**	**15,498,587**	**7,553,537**	**31,989,569**
Embedded derivatives						
Market-linked deposits	313,383	-	313,078	305	-	313,383
Total embedded derivatives	**313,383**	**-**	**313,078**	**305**	**-**	**313,383**
Foreign exchange contracts						
Forwards	6,003,136	-	5,168,936	834,200	-	6,003,136
Cross-currency swaps	980,024	594,128	452,636	1,121,516	-	1,574,152
Total foreign exchange contracts	**6,983,160**	**594,128**	**5,621,572**	**1,955,716**	**-**	**7,577,288**
Commodity contracts						
Forwards	6,808,076	-	4,591,003	2,217,073	-	6,808,076
Total commodity contracts	**6,808,076**	**-**	**4,591,003**	**2,217,073**	**-**	**6,808,076**
Total over-the-counter contracts	**24,409,063**	**22,279,253**	**19,463,098**	**19,671,681**	**7,553,537**	**46,688,316**
Exchange-traded contracts						
Interest rate contracts						
Futures	13,332,000	-	13,332,000	-	-	13,332,000
Total interest rate contracts	**13,332,000**	**-**	**13,332,000**	**-**	**-**	**13,332,000**
Total exchange-traded contracts	**13,332,000**	**-**	**13,332,000**	**-**	**-**	**13,332,000**
Total	**$ 37,741,063**	**$ 22,279,253**	**$ 32,795,098**	**$ 19,671,681**	**$ 7,553,537**	**$ 60,020,316**

Hedging Instruments by Remaining Term-to-Maturity

The following table discloses the notional amount and average price of derivative instruments designated in qualifying hedge accounting relationships.

($ in thousands)	For the year ended March 31, 2022 Within 1 year	1 to 5 years	Over 5 years	Total
Interest rate risk				
Interest rate swaps				
Notional - pay fixed	$ 1,939,975	$ 1,893,000	$ 1,569,524	$ 5,402,499
Average fixed interest rate *(%)*	1.4	1.6	1.9	
Notional - receive fixed	$ 1,870,000	$ 6,820,400	$ 2,326,600	$ 11,017,000
Average fixed interest rate *(%)*	1.1	1.8	2.2	
Total notional - interest rate risk	**$ 3,809,975**	**$ 8,713,400**	**$ 3,896,124**	**$ 16,419,499**
Foreign exchange risk				
Cross-currency swaps				
Notional - USD/CAD	$ 18,786	$ -	$ -	$ 18,786
Average FX rate *(C$1/US$1)*	1.3	-	-	
Total notional - Foreign exchange risk	**$ 18,786**	**$ -**	**$ -**	**$ 18,786**

($ in thousands)	For the year ended March 31, 2021 Within 1 year	1 to 5 years	Over 5 years	Total
Interest rate risk				
Interest rate swaps				
Notional - pay fixed	$ 2,765,000	$ 2,678,775	$ 1,373,000	$ 6,816,775
Average fixed interest rate *(%)*	1.6	1.4	1.9	
Notional - receive fixed	$ 3,060,000	$ 8,601,750	$ 3,206,600	$ 14,868,350
Average fixed interest rate *(%)*	1.5	1.6	2.0	
Total notional - interest rate risk	**$ 5,825,000**	**$ 11,280,525**	**$ 4,579,600**	**$ 21,685,125**
Foreign exchange risk				
Cross-currency swaps				
Notional - USD/CAD	$ -	$ 594,128	$ -	$ 594,128
Average FX rate *(C$1/US$1)*	-	1.3	-	
Total notional - Foreign exchange risk	**$ -**	**$ 594,128**	**$ -**	**$ 594,128**

Derivative-Related Credit Risk

Derivative financial instruments traded in the OTC market could incur financial loss if a counterparty defaults on its contractual obligation. ATB's maximum credit risk in respect of such derivatives is the fair value of all derivatives where ATB is in a favourable position.

ATB endeavours to limit its credit risk by dealing only with counterparties assessed to be creditworthy, and we manage the credit risk for derivatives using the same credit-risk process applied to loans and other credit assets. Financial institution counterparties must have a minimum long-term public credit rating of A-low / A3 / A- or better. The exposure to credit risk on derivatives is also reduced by entering into master netting agreements and collateral agreements with counterparties. To the extent that unfavourable contracts with the counterparty are not settled, they reduce ATB's net exposure in respect of favourable contracts with the same counterparty.

The current replacement cost represents the cost of replacing, at current market rates, all contracts with a positive fair value to ATB. The credit equivalent amount is the sum of the current replacement cost and the PFE, which is defined in a Minister-authorized guideline that was modelled after guidelines governing other Canadian deposit-taking institutions. The risk-weighted amount is determined by applying standard measures of counterparty credit risk to the credit equivalent amount. The derivative-related credit risks for derivative instruments are as follows:

	2022			2021		
As at March 31 *($ in thousands)*	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**	**Replacement cost**	**Credit equivalent amount**	**Risk-adjusted balance**
Contracts not designated for hedge accounting						
Interest rate contracts						
Swaps	$ 161,455	$ 199,653	$ 42,883	$ 144,088	$ 178,149	$ 68,195
Futures	-	-	-	13,055	13,055	2,609
Total interest rate contracts	**161,455**	**199,653**	**42,883**	**157,143**	**191,204**	**70,804**
Foreign exchange contracts						
Forwards	79,984	161,190	53,574	91,126	132,319	42,347
Cross-currency swaps	29,802	53,065	17,342	32,189	47,253	15,276
Total foreign exchange contracts	**109,786**	**214,255**	**70,916**	**123,315**	**179,572**	**57,623**
Commodity contracts						
Forwards	1,332,433	1,885,377	794,937	538,642	888,790	363,032
Total commodity contracts	**1,332,433**	**1,885,377**	**794,937**	**538,642**	**888,790**	**363,032**
Total contracts not designated for hedge accounting	**1,603,674**	**2,299,285**	**908,736**	**819,100**	**1,259,566**	**491,459**
Contracts designated for hedge accounting						
Interest rate contracts						
Cross-currency swaps	-	-	-	9,190	21,756	4,351
Swaps	175,903	224,616	44,923	353,506	420,383	84,077
Total interest rate contracts	**175,903**	**224,616**	**44,923**	**362,696**	**442,139**	**88,428**
Total contracts designated for hedge accounting	**175,903**	**224,616**	**44,923**	**362,696**	**442,139**	**88,428**
Total	**$ 1,779,577**	**$ 2,523,901**	**$ 953,659**	**$ 1,181,796**	**$ 1,701,705**	**$ 579,887**

11 Property and Equipment

($ in thousands)	Leasehold improvements	Computer equipment	Buildings	Furniture and fixtures and other equipment	Land	Work in progress	Buildings under finance lease	Equipment under finance lease	Total
	For the year ended March 31, 2022								
	Owned by ATB						**Right-of-use lease assets**		
Cost									
Balance at beginning of period	$ 209,568	$ 45,070	$ 107,814	$ 87,521	$ 7,328	$ 6,888	$ 254,054	$ 14,149	$ 732,392
Additions	2,028	3,490	6,052	2,289	-	11,487	14,513	119	39,978
Disposals	(4,747)	(4,117)	-	(4,474)	-	(8,204)	(10,501)	-	(32,043)
Balance at end of period	**$ 206,849**	**$ 44,443**	**$ 113,866**	**$ 85,336**	**$ 7,328**	**$ 10,171**	**$ 258,066**	**$ 14,268**	**$ 740,327**
Depreciation									
Balance at beginning of period	$ 148,600	$ 35,618	$ 78,919	$ 77,403	$ -	$ -	$ 147,373	$ 6,210	$ 494,123
Depreciation	7,974	5,475	2,284	3,817	-	-	20,030	5,456	45,036
Disposals	(4,352)	(3,521)	-	(4,275)	-	-	(9,668)	-	(21,816)
Balance at end of period	**$ 152,222**	**$ 37,572**	**$ 81,203**	**$ 76,945**	**$ -**	**$ -**	**$ 157,735**	**$ 11,666**	**$ 517,343**
Carrying amounts									
Balance at end of period	**$ 54,627**	**$ 6,871**	**$ 32,663**	**$ 8,391**	**$ 7,328**	**$ 10,171**	**$ 100,331**	**$ 2,602**	**$ 222,984**

($ in thousands)	Leasehold improvements	Computer equipment	Buildings	Furniture and fixtures and other equipment	Land	Work in progress	Buildings under finance lease	Equipment under finance lease	Total
	For the year ended March 31, 2021								
	Owned by ATB						**Right-of-use lease assets**		
Cost									
Balance at beginning of period	$ 238,424	$ 72,089	$ 106,823	$ 87,204	$ 7,328	$ 8,036	$ 252,528	$ 12,109	$ 784,541
Additions	2,770	5,909	991	2,733	-	11,259	2,610	2,040	28,312
Disposals	(31,626)	(32,928)	-	(2,416)	-	(12,407)	(1,084)	-	(80,461)
Balance at end of period	**$ 209,568**	**$ 45,070**	**$ 107,814**	**$ 87,521**	**$ 7,328**	**$ 6,888**	**$ 254,054**	**$ 14,149**	**$ 732,392**
Depreciation									
Balance at beginning of period	$ 166,814	$ 57,759	$ 76,704	$ 74,986	$ -	$ -	$ 128,050	$ 1,228	$ 505,541
Depreciation	9,105	7,805	2,215	4,605	-	-	20,407	4,982	49,119
Disposals	(27,319)	(29,946)	-	(2,188)	-	-	(1,084)	-	(60,537)
Balance at end of period	**$ 148,600**	**$ 35,618**	**$ 78,919**	**$ 77,403**	**$ -**	**$ -**	**$ 147,373**	**$ 6,210**	**$ 494,123**
Carrying amounts									
Balance at end of period	**$ 60,968**	**$ 9,452**	**$ 28,895**	**$ 10,118**	**$ 7,328**	**$ 6,888**	**$ 106,681**	**$ 7,939**	**$ 238,269**

A loss of $1.2 million (2021: $7.5 million loss) was recognized in the consolidated statement of income for the disposal and writeoffs of property and equipment. Income of $2.5 million (2021: $2.8 million) was recorded in the consolidated statement of income from our sublease arrangements.

12 Software and Other Intangibles

($ in thousands)	For the year ended March 31, 2022				
	Computer software	Software under development	Other intangibles	Goodwill	Total
Cost					
Balance at beginning of period	$ 688,355	$ 58,672	$ 274	$ 6,845	$ 754,146
Transfers and additions	71,260	63,245	5	-	134,510
Transfers and disposals	(27,759)	(71,774)	-	-	(99,533)
Impairment losses (1)	(51,279)	-	-	-	(51,279)
Balance at end of period	**$ 680,577**	**$ 50,143**	**$ 279**	**$ 6,845**	**$ 737,844**
Depreciation					
Balance at beginning of period	$ 471,329	$ -	$ 109	$ -	$ 471,438
Depreciation	79,760	-	35	-	79,795
Disposals	(26,847)	-	-	-	(26,847)
Impairment losses (1)	(14,117)	-	-	-	(14,117)
Balance at end of period	**$ 510,125**	**$ -**	**$ 144**	**$ -**	**$ 510,269**
Carrying amounts					
Balance at end of period	**$ 170,452**	**$ 50,143**	**$ 135**	**$ 6,845**	**$ 227,575**

($ in thousands)	For the year ended March 31, 2021				
	Computer software	Software under development	Other intangibles	Goodwill	Total
Cost					
Balance at beginning of period	$ 623,324	$ 89,461	$ 233	$ 6,845	$ 719,863
Transfers and additions	91,051	60,253	41	-	151,345
Transfers and disposals	(26,020)	(91,042)	-	-	(117,062)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 688,355**	**$ 58,672**	**$ 274**	**$ 6,845**	**$ 754,146**
Depreciation					
Balance at beginning of period	$ 410,962	$ -	$ 82	$ -	$ 411,044
Depreciation	81,638	-	27	-	81,665
Disposals	(21,271)	-	-	-	(21,271)
Impairment losses	-	-	-	-	-
Balance at end of period	**$ 471,329**	**$ -**	**$ 109**	**$ -**	**$ 471,438**
Carrying amounts					
Balance at end of period	**$ 217,026**	**$ 58,672**	**$ 165**	**$ 6,845**	**$ 282,708**

(1) During the year, ATB determined that a non-strategic technology asset would no longer be maintained. As a result of this decision, a $37.2 million writeoff was recognized in NIEs of the consolidated statement of income and reported as part of NIEs in SSUs segment results (2021: nil).

A loss of $0.9 million (2021: $4.8 million loss) was recognized during the year for the disposal and writeoffs of software and other intangibles.

The goodwill associated with our purchase of Grow Technologies Inc. (Grow) is $6.8 million. ATB performs an impairment test annually on March 31 by assessing for any indications of impairment and comparing Grow's carrying value to its recoverable amount. As at March 31, 2022, and at March 31, 2021, there were no indicators of impairment or amounts recorded.

13 Other Assets

As at March 31 *($ in thousands)*	Note	**2022**	**2021**
Accounts receivable – financial market products		$ 2,303	$ 397,993
Prepaid expenses and other receivables		368,574	291,166
Accrued interest receivable		64,059	75,001
Net pension asset	18	54,350	-
Other		51,043	31,199
Total		**$ 540,329**	**$ 795,359**

14 Deposits

As at March 31, 2022 *($ in thousands)*	**Payable on demand**	**Payable on a fixed date**						**Total**
		Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	
Transaction accounts	$ 13,386,975	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,386,975
Saving accounts	12,060,980	-	-	-	-	-	-	12,060,980
Notice accounts	6,095,213	-	-	-	-	-	-	6,095,213
Non-redeemable fixed-date deposits	-	2,799,613	1,479,797	266,267	65,029	76,873	350	4,687,929
Redeemable fixed-date deposits	-	1,018,080	49,156	10,277	4,514	5,662	696	1,088,385
Total	**$ 31,543,168**	**$ 3,817,693**	**$ 1,528,953**	**$ 276,544**	**$ 69,543**	**$ 82,535**	**$ 1,046**	**$ 37,319,482**

As at March 31, 2021 *($ in thousands)*	**Payable on demand**	**Payable on a fixed date**						**Total**
		Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	
Transaction accounts	$ 12,035,331	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,035,331
Saving accounts	12,241,167	-	-	-	-	-	-	12,241,167
Notice accounts	5,639,066	-	-	-	-	-	-	5,639,066
Non-redeemable fixed-date deposits	-	4,179,616	1,089,015	566,017	99,514	79,570	344	6,014,076
Redeemable fixed-date deposits	-	1,744,892	55,543	16,268	6,668	4,794	583	1,828,748
Total	**$ 29,915,564**	**$ 5,924,508**	**$ 1,144,558**	**$ 582,285**	**$ 106,182**	**$ 84,364**	**$ 927**	**$ 37,758,388**

The total deposits presented above include $1.4 billion (2021: $1.4 billion) denominated in U.S. funds.

As at March 31, 2022, deposits by various departments and agencies of the GoA included in the preceding schedule total $326.2 million (2021: $314.1 million).

The repayment of all deposits and wholesale borrowings, without limit, including accrued interest, is guaranteed by the Crown in right of Alberta in respect of which the Crown assesses an annual deposit-guarantee fee payable by ATB. For the year ended March 31, 2022, the fee is $59.1 million (2021: $58.5 million), with $51.5 million (2021: $52.4 million) recorded to NIE for deposits and the remainder to NII for wholesale borrowings and collateralized borrowings for credit cards.

15 Collateralized Borrowings

Canada Mortgage Bonds Program

ATB periodically securitizes insured RMLs and certain securities by participating in the *National Housing Act* MBS Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The CHT uses the proceeds of its bond issuance to finance the purchase of MBSs issued by ATB. As an issuer of the MBSs, ATB is responsible for advancing all scheduled principal and interest payments to CMHC, whether or not the amounts have been collected on the underlying transferred mortgages. Amounts advanced but not recovered are ultimately recovered from the insurer.

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. Also included in the collateralized borrowing liabilities are deferred transaction costs and premiums and discounts, representing the difference between cash proceeds and the notional amount of the liability issued. Accrued interest on the collateralized borrowing liability is based on the CMB coupon for each respective series. At the time of the CMB coupon settlement, any excess or shortfall between the CMB coupon payment and interest accumulated with swap counterparties is received or paid by ATB.

There are no ECLs on the securitized mortgage assets, as the mortgages are insured against default. Further, the investors and CMHC have no recourse to other assets of ATB in the event of failure of debtors to pay when due.

As part of a CMB transaction, ATB must enter into a total return swap with highly rated counterparties, exchanging cash flows of the CMB for those of the MBSs transferred to CHT. Any excess or shortfall in these cash flows is absorbed by ATB. These swaps are not recognized on ATB's consolidated statement of financial position, as the underlying cash flows of these derivatives are captured through the continued recognition of the mortgages, certain securities and associated CMB collateralized borrowing liabilities. Accordingly, these swaps are recognized on an accrual basis and not fair-valued through ATB's consolidated statement of income. The notional amount of these swaps as at March 31, 2022, is $7.5 billion (2021: $7.8 billion).

Collateralized borrowing liabilities are non-amortizing liabilities with fixed maturity dates. Principal payments collected from the mortgages underlying the MBSs sold to the CHT are transferred to the CHT monthly, where they are either reinvested in new MBSs or invested in eligible investments.

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.

The following table presents the carrying amount of ATB's RMLs, credit card receivables and assets pledged as collateral for the associated liability recognized in the consolidated statement of financial position:

As at March 31 *($ in thousands)*	**2022**	**2021**
Principal value of mortgages pledged as collateral	$ 5,763,282	$ 6,279,964
ATB mortgage-backed securities (MBS) pledged as collateral through repurchase agreements	1,772,250	1,548,104
Externally purchased MBSs (1)	145,010	-
Principal value of credit card receivables pledged as collateral	635,048	625,496
Total	**$ 8,315,590**	**$ 8,453,564**
Associated liabilities	$ 7,614,949	$ 7,931,082

(1) In FY2022, ATB began purchasing external MBSs to support the collateral pool.

16 Other Liabilities

As at March 31 *($ in thousands)*	Note	**2022**	2021
Accounts payable and accrued liabilities (1)		$ 728,092	$ 681,766
Accounts payable – financial market products		102,295	392,353
Accrued interest payable		79,081	158,402
Payment in lieu of tax	19	175,152	62,884
Due to clients, brokers and dealers		131,788	99,529
Accrued-pension-benefit liability	18	-	33,807
Achievement notes	23	64,545	58,454
Deposit guarantee fee payable		59,085	58,487
Total		**$ 1,340,038**	**$ 1,545,682**

(1) Includes lease liabilities of $160,561 (2021: $171,334). (See Note 21.)

17 Salaries and Benefits

ATB has included certain disclosures required in the Director Compensation section of the MD&A relating to the Board of Directors' compensation and an audited Compensation Summary section of the MD&A relating to key management personnel compensation.

18 Employee Benefits

Public Service Pension Plan

The PSPP is a multi-employer pension plan for eligible employees of the Province of Alberta, approved provincial agencies and public bodies.

The plan provides a pension of 1.4% for each year of pensionable service, based on average salary of the highest five consecutive years, up to the year's maximum pensionable earnings and 2.0% on the excess, subject to the maximum pension benefit limit allowed under the *Income Tax Act*.

As a participant in this plan, ATB and its participating employees are responsible for making current-service contributions sufficient to provide for the accruing service of members and the amortization of any unfunded liability. ATB's share of the current-service contributions (employer and employee) is based on the current pensionable earnings of active ATB participants (prorated against the total current pensionable earnings of all active PSPP members). The employer and employee share the required contributions 50/50.

Although the PSPP pools all assets and liabilities of participating employers and there is no allocation of assets and liabilities to participating employers, in order to recognize an estimate of its current liability under this plan, ATB has applied DB accounting. ATB has estimated its share of the fair value of assets, the DB obligation and the net pension liability as at March 31, 2022, based on its prorated share of plan contributions adjusted for its prorated contribution rate (split 50/50 between employer and employee). ATB reassesses and discloses the estimated value of this liability annually.

Registered Pension Plan

ATB provides its management employees with a registered pension plan (the ATB Plan) with either DB or DC provisions. The DB component provides benefits based on members' years of service and earnings. The DC component provides annual contributions based on members' earnings.

ATB amended the ATB Plan to change the annual contributions in the DC component effective January 1, 2015, and to close the DB component to service accruals effective July 7, 2016. Current members in the DB component will continue to accrue earnings for their highest average earnings calculations and service for early retirement subsidies but, effective July 8, 2016, will accrue future benefits under the DC component. Since July 8, 2016, all new entrants into the ATB Plan automatically go into the DC component.

Effective July 15, 2006, ATB finalized arrangements with the GoA to assume pension obligations relating to current ATB employees who participated in the PSPP prior to joining the ATB Plan (the PSPP take-on). The arrangements formalized ATB's commitment to providing combined pensionable service (CPS) benefits for qualifying members whose CPS benefits were affected by the withdrawal of ATB from the Management Employees Pension Plan.

Since June 27, 2014, any employee promoted to a management position joins the plan under the DC provision, and any pension benefit earned in the PSPP is deferred at Alberta Pension Services, or, if eligible, the employee may choose to withdraw their pension benefit.

Non-Registered Plans

ATB also provides a non-registered DB SRP and OPEB for designated management employees. The SRP provides benefits based on members' years of service and earnings over the Canada Revenue Agency maximum pension limits.

Notional Supplemental Plan

For any team member whose annual pension contributions exceed the allowable maximum under the Income Tax Act, excess amounts are allocated to the notional supplemental plan (NSP)—a non-registered plan that provides notional DC benefits that cannot be provided within the FPP due to income tax restrictions.

Plan Risks

The DB plans expose ATB to actuarial risks such as longevity, currency, interest rate and market risks. ATB, in conjunction with the HR and Retirement Committees, manages risk through the plan's statement of investment policies and procedures and pension investment risk management policy, which:

- Establishes allowable and prohibited investment types.
- Sets diversification requirements.
- Limits portfolio mismatch risk through an asset allocation policy.
- Limits market risks associated with the underlying fund assets.

Breakdown of Defined-Benefit Obligation

The following table presents a breakdown of ATB's obligation for the ATB Plan and PSPP plan:

As at March 31, 2022 *($ in thousands)*	**Registered plan**	**Supplemental and other**	**ATB's share of PSPP**
Active	$ 105,722	$ 495	$ 104,358
Deferred	21,328	356	29,172
Pensioners and beneficiaries	251,116	6,422	131,156
Total defined-benefit obligation	**$ 378,166**	**$ 7,273**	**$ 264,686**

As at March 31, 2021 *($ in thousands)*	**Registered plan**	**Supplemental and other**	**ATB's share of PSPP**
Active	$ 127,970	$ 570	$ 119,471
Deferred	24,957	136	33,585
Pensioners and beneficiaries	277,095	7,262	146,462
Total defined-benefit obligation	**$ 430,022**	**$ 7,968**	**$ 299,518**

Breakdown of ATB Plan Assets

The following table presents a breakdown of the assets held under the ATB Plan:

	2022	**2021**
As at March 31 *($ in thousands)*	**Quoted on an active market**	**Quoted on an active market**
Bonds		
Provinces, municipal corporations and other public administrations	$ -	$ -
Other issuers	328,533	340,195
Shares	92,833	108,197
Cash and money-market securities	2,985	2,069
Total fair value of plan assets	**$ 424,351**	**$ 450,461**

Asset/Liability Matching Strategy

ATB's pension plan investment policy is reviewed each year. The current policy is to match those assets in respect of inactive members with a matching fixed-income portfolio. For active members who have liabilities with other variables, such as salary growth, assets are not matched but an equity-centric portfolio is held (70% benchmark in equities). A more in-depth asset/liability study, which involves a detailed risk assessment, is conducted every three to five years.

Cash Payments

For the year ended March 31, 2022, total cash paid or payable for employee benefits—cash contributed by ATB for the DB and DC provisions of the ATB Plan—made directly to beneficiaries for the unfunded SRP and cash contributed to the PSPP is $50.9 million (2021: $49.3 million).

Contributions expected during the upcoming year are $0.8 million (2021: $0.8 million) for the DB portion of the ATB Plan, $0.4 million (2021: $0.4 million) for the unfunded SRP and CPS and $8.3 million (2021: $10.8 million) for the PSPP.

Pension Plan Obligation Maturity Profile

For 2022, the weighted-average financial duration of the main group plans was approximately 15 years (2021: 17 years).

Net Accrued-Benefit Liability

The funded status and net accrued-pension-benefit liability for the DB provisions of the ATB Plan and the other pension obligations—which include the PSPP, SRP, obligations recognized in respect of the CPS benefit obligation to inactive plan members, OPEB and the NSP—consist of the following:

As at March 31 *($ in thousands)*	**2022**	**2021**
Registered plan		
Fair value of plan assets	$ 424,351	$ 450,461
Projected benefit obligation	(367,334)	(421,621)
Net pension-benefit liability (1)	**$ 57,017**	**$ 28,840**
Supplemental and other		
Unfunded projected benefit obligation, representing the plan funding deficit	$ (7,273)	$ (7,968)
Net pension-benefit liability (1)	**$ (7,273)**	**$ (7,968)**
ATB's share of PSPP		
Fair value of plan assets	$ 280,851	$ 253,744
Projected benefit obligation	(264,686)	(299,518)
Net pension-benefit asset (liability) (1)	**$ 16,165**	**$ (45,774)**
Notional supplemental plan liability	$ (11,559)	$ (8,905)
Total net pension-benefit asset (liability) (1) (2)	**$ 54,350**	**$ (33,807)**

(1) The effect of asset limitation and IAS minimum funding requirements is nil.
(2) There are no unrecognized actuarial gains/losses and past-service costs.

The net accrued-benefit asset or liability is included in other assets or liabilities in the consolidated statement of financial position as appropriate. (See Notes 13 and 16.)

Other Comprehensive Income

As at March 31	Registered plan		Supplemental and other		ATB's share of PSPP	
($ in thousands)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Actuarial (gain) loss on plan assets	$ 20,401	$ (23,736)	$ -	$ -	$ (18,932)	$ (28,032)
Effect of changes in financial assumptions	(47,522)	44,901	(860)	688	(41,543)	32,153
Experience (gain) loss on plan liabilities	(76)	5,738	345	10	(4,841)	(17,205)
Amount recognized in other comprehensive (income) loss	**$ (27,197)**	**$ 26,903**	**$ (515)**	**$ 698**	**$ (65,316)**	**$ (13,084)**
Beginning balance, accumulated other comprehensive loss (income)	52,587	25,684	4,755	4,057	(41,049)	(27,965)
Ending balance, accumulated other comprehensive loss (income)	**$ 25,390**	**$ 52,587**	**$ 4,240**	**$ 4,755**	**$ (106,365)**	**$ (41,049)**

Change in Plan Assets and Benefit Obligations

Changes in the estimated financial position of the DB provisions of the ATB Plan, the PSPP and the SRP and OPEB obligations are as follows:

As at March 31	Registered plan		Supplemental and other		ATB's share of PSPP	
($ in thousands)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Change in fair value of plan assets						
Fair value of plan assets at beginning of the year	$ 450,461	$ 429,126	$ -	$ -	$ 253,744	$ 215,488
Contributions from ATB	843	623	443	738	10,273	11,262
Interest income	15,012	17,676	-	-	8,639	9,086
Actuarial gain (loss) on plan assets	(20,234)	23,748	-	-	18,932	28,032
Benefits paid	(20,721)	(19,857)	(443)	(738)	(10,737)	(10,124)
Actual plan expenses	(1,010)	(855)	-	-	-	-
Fair value of plan assets at end of the year	**$ 424,351**	**$ 450,461**	**$ -**	**$ -**	**$ 280,851**	**$ 253,744**
Change in defined-benefit obligation						
Projected benefit obligation at beginning of the year	$ 421,621	$ 375,562	$ 7,968	$ 7,694	$ 299,518	$ 271,998
Effect of changes in financial assumptions	(47,522)	44,901	(860)	688	(41,543)	32,153
Experience (gain) loss on plan liabilities	(76)	5,738	345	10	(4,841)	(17,205)
Current-service costs	-	-	-	-	11,873	11,472
Interest expense	14,032	15,277	263	314	10,416	11,224
Benefits paid	(20,721)	(19,857)	(443)	(738)	(10,737)	(10,124)
Less: defined-benefit obligation at end of the year	**$ 367,334**	**$ 421,621**	**$ 7,273**	**$ 7,968**	**$ 264,686**	**$ 299,518**
Net pension-benefit asset (liability)	**$ 57,017**	**$ 28,840**	**$ (7,273)**	**$ (7,968)**	**$ 16,165**	**$ (45,774)**

Defined-Benefit Pension Expense

Benefit expense for DB provisions of the ATB Plan and for PSPP, SRP and OPEB consists of the following:

As at March 31	Registered plan		Supplemental and other		ATB's share of PSPP	
($ in thousands)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Current-service costs	$ -	$ -	$ -	$ -	$ 11,873	$ 11,472
Interest expense	14,032	15,403	263	314	10,416	11,224
Interest income	(15,012)	(17,676)	-	-	(8,639)	(9,086)
Administrative expenses and taxes	843	843	-	-	-	-
Net pension-benefit (income) expense recognized	**$ (137)**	**$ (1,430)**	**$ 263**	**$ 314**	**$ 13,650**	**$ 13,610**

Key Assumptions and Sensitivities

The significant assumptions used in the actuarial determination of projected benefit obligations and the related net benefit expense are, on a weighted-average basis, as follows:

	Registered plan		Supplemental and other		ATB's share of PSPP	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Accrued-benefit obligation as at March 31						
Discount rate at end of the year *(%)*	4.4	3.4	4.4	3.4	4.4	3.4
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	4.5	0.8	4.5	0.8	3.0	0.0
Defined-benefit expense for the year ended March 31						
Discount rate at beginning of the year *(%)*	3.4	4.2	3.4	4.2	3.4	4.2
Inflation rate *(%)*	2.0	2.0	2.0	2.0	2.0	2.0
Rate of compensation increase *(%)* (1)	n/a	n/a	n/a	n/a	3.0	0.0
ATB's share of PSPP contributions *(%)*	n/a	n/a	n/a	n/a	3.2	3.2

(1) This refers to the long-term weighted-average rate of compensation increase, including merit and promotion.

Mortality assumptions are significant in measuring the accrued-pension-benefit obligation. The following table outlines the assumptions used:

	2022	**2021**
Registered plan and supplemental and other	Canadian Pensioner Mortality (CPM) 2014 public sector mortality table, improvement scale CPM-B	Canadian Pensioner Mortality (CPM) 2014 public sector mortality table, improvement scale CPM-B
ATB's share of PSPP	Canadian Pensioner Mortality (CPM) 2014 private sector mortality table, improvement scale MI-2017, no adjustment	Canadian Pensioner Mortality (CPM) 2014 private sector mortality table, improvement scale MI-2017, 95% adjustment for females

The following table outlines the possible impact of changes in certain key weighted-average economic assumptions used to measure the accrued-pension-benefit obligations as at March 31, 2022, and the related expense for the year then ended:

		Registered plan		Supplemental and other		ATB's share of the PSPP	
As at March 31, 2022 ($ in thousands)		**Benefit obligation**	**Benefit expense**	**Benefit obligation**	**Benefit expense**	**Benefit obligation**	**Benefit expense**
Discount rate							
Impact of:	1.0% increase	$ (44,343)	$ (2,964)	$ (719)	$ 32	$ (35,908)	$ (4,126)
	1.0% decrease	55,050	2,442	859	(42)	41,544	4,104
Inflation rate							
Impact of:	1.0% increase	28,551	1,257	27	1	18,099	1,476
	1.0% decrease	(25,412)	(1,118)	(25)	(1)	(16,940)	(1,381)
Rate of compensation increase							
Impact of:	0.25% increase	1,060	47	10	1	1,850	306
	0.25% decrease	(1,034)	45	(10)	-	(1,837)	(300)
Mortality							
Impact of:	10.0% increase	(6,965)	(306)	(121)	(5)	n/a (1)	n/a (1)
	10.0% decrease	7,617	336	131	6	n/a (1)	n/a (1)

(1) Mortality sensitivity information for the PSPP is not available.

This sensitivity analysis should be used with caution, as it is hypothetical and the effect of changes in each significant assumption may not be linear. Also, the sensitivities in each key variable have been calculated independently of changes in other key variables, and actual experience may result in simultaneous changes to a number of key assumptions. Changes in one factor could result in changes to another that may serve to amplify or reduce certain sensitivities.

19 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 its audited annual financial statements. PILOT is calculated as 23% of NI reported under IFRS.

As at March 31, 2022, ATB has accrued a total of $175.2 million (2021: $62.9 million) for PILOT.

20 Related-Party Transactions

In the ordinary course of business, ATB provides normal banking services to various departments and agencies of the GoA on terms similar to those offered to non-related parties. (See Note 14.) These services also include OTC foreign exchange forwards to manage currency exposure. (See Note 10.) The fair values of the asset and liability associated with these derivative contracts as at March 31, 2022, are $0.1 million (2021: nil) and $0.1 million (2021: nil), respectively.

During the year, ATB leased certain premises from the GoA. For the year ended March 31, 2022, the total of these payments was $0.4 million (2021: $0.3 million). ATB recognized a deposit guarantee fee payable to the Crown in right of Alberta in return for a guarantee on all client deposits and a PILOT. (See Notes 14 and 19.)

ATB entered into a wholesale borrowing agreement with the Minister on November 24, 2003 (amended November 9, 2007). The agreement was amended again in December 2015 to increase the available limit of borrowings to $7.0 billion from $5.5 billion. Effective March 31, 2020, the limit was increased by $2.0 billion to $9.0 billion. Under this agreement, the Minister acts as fiscal agent of ATB under the *Financial Administration Act* and is involved in raising wholesale borrowings in the marketplace. As at March 31, 2022, wholesale borrowings are $4.4 billion (2021: $3.5 billion), payable to the Minister.

ATB provides loans to key management personnel, defined as those having authority and responsibility for planning, directing and controlling the activities of ATB; their close family members and their related entities on market conditions, except for banking products and services that are subject to approved guidelines governing all employees. As at March 31, 2022, $8.9 million (2021: $6.7 million) in loans is outstanding. Key management personnel have deposits provided at standard market rates. As at March 31, 2022, $0.5 million (2021: $0.9 million) in deposits is outstanding.

No impairment losses were recorded against balances outstanding from key management personnel, and no specific allowances for impairment were recognized on balances with these personnel and their close family members. Key management personnel's compensation is disclosed in the audited Compensation Summary in the Executive Compensation Discussion and Analysis in the MD&A.

Key management personnel, excluding the President and CEO, may also purchase achievement notes based on their role within ATB. As at March 31, 2022, $4.6 million (2021: $3.8 million) in achievement notes is outstanding to this group.

ATB's key management personnel include our NEOs; President and CEO; CFO; Chief Experience Officer; Senior EVP, Everyday Financial Services; and Chief Risk Officer. The following table presents the compensation of ATB's Board and NEOs:

For the year ended March 31 *($ in thousands)*	**2022**	**2021**
Salaries and short-term incentives (1)	$ 4,947	$ 4,208
Pension (2)	32	32
Long-term incentives (3)	2,905	3,306
All other compensation and benefits (4)	617	737
Total	**$ 8,352**	**$ 8,283**

(1) In FY2021, the NEOs consisted of the President and CEO; CFO; Senior EVP, ATB Business, and CEO, ATB Capital Markets; Chief Experience Officer; and Chief Technology Officer.
(2) Salaries and STIs consist of all regular base pay earned by NEOs and Board of Directors' compensation and other direct cash remuneration. STI plan pay for NEOs is also included and is accrued based on goal attainment for the fiscal year but is paid after the fiscal year-end.
(3) Pension includes the annual compensatory value from the FPP for NEOs, based on employer contributions.
(4) LTIs include the grants awarded to NEOs for the fiscal year. Payment of the grants is deferred for three fiscal years and will include appreciation or depreciation annually based on ATB's RAROC performance over the term of the grant and is contingent upon the NEO's continued employment with ATB.
(5) All other compensation may include the following for NEOs: perquisites, HCSA credits, executive health benefit, personal tax advice, relocation benefit, retention bonus, employer contributions to an RRSP and an unfunded supplementary pension plan operating on a defined-contribution basis (DC SERP) within the CEO Pension Plan, and employer contributions to the NSP. ATB makes a notional contribution under the NSP for any annual pension amounts that exceed allowable maximums under the *Income Tax Act*. The NSP is a non-registered plan that provides notional DC benefits that cannot be provided within the DC plan due to income tax restrictions.

21 Commitments, Guarantees and Contingent Liabilities

Credit Instruments

In the normal course of business, ATB enters into various off-balance sheet commitments to provide clients with sources of credit. These may include letters of credit, letters of guarantee and loan guarantees, and commitments to extend credit.

All of these arrangements are subject to ATB's normal credit standards, and collateral may be obtained where appropriate. The contract amounts represent the maximum credit risk exposure to ATB should the contracts be fully drawn and any collateral held prove to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts do not necessarily represent future cash requirements.

Letters of Credit

Standby letters of credit represent an irrevocable obligation to make payments to a third party if the client cannot meet its financial or contractual performance obligations. In the event of a call on such commitments, ATB has recourse against the client.

Documentary and commercial letters of credit require ATB to honour drafts presented by third parties upon completion of specific activities.

Guarantees

Guarantees also represent an irrevocable obligation to make payments to a third party in certain situations. Guarantees include contracts or indemnities that contingently require ATB to make payments (either as some asset or service) to another party based on changes in an asset, liability or equity the other party holds; failure of a third party to perform under an obligating agreement or failure of a third party to pay its indebtedness when due. The term of these guarantees varies according to the contracts and normally does not exceed one year. In the event of a call on such commitments, ATB has recourse against the client.

Commitments to Extend Credit

Commitments to extend credit represent undertakings by ATB to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions, and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis.

The amounts presented in the current and comparative year for commitments to extend credit include demand facilities of $12.5 billion (2021: $11.4 billion). For demand facilities, ATB considers the undrawn portion to represent a commitment to the client; however, the terms of the commitment allow ATB to adjust the credit exposure if circumstances warrant doing so. Accordingly, these demand facilities are considered to represent a lesser exposure than facilities with extended commitment terms. Credit facilities are contracted for a limited period of usually less than one year and may expire or terminate without being drawn upon. The contractual amounts of all such credit instruments are outlined in the table below:

As at March 31 *($ in thousands)*	2022	2021
Loan guarantees and standby letters of credit	$ 976,258	$ 1,154,472
Commitments to extend credit	19,662,931	18,434,227
Total	**$ 20,639,189**	**$ 19,588,699**

Pledged Assets

In the ordinary course of business, ATB grants a security interest in certain collateral (including securities, interest-bearing deposits with financial institutions, and loans and accounts) to the Bank of Canada in order to participate in clearing and payment systems and to have access to its facilities. ATB also pledges securities to Clearing and Depository Services Inc. in order to participate in a settlement-agent credit ring, which is outlined in the following table:

As at March 31 *($ in thousands)*	2022	2021
Assets pledged to:		
Bank of Canada	$ 386,012	$ 439,282
Clearing and Depository Services Inc.	16,000	16,000
Merrill Lynch	4,000	4,000
Total	**$ 406,012**	**$ 459,282**

In addition to the amounts above, ATB has pledged assets relating to certain derivative contracts and collateralized borrowing. (See Notes 10 and 15.)

Indemnification Agreements

In the normal course of operations, ATB enters into various agreements that provide general indemnification to the other party. Examples include service agreements, leasing agreements, clearing arrangements and service contracts. These indemnifications may require ATB, in certain circumstances, to compensate the other party for costs incurred as a result of various contingencies.

ATB also indemnifies directors and officers, to the extent permitted by law, against certain claims that may be made against them as a result of their services to the company. The terms of these indemnifications vary based on the contract, the nature of which prevents ATB from making a reasonable estimate of the maximum potential amount it could be required to pay to other parties. Historically, any such amounts have not been significant. No amount has been accrued in the consolidated statement of financial position in respect of such indemnifications.

Contingent Liabilities

Various actions and legal proceedings arising from the normal course of business are pending against ATB. Management does not consider the aggregate liability of these actions and proceedings to be material.

Contractual Obligations

ATB has various obligations under long-term non-cancellable contracts, which include service contracts and finance leases for buildings and equipment. The expected payments for such obligations for each of the next five fiscal years and thereafter are outlined in the following table:

As at March 31 *($ in thousands)*	**2022**	**2021**
2022	$ -	$ 97,464
2023	117,248	55,164
2024	68,068	31,046
2025	36,733	12,188
2026	29,147	10,496
2027	21,793	9,125
Thereafter	44,123	30,369
Total	**$ 317,112**	**$ 245,852**

Lease Commitments

The lease payments required under ATB's leases are as follows:

As at March 31 *($ in thousands)*	**2022**	**2021**
Lease payments		
Not later than 1 year	$ 33,760	$ 38,130
Later than 1 year but not later than 5 years	101,386	98,771
Later than 5 years	65,270	82,461
Total lease payments	**$ 200,414**	**$ 219,362**
Less: charges not yet due	39,853	48,028
Total lease commitments	**$ 160,561**	**$ 171,334**

$9.2 million (2021: $10.8 million) was recorded for interest expense to equipment, including depreciation in the consolidated statement of income for our lease liabilities. The total cash outflow for leases this year is $35.9 million (2021: $38.0 million).

22 Interest Rate Risk

Interest Rate Gap Analysis

Gap analysis involves the allocation of interest-rate-sensitive assets and interest-rate-sensitive liabilities into categories according to their maturity or repricing date. Gaps can change significantly within a short period of time. The impact of changes in interest rates on NII will depend upon the size and rate of change in interest rates, the size and maturity of the total gap position, and management of these positions over time. ATB actively manages its interest rate gap position to protect NII while minimizing risk. The following table shows ATB's interest rate gap position:

	Term to maturity/repricing						
As at March 31, 2022 ($ in thousands)	**Fixed rate within 3 months**	**Floating rate within 3 months**	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Non-interest-rate-sensitive**	**Total**
Assets							
Cash resources and securities	$ 164	$ 7,911,599	$ 7,917,188	$ 110,589	$ -	$ 325,089	$ 8,352,866
Loans	8,030,696	17,308,028	30,124,602	15,130,224	793,788	(119,910)	45,928,704
Other assets	2,770,465	-	2,770,465	-	-	-	2,770,465
Derivative financial instruments (1)	240,000	3,689,999	5,559,999	6,857,900	2,326,600	n/a	14,744,499
Total	**$ 11,041,325**	**$ 28,909,626**	**$ 46,372,254**	**$ 22,098,713**	**$ 3,120,388**	**$ 205,179**	**$ 71,796,534**
Liabilities and equity							
Deposits	$ 18,239,448	$ 965,742	$ 22,829,199	$ 2,311,718	$ 46	$ 12,178,519	$ 37,319,482
Securities sold under repurchase agreements	-	-	-	-	-	-	-
Wholesale borrowings	2,350,000	263,180	2,613,180	1,050,000	800,000	(20,213)	4,442,967
Collateralized borrowings	479,367	1,371,022	2,258,159	4,620,540	732,534	3,716	7,614,949
Other liabilities	3,045,080	177,363	3,222,443	-	-	-	3,222,443
Equity	-	-	-	-	-	4,452,194	4,452,194
Derivative financial instruments (1)	205,000	11,017,000	11,806,975	1,368,000	1,569,524	n/a	14,744,499
Total	**$ 24,318,895**	**$ 13,794,307**	**$ 42,729,956**	**$ 9,350,258**	**$ 3,102,104**	**$ 16,614,216**	**$ 71,796,534**
Interest-rate-sensitive gap as percentage of assets	$ (13,277,570)	$ 15,115,319	$ 3,642,298	$ 12,748,455	$ 18,284	$ (16,409,037)	
	(18.5%)	21.1%	5.1%	17.8%	0.03%	(22.9%)	

As at March 31, 2021 ($ in thousands)	**Fixed-rate within 3 months**	**Floating rate within 3 months**	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Non-interest-rate-sensitive**	**Total**
Assets							
Cash resources and securities	$ -	$ 8,478,557	$ 8,478,557	$ -	$ -	$ 181,124	$ 8,659,681
Loans	7,435,633	18,358,390	30,875,346	13,664,366	524,691	(467,181)	44,597,222
Other assets	2,498,132	-	2,498,132	-	-	-	2,498,132
Derivative financial instruments (1)	600,000	6,366,775	9,131,775	8,601,750	3,246,600	n/a	20,980,125
Total	**$ 10,533,765**	**$ 33,203,722**	**$ 50,983,810**	**$ 22,266,116**	**$ 3,771,291**	**$ (286,057)**	**$ 76,735,160**
Liabilities and equity							
Deposits	$ 20,152,909	$ 419,064	$ 25,349,935	$ 1,924,827	$ 6,527	$ 10,477,099	$ 37,758,388
Securities sold under repurchase agreements	14,730	-	14,730	-	-	-	14,730
Wholesale borrowings	1,400,000	263,180	1,663,180	350,000	1,500,000	(4,361)	3,508,819
Collateralized borrowings	347,886	1,696,915	2,395,332	4,417,500	1,102,321	15,929	7,931,082
Other liabilities	2,467,093	-	2,467,093	-	-	-	2,467,093
Equity	-	-	-	-	-	4,074,923	4,074,923
Derivative financial instruments (1)	515,000	14,613,350	16,928,350	2,678,775	1,373,000	n/a	20,980,125
Total	**$ 24,897,618**	**$ 16,992,509**	**$ 48,818,620**	**$ 9,371,102**	**$ 3,981,848**	**$ 14,563,590**	**$ 76,735,160**
Interest-rate-sensitive gap as percentage of assets	$ (14,363,853)	$ 16,211,213	$ 2,165,190	$ 12,895,014	$ (210,557)	$ (14,849,647)	
	(18.7%)	21.1%	2.8%	16.8%	(0.3%)	(19.4%)	

(1) Derivative financial instruments are included in this table at the notional amount.

The effective yield represents the weighted-average effective yield based on the earlier of contractual repricing or maturity dates. The weighted-average effective yield for each class of financial asset and liability is shown below:

As at March 31, 2022	Within 1 year	1 to 5 years	Over 5 years	Total
Total assets *(%)*	2.5	2.5	2.5	2.5
Total liabilities and equity *(%)*	0.6	0.9	2.2	0.8
Interest-rate-sensitive gap *(%)*	**1.9**	**1.6**	**0.3**	**1.7**

As at March 31, 2021	Within 1 year	1 to 5 years	Over 5 years	Total
Total assets *(%)*	2.3	2.6	2.3	2.4
Total liabilities and equity *(%)*	0.6	1.0	2.1	0.8
Interest-rate-sensitive gap *(%)*	**1.7**	**1.6**	**0.2**	**1.6**

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 March 31 *($ in thousands)*	2022	2021
Impact on net earnings in succeeding year from:		
Increase in interest rates of:		
100 basis points	$ 35,921	$ 26,034
200 basis points	69,591	49,859
Decrease in interest rates of:		
100 basis points (1) (2)	(40,293)	171
200 basis points (1)	(78,018)	(30,047)

(1) Certain aspects of the decrease in interest rate scenarios are constrained by interest rate floors when appropriate.
(2) The 100-basis-point decrease result for March 31, 2021, is positive as interest rate floors exist with the lower prime and overnight rates.

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

23 Achievement Notes

ATB sells principal-at-risk achievement notes to certain eligible team members as an incentive for promoting the growth of ATB subsidiaries that provide, or will provide, services under the ATB Wealth brand name. Under this plan, eligible team members could purchase a 25-year note with a value linked to the fair market value of certain ATB subsidiaries, namely ATB Investment Management Inc, ATB Securities Inc. and ATB Insurance Advisors Inc. Holders of these notes do not have an ownership interest in ATB or its subsidiaries, nor do they have the rights of a direct holder of an interest in ATB or its subsidiaries.

Each note-holder is entitled to:

- Receive a cash payment at maturity representing the then-current value of the note.
- Submit a request to sell notes during the annual transaction window (subject to a three-year vesting period and additional restrictions on ATB Wealth executives).
- Receive cash distributions, if any, based on the formula set out in the note.

Upon an employee's termination, a designated affiliate of ATB has the right, but not the obligation, to acquire notes from the employee at the price applicable at the termination date.

The notes are not guaranteed under the deposit guarantee provided by the Crown in right of Alberta, and there is the risk—if the fair market value of the ATB subsidiaries specified above decreases—that the note-holder will lose some or all of the original investment. There is no public market for these notes, and the valuation of the ATB subsidiaries specified above is based on a model prepared by an external consultant.

During the year, ATB issued $5.2 million (2021: $3.0 million) of these notes, which are recorded in other liabilities in the consolidated statement of financial position. During the year, $5.7 million (2021: $8.6 million) of the notes were redeemed. As at March 31, 2022, the liability for these notes is $64.5 million (2021: $58.5 million). An expense of $10.8 million (2021 $13.0 million) was recorded to the consolidated statement of income.

24 Capital Management

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, the ASFI, while supporting the continued growth of our business.

As a Crown corporation, ATB and its 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%, and 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, and Tier 2 capital consists of eligible portions of wholesale borrowings, the collective allowance for loan losses and notional capital. Wholesale borrowings became eligible as Tier 2 capital as of December 2015 as a result of an amendment to the capital requirements guideline. Effective March 31, 2020, the limit was increased by $2.0 billion to $9.0 billion. Effective March 30, 2009, $600 million of notional capital was made available to ATB. This amount, reduced by 25% of NI each quarter, was fully extinguished during the year. Effective April 1, 2017, software and other intangibles were deducted from total capital.

As at March 31, 2022, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

As at March 31 *($ in thousands)*	2022	2021
Tier 1 capital		
Retained earnings	$ 4,548,190	$ 3,961,408
Tier 2 capital		
Eligible portions of:		
Wholesale borrowings	1,611,662	1,876,866
Collective allowance for loan losses	238,023	319,262
Notional capital	-	22,086
Total Tier 2 capital	$ 1,849,685	$ 2,218,214
Deductions from capital		
Software and other intangibles	227,575	282,708
Total capital	**$ 6,170,300**	**$ 5,896,914**
Total risk-weighted assets	$ 37,462,503	$ 36,487,057
Risk-weighted capital ratios		
Tier 1 capital ratio	12.1%	10.9%
Total capital ratio	16.5%	16.2%

25 Revenue

Disaggregation of Revenue

The following tables disaggregate fee and commission income by fee types and AOE and reflect the nature and amount of revenue collected in accordance with IFRS 15. (See Note 26 for more on ATB's segmented information.)

($ in thousands)	**Everyday Financial Services**	**ATB Business**	**ATB Wealth**	**Strategic support units**	**Total**
March 31, 2022					
Wealth management	$ 26	$ 102	$ 280,748	$ (1,710)	$ 279,166
Service charges	51,935	30,371	837	697	83,840
Card fees	40,017	32,639	1,157	21	73,834
Credit fees	374	54,045	7	-	54,426
Capital markets revenue	-	53,035	-	-	53,035
Insurance	21,923	3,215	-	-	25,138
Sundry	38	212	-	(68)	182
Total revenue from contracts with customers	**$ 114,313**	**$ 173,619**	**$ 282,749**	**$ (1,060)**	**$ 569,621**
Other non-contract fee income	8,153	71,572	213	12,007	91,945
Total other income	**$ 122,466**	**$ 245,191**	**$ 282,962**	**$ 10,947**	**$ 661,566**

($ in thousands)	**Everyday Financial Services**	**ATB Business**	**ATB Wealth**	**Strategic support units**	**Total**
March 31, 2021					
Wealth management	$ -	$ 198	$ 241,165	$ (1,393)	$ 239,970
Service charges	47,101	23,495	786	561	71,943
Card fees	32,361	28,029	795	160	61,345
Credit fees	392	48,908	18	1	49,319
Capital markets revenue	-	58,018	-	-	58,018
Insurance	21,629	2,219	-	-	23,848
Sundry	61	355	-	(1,009)	(593)
Total revenue from contracts with customers	**$ 101,544**	**$ 161,222**	**$ 242,764**	**$ (1,680)**	**$ 503,850**
Other non-contract fee income	6,051	67,144	122	22,213	95,530
Total other income	**$ 107,595**	**$ 228,366**	**$ 242,886**	**$ 20,533**	**$ 599,380**

26 Segmented Information

ATB has organized its 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 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 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 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.

Direct expenses are attributed across AOEs as incurred. Certain indirect expenses are allocated to ATB Wealth and ATB Capital Markets Inc. 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.

($ in thousands)	Everyday Financial Services (1)	ATB Business	ATB Wealth	Strategic support units (1)	Total
March 31, 2022					
Net interest income	$ 481,153	$ 700,657	$ 30,564	$ 29,941	$ 1,242,315
Other income	122,466	245,191	282,962	10,947	661,566
Total revenue	603,619	945,848	313,526	40,888	1,903,881
Provision (recovery of) for loan losses	6,653	(204,846)	(1,700)	(3,986)	(203,879)
Non-interest expenses (2) (3)	531,066	443,510	276,379	95,273	1,346,228
Income (loss) before PILOT	65,900	707,184	38,847	(50,399)	761,532
Payment in lieu of (recovery of) tax	15,157	162,652	8,935	(11,592)	175,152
Net income (loss)	**$ 50,743**	**$ 544,532**	**$ 29,912**	**$ (38,807)**	**$ 586,380**
Total assets	$ 28,192,931	$ 24,066,722	$ 1,058,865	$ 3,733,517	$ 57,052,035
Total liabilities	16,941,643	18,739,775	1,069,861	15,848,562	52,599,841

($ in thousands)	Everyday Financial Services (1)	ATB Business	ATB Wealth	Strategic support units (1)	Total
March 31, 2021					
Net interest income	$ 458,049	$ 635,854	$ 19,847	$ 64,817	$ 1,178,567
Other income	107,595	228,366	242,886	20,533	599,380
Total revenue	565,644	864,220	262,733	85,350	1,777,947
Provision for loan losses	52,104	201,787	4,427	12,767	271,085
Non-interest expenses (2)	533,248	402,977	232,072	65,156	1,233,453
(Loss) income before PILOT	(19,708)	259,456	26,234	7,427	273,409
(Recovery of) payment in lieu of tax	(221)	59,675	6,034	(2,604)	62,884
Net (loss) income	**$ (19,487)**	**$ 199,781**	**$ 20,200**	**$ 10,031**	**$ 210,525**
Total assets	$ 26,725,291	$ 23,042,814	$ 1,519,727	$ 4,467,203	$ 55,755,035
Total liabilities	17,452,570	18,793,198	1,557,216	13,877,128	51,680,112

(1) In June 2021, the financial results and balances for certain loan products were moved to the SSUs from EFS. Results for the year ended March 31, 2021, were reclassified to conform with current period presentation.
(2) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.
(3) For the year ended March 31, 2022, results include the $37.2 million writeoff of a non-strategic technology asset.

27 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-to-capital multiple	Total assets divided by total capital.
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.
Client Advocacy Index (CAI)	The standard metric ATB uses to measure a client's willingness to continue to bank with ATB and to recommend ATB to others, allowing us to benchmark ourselves against other financial institutions in Alberta.
CET1 Capital ratio	CET1 Capital ratio is a regulatory measure that assesses the adequacy of a bank's available common equity relative to the riskiness of its assets. It measures a bank's ability to absorb unexpected losses. CET1 capital is the highest quality capital a bank holds. For ATB, this mainly consists of retained earnings. ATB voluntarily follows the capital adequacy requirements established by the Office of the Superintendent of Financial Institutions (OSFI) and does not disclose externally.
Collateral	Assets pledged as security for a loan or other obligation.
Compass penetration	Market value of investments in Compass Mutual Fund Series as a % of total market value of all client investment (i.e., AUA).
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.
Effective interest rate (EIR)	A rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset or liability.
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.
Fund management fees	Fees earned from funds or investors for providing or arranging for investment decisions, management of funds and distribution and sales of fund units. The amount earned is linked to portfolio value and is received monthly.
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.
Growth in assets under administration	The current year's assets under administration less the previous year's assets under administration, divided by the previous year's assets under administration.
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.
High-quality liquid assets	Instruments that are free of any restrictions on liquidating, selling or transferring. They are eligible for large-value transfer system collateral at the Bank of Canada and are low risk, so they can easily be converted into cash at little or no loss in value.
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 gap	A measure of net assets or liabilities by future repricing date.
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.
Liquid securities	Securities including short-term investments that can be quickly converted into cash while maintaining its market value.
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.
Loss given default (LGD)	The loss incurred when a borrower defaults on a loan. This is typically a percentage of the exposure at risk that is not expected to be recovered in the event of default.
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 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 for the year.
Net loan growth	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.
Operating expense growth	The current year's non-interest expense less the previous year's non-interest expense, divided by the previous year's non-interest expense.
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 year divided by total revenue for the year.
Performing loan growth	Performing loans outstanding at year-end less performing loans outstanding at the previous year-end, divided by performing loans outstanding at the previous year-end.
Performing loans	Net loans, excluding impaired loans.
Probability of default (PD)	The likelihood that a borrower will not be able to make scheduled payments.
Project Finance advisory fees	Fees generated by the Project Finance team on advisory projects for external third-party ATB clients looking to structure a deal/bid for a project.
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.
Risk-adjusted return on capital (RAROC)	A relative performance measure that provides a standardized comparison across different investments, areas of expertise and financial institutions. It compares their net income, adjusted for risk, to their estimated losses in a worst-case scenario.
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.
Syndication fees	Fees associated with syndicated loans, where ATB participates with other financial institutions to fund a loan to a client.
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 growth	Total assets outstanding at year-end less total assets outstanding at the previous year-end, divided by total assets outstanding at the previous year-end.
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 asset growth	Total assets outstanding at year-end less total assets outstanding at the previous year-end, divided by total assets outstanding at the previous year-end.
Total deposit growth	Total deposits outstanding at year-end less total deposits outstanding at the previous year-end, divided by total deposits outstanding at the previous year-end.
Total revenue	The sum of net interest income and other income.
Total revenue growth	The current year's total revenue less the previous year's total revenue, divided by the previous year's total revenue.
Trailer fees	Fees earned from asset management companies for providing advice to clients who hold investments in the mutual funds. The amount earned is linked to portfolio value and received quarterly.
Underwriting fees	Fees earned when ATB Capital Markets Inc. is agent/underwriter in distributing the securities of issuers.
Yield curve	A graph curve showing the return of a fixed-interest security against the term to maturity.

Acronyms

(unaudited)

ABM	Automated banking machine
AcSB	Accounting Standards Board
AI	Artificial intelligence
ALCO	Asset/Liability Committee
AML	Anti-money-laundering
AOCI	Accumulated other comprehensive income
AOE	Area of expertise
APAGA	*Alberta Public Agencies Governance Act*
ASFI	Alberta Superintendent of Financial Institutions
ATF	Anti-terrorist-financing
AUA	Assets under administration
BCAP	Business Credit Availability Program
BDC	Business Development Bank of Canada
BRR	Borrower risk rating
CA	Chartered Accountant
CAI	Client Advocacy Index
CAMLO	Chief Anti-Money Laundering Officer
***CAR* Guideline**	*Capital Adequacy Requirements* Guideline
CASL	Canada's Anti-Spam Legislation
CCAB	Canadian Council for Aboriginal Business
CEBA	Canada Emergency Business Account
CEO	Chief Executive Officer
CERB	Canada Emergency Response Benefit
CESC	Compensation Executive Steering Committee
CET 1	Common Equity Tier 1
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CGU	Cash-generating unit
CHI	Cultural Health Index

CHT	Canada Housing Trust
CIP	Chartered Insurance Professional
CMA	Certified Management Accountant
CMB	Canada Mortgage Bonds
CMHC	Canada Mortgage Housing Corporation
COI	Client Obsession Index
COV	Client-Obsessed Value
CPA	Chartered Professional Accountant
CPI	Consumer Price Index
CPS	Combined pensionable service
CRM	Customer Relationship Management
CRO	Chief Risk Officer
CSA	Canadian Securities Administrators
CSR	Corporate social responsibility
CX Op	Client Experience Operational
DB	Defined-benefit (plan)
DC	Defined-contribution (plan)
DIB	Diversity, inclusion and belonging
DUC	Ducks Unlimited Canada
EAD	Exposure at default
EBITDA	Earnings before interest, income tax, depreciation and amortization
ECL	Expected credit loss
EDC	Export Development Canada
EDH	Everday Heroes
EFAP	Employee and family assistance program
EFS	Everyday Financial Services
EIR	Effective interest rate
ETR	Economic Total Revenue
ERM	Enterprise risk management
ESG	Environmental, social and governance
EVP	Executive Vice President
FICO	Fair Isaac Corporation
FMG	Financial Markets Group
FPP	Flexible Pension Plan
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., FY2022)
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GoA	Government of Alberta
GRI	Global Reporting Initiative
GSA	Gay-straight alliance
HASCAP	Highly Affected Sectors Credit Availability Program
HCSA	Health-care spending account
HELOC	Home equity line of credit
HR	Human Resources
HTC	Hold to collect

HTC&S	Hold to collect and sell
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank offered rate
ICAAP	Internal capital adequacy assessment process
ICD	Institute of Corporate Directors
ICGN	International Corporate Governance Network
IFRS	International Financial Reporting Standards
ISDA	International Swaps and Derivatives Association
iSMSS	Institute for Sexual Minority Studies and Services
ISSB	International Sustainability Standards Board
IT	Information technology
***LAR* Guideline**	*Liquidity adequacy requirements* Guideline
LCR	Liquidity coverage ratio
LGD	Loss given default
LGIC	Lieutenant-Governor in Council
LIBOR	London Interbank Offered Rate
LLP	Loan loss provision (also “provision for loan losses”)
LTI	Long-term incentive
LVTS	Large-value transfer system
M&A	Mergers and acquisitions
MBS	Mortgage-backed security
MD&A	Management’s discussion and analysis
MRM	Model Risk Management
NAV	Net asset value
NCCR	Net cumulative cash flow
NIBP	Net income before provision for loan losses
NCI	Non-controlling interest
NEO	Named executive officer
NI	Net income
NIE	Non-interest expense
NII	Net interest income
NIM	Net interest margin
NSFR	Net stable funding ratio
NSP	Notional supplemental plan
OC	Order in Council
OCI	Other comprehensive income
OI	Other income
OH&S	Occupational Health and Safety
OPEB	Other post-employment benefits
OPEC+	Organization of the Petroleum Exporting Countries Plus
OSFI	Office of the Superintendent of Financial Institutions
OTC	Over the counter
PAR	Progressive Aboriginal Relations
PD	Probability of default
PFE	Potential future exposure
PIDA	*Public Interest Disclosure (Whistleblower Protection)* Act
PILOT	Payment in lieu of tax
PIPA	*Personal Information Protection Act (Alberta)*
PIPEDA	*Personal Information Protection and Electronic Documents Act*

PSPP	Public Service Pension Plan
RAROC	Risk-adjusted return on capital
RLCP	Revolving Land Conservation Program
RML	Residential mortgage loan
RRSP	Registered retirement savings plan
SASB	Sustainability Accounting Standards Board
SERP	Supplemental executive retirement plan
SFAC	Sustainable Finance Action Council
SLT	Strategic Leadership Team
SPPI	Solely payments of principal and interest
SPV	Special-purpose vehicle
SRP	Supplemental retirement plan
SSU	Strategic support unit
STEM	Science, technology, engineering and math
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial DIsclosures
TMN	Team member network
WTI	West Texas Intermediate