# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FY2027 Q1 Financial Highlights

| *For the three months ended* | June 30 2026 | March 31 2026 | June 30 2025 |
|---|---|---|---|
| **Operating results *($ in thousands)*** | | | |
| Net interest income | $ 446,950 | $ 412,737 | $ 378,779 |
| Other income | 247,232 | 261,872 | 211,533 |
| Total revenue | 694,182 | 674,609 | 590,312 |
| Provision for (recovery of) loan losses | 29,484 | 19,980 | 11,265 |
| Non-interest expense | 456,831 | 495,489 | 404,622 |
| Income before payment in lieu of tax | 207,867 | 159,140 | 174,425 |
| Payment in lieu of tax | 47,809 | 36,602 | 40,118 |
| **Net income** | **$ 160,058** | **$ 122,538** | **$ 134,307** |
| **Income before provisions (1)** | | | |
| Total revenue | $ 694,182 | $ 674,609 | $ 590,312 |
| Less: non-interest expense | 456,831 | $ 495,489 | 404,622 |
| **Income before provisions** | **$ 237,351** | **$ 179,120** | **$ 185,690** |
| **Financial position *($ in thousands)*** | | | |
| Net loans | $ 61,550,291 | $ 61,203,605 | $ 56,468,079 |
| Total assets | 75,765,606 | 73,532,687 | 66,918,668 |
| Total risk-weighted assets (1) | 51,671,107 | 50,676,633 | 46,809,330 |
| Total deposits | 52,646,882 | 48,780,115 | 44,203,470 |
| Equity | 6,258,272 | 6,104,916 | 5,778,383 |
| **Key performance measures *(%)* (1)** | | | |
| Return on average assets | 0.8 | 0.7 | 0.8 |
| Return on average risk-weighted assets | 1.2 | 1.0 | 1.2 |
| Total revenue change | 17.6 | 20.5 | 10.6 |
| Other income to total revenue | 35.6 | 38.8 | 35.8 |
| Total expense change | 12.9 | 6.4 | 5.3 |
| Efficiency ratio | 65.8 | 73.4 | 68.5 |
| Net interest margin | 2.50 | 2.41 | 2.41 |
| Provision for (recovery of) loan losses to average loans | 0.2 | 0.1 | 0.1 |
| Net loan change | 0.6 | 1.2 | 4.0 |
| Total asset change | 3.0 | 2.3 | 4.3 |
| Total deposit change | 7.9 | (0.2) | 2.0 |
| Change in assets under administration | 7.6 | 0.4 | 2.5 |
| Tier 1 capital ratio | 11.9 | 11.8 | 12.0 |
| Total capital ratio | 15.3 | 14.6 | 14.3 |
| **Other information** | | | |
| ATB Wealth's assets under administration *($ in thousands)* | $ 43,281,474 | $ 40,230,212 | $ 38,112,822 |
| Dividends declared *($ in thousands)* | 25,000 | 25,000 | 25,000 |
| Total clients | 857,108 | 851,870 | 837,655 |
| Team members (2) | 5,470 | 5,389 | 5,325 |

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

# INTRODUCTION

This is Management's Discussion and Analysis (MD&A) of the consolidated results of operations and the financial position of ATB Financial (ATB) for the three months ended June 30, 2026 and is dated August 13, 2026. (See the Glossary and Acronyms for our defined terms.) The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes for the period ended June 30, 2026 as well as the audited consolidated financial statements for the year ended March 31, 2026.

## Caution Regarding Forward-Looking Statements

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

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

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

# ECONOMIC OUTLOOK

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

The situation in the Middle East remains highly unstable with shipping through the Strait of Hormuz still disrupted. Oil prices have come down from earlier highs, but the conflict and uncertainty surrounding it continue to weigh on global economic growth.

While exemptions under the Canada-United States- Mexico Agreement (CUSMA) have mitigated the negative impacts of U.S. tariffs on Canada and Alberta, these trade barriers remain a threat. This is especially true for industries hit by sectoral tariffs, such as steel, aluminum, copper, forestry products and auto manufacturing. A new 50% U.S. tariff scheduled to go into effect on August 19 will have a small overall impact in Alberta, but could have major negative implications for specific industries.

Amid these challenges, the Alberta economy has shown resilience, leading the country in jobs added over the first five months of 2026. The outbreak of the Iran war has boosted oil prices and thus activity, however uncertainty still remains pending more clarity on major pipeline proposals. As a result, until there is more clarity, our forecast assumes only a modest increase in oil and gas capital expenditures.

It is important to note that Alberta's economy is less sensitive to oil and gas prices than in the past and that we expect a large portion of growth will continue to come from a more diverse base of economic activity such as aviation, tourism, the tech sector and food processing.

Alberta's population, while down from the record-setting pace of recent years, is still growing significantly as people seek out the economic opportunities and more affordable housing in the province. This growth has supported construction and consumer spending, with Alberta leading all provinces in retail sales growth over the first four months of 2026 and housing starts remain above historic averages.

Despite Alberta's stronger growth, real challenges persist. Many households are stretched due to cost of living pressures, the youth unemployment rate remains higher than normal, and trade and major project uncertainty continues to pause investment.

The inflation rate has creeped up in the wake of the Iran war. Our assumption is that this will be temporary with inflation once again approaching the 2% target next year.

We expect the Bank of Canada to keep interest rates on hold in 2026. While a slower Canadian economy might normally warrant a potential rate cut, the downward pressure is being offset by the higher war-linked inflation. We expect two 25-basis point rate hikes in 2027 to 2.75%—the mid point of the Bank's 2.25-3.25% neutral range.

In light of these factors, Alberta's economy is expected to outperform the rest of Canada, posting the strongest GDP growth this year. Our forecast for Alberta's real GDP growth for 2026 is 2.6% (up from 2.1% in our December forecast before the Iran war broke out) and 2.4% in 2027.

### 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:

- Uncertainty and financial anxiety linked to geopolitical factors and U.S. tariffs.
- Higher prices, especially for energy, transportation, and food.
- Reduced sales to U.S. buyers due to sector-specific tariffs.
- Mortgages renewing at higher rates than five years ago.
- Slower population growth and the reduction in non-permanent residents may create challenges for retailers and landlords.

# REVIEW OF CONSOLIDATED OPERATING RESULTS

## Net Income

For the quarter ended June 30, 2026, net income (NI) increased from last quarter and year-over-year. The quarterly increase was mainly due to higher total revenue and lower non-interest expenses (NIE), which were partially offset by a higher loan loss provision (LLP). The year-over-year increase was mainly due to higher total revenue, which was partially offset by higher NIE and LLP.

ATB's net contribution—composed of NI, payment in lieu of tax (PILOT) and the deposit guarantee fee—to the GoA was $229.7 million for the three months ended June 30, 2026, an increase from last quarter ($184.1 million) and year-over-year ($192.1 million) due to higher NI.

## Total Revenue

Total revenue consists of net interest income (NII) and other income (OI). Total revenue was $694.2 million for the first quarter. The quarterly increase was due to higher NII, which was partially offset by lower OI. The year-over-year increase was due to higher NII and OI.

### Net Interest Income

NII represents the difference between the interest earned on assets (such as cash, loans and securities) and interest paid on liabilities (such as deposits, wholesale borrowings and securitization). NII increased quarter-over-quarter and year-over-year driven by an increase in the amortization of loan fees and deposit promotional campaigns offered in the previous periods. Quarter-over-quarter NII was further bolstered by mortgage renewals at higher interest rates and the year-over-year NII benefited from strong loan growth and a reduction of interest expense as a result of Bank of Canada policy rate reductions.

**Table 1: Changes in Net Interest Income**

| | June 30, 2026 vs. March 31, 2026 | | | June 30, 2026 vs. June 30, 2025 | | |
|---|---|---|---|---|---|---|
| | 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 | $ 7,278 | $ 3,378 | $ 10,656 | $ 19,326 | $ (18,692) | $ 634 |
| Loans | 11,526 | 21,902 | 33,428 | 76,586 | 3,812 | 80,398 |
| **Change in interest income** | **18,804** | **25,280** | **44,084** | **95,912** | **(14,880)** | **81,032** |
| **Liabilities** | | | | | | |
| Deposits | 12,386 | (3,808) | 8,578 | 33,489 | (23,148) | 10,341 |
| Wholesale borrowings | (2,220) | 397 | (1,823) | 441 | 274 | 715 |
| Securitization liabilities | 7,649 | (4,006) | 3,643 | 13,473 | (2,646) | 10,827 |
| Securities sold under repurchase agreements | (258) | 89 | (169) | (3,868) | (4,496) | (8,364) |
| Obligations for securities sold short | 126 | (484) | (358) | 1,737 | (2,395) | (658) |
| **Change in interest expense** | **17,683** | **(7,812)** | **9,871** | **45,272** | **(32,411)** | **12,861** |
| **Change in net interest income** | **$ 1,121** | **$ 33,092** | **$ 34,213** | **$ 50,640** | **$ 17,531** | **$ 68,171** |

Net interest margin (NIM) is the ratio of NII to average total interest-earning assets for the period. It is an important measure for ATB that demonstrates the profitability of our banking business. The ratio increased to 2.50%, up from 2.41% recorded both in the previous quarter and in the prior year. The quarter-over-quarter and year-over-year increase was driven by higher loan fee amortization. The year-over-year increase was further bolstered by strong loan growth and lower interest expense as a result of Bank of Canada policy rate reductions.

### Other Income

OI consists of all revenue not classified as NII.

OI decreased compared to last quarter but rose year-over-year. The quarter-over-quarter decline was driven by a return to normalized activity in capital markets compared to the elevated mining sector activity experienced in the prior quarter, which was partially offset by higher wealth management revenue related to growth in assets under administration (AUA). Conversely, year-over-year growth was propelled by higher capital markets revenue due to the Cormark acquisition, expanded wealth management revenue driven by higher AUA and higher financial markets revenue as a result of higher commodity prices and market volatility.

## Provision for Loan Losses

ATB's LLP—comprising net write-offs, recoveries and required changes to the allowance for Stage 1, 2 and 3 loans—saw a provision of $29.5 million this quarter, representing an increase quarter-over-quarter and year-over-year. The increase was primarily driven by a rise in our Stage 3 provision due to new impairments, combined with higher Stage 1 provision from new loan growth. These increases were slightly offset by a Stage 2 recovery attributed to loan paydowns and lower loss expectations on existing loans.

We remain committed to providing our clients with access to sound advice and a range of products and services in support of Alberta's economy, while taking appropriate measures to limit losses. As at June 30, 2026, gross impaired loans of $0.4 billion comprise 0.7% (March 31, 2026: 0.6%, June 30, 2025: 0.9%) of the total loan portfolio.

## Non-Interest Expense

NIE consists of all expenses incurred by ATB except for interest expenses and LLP.

NIE decreased quarter-over-quarter and increased year-over-year. The quarter-over-quarter decrease was driven by lower costs associated with information technology, strategic initiatives and team members. The year-over-year increase was driven by team member costs, information technology costs and an increase in costs that are variable with AUA.

## 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 65.8% decreased compared to last quarter's ratio of 73.4% due to total revenue growth and a reduction of NIE. Our efficiency ratio decreased from the year-over-year ratio of 68.5% as the total revenue growth from ATB's strategic investments and ongoing business activities outpaced the associated increase in NIE.

# REVIEW OF OPERATING RESULTS BY AREA OF EXPERTISE

Results presented in the following tables are based on ATB's internal financial reporting systems. The accounting policies used in preparing the tables are consistent with those followed in preparing the consolidated financial statements, as disclosed in the notes to the financial statements. As these results are based on ATB's internal management structure, they may not be directly comparable to those of other financial institutions. (See Note 13 in the financial statements for more on ATB's organizational structure.) Effective FY2027 Q1, the ATB Business segment was divided into two separate segments: Business Banking and Cormark Capital Markets. Concurrently with this change and the centralization of internal costs previously held within the legacy business line, certain operational expenses have been reclassified between segments. Results from prior periods have been reclassified to align with the current period's presentation with the exception of certain historical horizontal allocations where the impact is immaterial to the prior period segment results.

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

## Everyday Financial Services

### Table 2: EFS Financial Performance

| *For the three months ended ($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| Net interest income | $ 181,826 | $ 173,144 | $ 156,101 |
| Other income | 42,702 | 45,211 | 43,559 |
| Total revenue | 224,528 | 218,355 | 199,660 |
| Provision for loan losses | 12,332 | 9,526 | 11,222 |
| Non-interest expense (1) | 159,318 | 161,281 | 145,968 |
| Net income before payment in lieu of tax | 52,878 | 47,548 | 42,470 |
| Payment in lieu of tax | 12,162 | 10,935 | 9,768 |
| **Net income** | **$ 40,716** | **$ 36,613** | **$ 32,702** |
| Net loans | $ 26,484,141 | $ 26,015,487 | $ 24,184,526 |
| Total deposits | 22,753,676 | 22,711,365 | 21,575,609 |

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

EFS's NI increased across all comparable periods. The increase in NI quarter-over-quarter and year-over-year was driven by an increase in NII. The year-over-year increase was partially offset by higher NIE.

NII increased quarter-over-quarter and year-over-year driven by lower deposit costs from fewer promotions being offered.

OI decreased quarter-over-quarter and year-over-year driven by lower fees collected.

LLP increased quarter-over-quarter; this was mainly driven from an increase in our Stage 3 provision tied to new impairments, combined with an increase in our Stage 2 provision as a result of increased delinquencies in our consumer credit card portfolio. Year-over-year, LLP remained consistent.

NIE decreased quarter-over-quarter and increased year-over-year. The quarter-over-quarter decrease was driven by a decrease in costs associated with strategic initiatives, which were partially offset by higher team-member-related costs. The year-over-year increase was driven by strategic initiatives, an increase in information technology expenses and higher team-member-related costs.

Loans increased quarter-over-quarter and year-over-year driven by growth in mortgages as a result of promotions, competitive rates and market activity.

Deposit balances were consistent quarter-over-quarter and increased year-over-year driven by competitive GIC rates, promotional campaigns and higher transaction balances.

# Business Banking

### Table 3: Business Banking Financial Performance

| *For the three months ended* *($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| Net interest income | $ 144,403 | $ 140,268 | $ 138,539 |
| Other income | 23,300 | 20,113 | 22,319 |
| Total revenue | 167,703 | 160,381 | 160,858 |
| Provision for (recovery of) loan losses | (11,496) | 6,421 | 1,794 |
| Non-interest expense (1) | 81,739 | 90,572 | 82,313 |
| Net income before payment in lieu of tax | 97,460 | 63,388 | 76,751 |
| Payment in lieu of tax | 22,416 | 15,653 | 18,471 |
| **Net income** | **$ 75,044** | **$ 47,735** | **$ 58,280** |
| Net loans | $ 22,678,066 | $ 22,217,643 | $ 20,903,334 |
| Total deposits | 14,865,754 | 14,390,212 | 13,853,697 |

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

Business Banking’s NI increased across all periods driven by an increase in total revenue and a decrease in NIE and LLP.

NII increased across all periods due to an increase in loan fee amortization and was further bolstered by significant loan growth year-over-year.

OI increased across all periods driven by credit fees from strong loan growth.

LLP decreased quarter-over-quarter; this was primarily driven by a Stage 2 recovery resulting from loan paydowns and lower loss expectations on existing loans. This decrease was slightly offset by a smaller Stage 3 recovery alongside an increase in Stage 1 provisions to support new loan growth. Year-over-year LLP decreased due to a larger Stage 2 recovery, the reduction in our Stage 1 provision, and fewer write-offs. This was slightly offset by a smaller Stage 3 recovery relative to the same period last year.

NIE decreased across all periods driven by improved operational alignment of business functions across ATB, and lower team member costs year-over-year.

Loans grew quarter-over-quarter and year-over-year driven by strong growth in the real estate and agriculture sectors.

Deposits grew quarter-over-quarter and year-over year primarily driven by growth in the diversified and real estate sectors.

# Cormark Capital Markets

### Table 4: Cormark Capital Markets Financial Performance

| *For the three months ended* *($ in thousands)* | **June 30 2026 (1)** | **March 31 2026 (1)** | **June 30 2025** |
|---|---|---|---|
| Net interest income | $ 73,361 | $ 63,788 | $ 61,161 |
| Other income (loss) | 71,731 | 96,173 | 43,778 |
| Total revenue | 145,092 | 159,961 | 104,939 |
| Provision for (recovery of) loan losses | 25,872 | 1,319 | (4,196) |
| Non-interest expense (2) | 81,214 | 88,893 | 65,792 |
| Net income before payment in lieu of tax | 38,006 | 69,749 | 43,343 |
| Payment in lieu of tax | 8,741 | 15,811 | 9,646 |
| **Net income** | **$ 29,265** | **$ 53,938** | **$ 33,697** |
| Net loans | $ 10,620,130 | $ 11,074,796 | $ 10,064,518 |
| Total deposits | 12,217,781 | 8,851,760 | 5,976,254 |

(1) On December 15, 2025, we completed the acquisition of Cormark Securities Inc. (Cormark). The results of Cormark have been consolidated from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.
(2) Certain costs are allocated from the SSUs to the AOEs. The allocation method, revised annually, may create fluctuations in ATB's segmented results.

Cormark Capital Markets' NI decreased across all periods. The quarter-over-quarter decrease was driven by higher LLP and lower total revenue. Year-over-year, the decrease was also driven by higher LLP along with higher NIE, partially offset by higher total revenue.

NII was higher across all periods due to an increase in loan fee amortization and deposit growth.

OI decreased quarter-over-quarter, driven mostly by credit fees and unrealized gains on private equity investments recognized in Q4. Furthermore, capital markets revenue normalized following an FY2026 Q4 surge in activity in the mining sector. OI increased year-over-year as the acquisition of Cormark contributed to capital markets revenue. Financial markets revenue also benefitted from higher commodity prices and market volatility.

LLP increased quarter-over-quarter and year-over-year; this growth was driven by an increase in our Stage 3 provision tied to new impairments combined with an increase in our Stage 1 and Stage 2 provisions reflecting higher loan loss expectations.

NIE decreased from last quarter as a result of a one-time Cormark acquisition expense paid in FY2026 Q4, but increased year-over-year mainly from team-member and operational costs related to the Cormark acquisition.

Loans contracted quarter-over-quarter led by energy clients. Year-over-year however, there was strong loan growth across all sectors.

Deposits continued to grow quarter-over-quarter and year-over-year from sustained deposit gathering strategies.

# Wealth

### Table 5: Wealth Financial Performance

| *For the three months ended* *($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| Net interest income | $ 11,399 | $ 11,086 | $ 10,357 |
| Other income | 108,825 | 102,710 | 95,576 |
| Total revenue | 120,224 | 113,796 | 105,933 |
| Provision for (recovery of) loan losses | 1,051 | 59 | 1,398 |
| Non-interest expense (1) | 108,359 | 105,263 | 98,995 |
| Net income before payment in lieu of tax | 10,814 | 8,474 | 5,540 |
| Payment in lieu of (recovery of) tax | 2,487 | 2,065 | 1,292 |
| **Net income** | **$ 8,327** | **$ 6,409** | **$ 4,248** |
| Net loans | $ 1,244,202 | $ 1,225,450 | $ 1,210,091 |
| Total deposits | 2,834,049 | 2,844,152 | 2,775,125 |
| Total assets under administration | 43,281,474 | 40,230,212 | 38,112,822 |

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

ATB Wealth’s NI increased quarter-over-quarter and year-over-year, driven by an increase in OI, which was partially offset by an increase in NIE.

NII was consistent across all periods.

OI increased across all periods due to growth in AUA balances driven by market returns.

NIE increased across all periods driven by an increase in team member costs and higher costs that are variable with AUA.

Loan and deposit balances were consistent across all periods.

# Strategic Support Units

### Table 6: Strategic Support Units Financial Performance

| *For the three months ended* *($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| Net interest income | $ 35,961 | $ 24,451 | $ 12,621 |
| Other income (loss) | 674 | (2,335) | 6,301 |
| Total revenue | 36,635 | 22,116 | 18,922 |
| Provision for (recovery of) loan losses | 1,725 | 2,655 | 1,047 |
| Non-interest expense (1) | 26,201 | 49,480 | 11,554 |
| Net income (loss) before payment in lieu of tax | 8,709 | (30,019) | 6,321 |
| Payment in lieu of (recovery of) tax | 2,003 | (7,862) | 941 |
| **Net income (loss)** | **$ 6,706** | **$ (22,157)** | **$ 5,380** |

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

NII increased quarter-over-quarter driven by an increase in interest income from rising bond yields on FVOCI securities. NII increased year-over-year due to an increase in swap revenue, which was driven by Bank of Canada interest rate cuts over the past year .

OI increased quarter-over-quarter driven by gains in foreign exchange, which were slightly offset by lower returns on strategic investments. Conversely, the year-over-year decline was due to a reduction in foreign exchange revenue and lower gains on strategic investments.

LLP was consistent with last quarter and year-over-year.

NIE decreased quarter-over-quarter but increased year-over-year, primarily driven by team member related costs.

# REVIEW OF CONSOLIDATED FINANCIAL POSITION

## Total Assets

Our total assets as at June 30, 2026, are $75.8 billion, which is higher than last quarter and year-over-year, primarily driven by strong loan growth and an increase in total securities, other assets and securities purchased under reverse repurchase agreements.

### Loans

The net loans increased this quarter and year-over-year, ending with a balance of $61.6 billion. The quarter-over-quarter and year-over-year increase was driven by growth in business and residential mortgage loans (RMLs). The year-over-year increase was further driven by an increase in Cormark Capital Markets lending which contracted quarter-over-quarter.

The allowance for loan losses increased quarter-over-quarter but remained consistent year-over-year. The quarter-over-quarter increase was attributed to new impairments alongside new loan growth. Our loan portfolio and the related allowance for loan losses are discussed in greater detail in Notes 7 and 8 to the financial statements.

### Other Assets

ATB's other assets are composed primarily of derivative financial instruments, prepaid expenses and other receivables. Total other assets increased quarter-over-quarter driven by an increase in trading activity and assets which was partially offset by a decrease in derivative financial instruments. The year-over-year increase was driven by an increase in trading assets and trading activity that was bolstered by the acquisition and integration of Cormark and an increase in derivative financial instruments.

## Total Liabilities

Total liabilities ended the quarter at $69.5 billion, an increase quarter-over-quarter and year-over-year driven by strong deposit growth, an increase in securitization liabilities and other liabilities, which were partially offset by a decrease in wholesale borrowings. The year-over-year balance was further partially offset by a decrease in securities sold under repurchase agreements.

### Deposits

ATB's principal sources of funding are client deposits. Balances have increased quarter-over-quarter and year-over-year. The quarter-over-quarter and year-over-year increase was driven by promotional campaigns, an increase in structured note products and strong growth in Business Banking. The year-over-year increase was further bolstered by competitive rates and increased transaction balances.

### Other Liabilities

ATB's other liabilities are composed primarily of securitization liabilities, wholesale borrowings, derivative financial instruments and other liabilities. Securitization liabilities and wholesale borrowings are used as funding sources to supplement client deposits.

Wholesale borrowings consist primarily of bearer-deposit and mid-term notes issued on ATB's behalf by the GoA, to a limit of $11.0 billion. The quarter-over-quarter and year-over-year decrease in wholesale borrowings was driven by strong deposit growth which reduced the utilization of wholesale borrowings.

Securitization liabilities include ATB's participation in the *National Housing Act* Mortgage-Backed Security (MBS) Program with sales to the Canada Mortgage Bonds (CMB) program or third-party investors, securitization of credit card receivables and uninsured RMLs and a synthetic securitization program (See Note 9). Securitization liabilities increased quarter-over-quarter and year-over-year primarily due to increases in CMB MBS issuances, uninsured RML program issuances and third-party MBS issuances.

Derivative liabilities decreased quarter-over-quarter driven by lower oil prices which affected our commodity portfolio and was partially offset by an increase in our foreign exchange portfolio driven by the increase in USD exchange rate. Derivative liabilities increased year-over-year driven by the strengthening in the USD exchange rate and higher oil prices.

Securities sold under repurchase agreements was consistent quarter-over-quarter and decreased year-over-year. The year-over-year decrease was driven by strong deposit growth which reduced the reliance on securities sold under repurchase agreements.

### Accumulated Other Comprehensive Income

Accumulated other comprehensive income (AOCI) includes unrealized gains and losses that are recorded in the consolidated statement of income only when realized or when certain trigger events occur. AOCI increased quarter-over-quarter and year-over-year. The quarter-over-quarter increase was driven by unrealized net gains on securities measured at fair value through other comprehensive income and derivative financial instruments designated as cash flow hedges. The year-over-year increase was driven by unrealized net gains on securities measured at fair value through other comprehensive income and remeasurement gains in our defined benefit plan, which were partially offset by gains on derivative financial instruments designated as cash flow hedges reclassified to net income.

# Regulatory Capital

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, Alberta Superintendent of Financial Institutions (ASFI), while supporting the continued growth of our business and building value for our Shareholder.

As a Crown corporation, ATB and our subsidiaries operate under a regulatory framework established pursuant to the *ATB Act*, *ATB Regulation* and the *OSFI Capital Adequacy Requirements Guideline* (CAR Guideline). Refer to Note 25 of the 2026 financial statements for more on ATB's regulatory capital.) As at June 30, 2026, ATB had a Tier 1 capital ratio of 11.9% and a total capital ratio of 15.3%, both exceeding our regulatory requirements.

The shaded areas of the MD&A represent a discussion related to credit, market and liquidity risk and form an integral part of the interim consolidated financial statements for the period ended June 30, 2026.

# Credit Risk

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

Key measures as at June 30, 2026, are outlined below.

### Table 7: Credit Risk Exposure

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

| *As at*<br>*($ in thousands)* | **June 30 2026** | **March 31 2026** |
|---|---|---|
| Financial assets (1) | $ 74,226,158 | $ 72,171,703 |
| Other commitments and off-balance-sheet items (2) | 33,283,110 | 31,551,067 |
| **Total credit risk** | **$ 107,509,268** | **$ 103,722,770** |

(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 8: Industry Concentration

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

| | **June 30 2026** | | **March 31 2026** | |
|---|---|---|---|---|
| *As at*<br>*($ in thousands)* | | **Percentage of total gross loans** | | **Percentage of total gross loans** |
| Commercial real estate | $ 10,742,425 | 17.3% | $ 10,451,574 | 17.0% |
| Agriculture and forestry | 6,853,785 | 11.1% | 6,664,102 | 10.8% |
| Hydrocarbon energy | 5,661,756 | 9.1% | 6,159,156 | 10.0% |
| Largest borrower | $ 300,792 | 0.5% | $ 295,110 | 0.5% |

### Table 9: Real Estate Secured Lending (Insured and Uninsured)

RMLs and home equity lines of credit (HELOCs) are secured by residential properties. The following table breaks down the amounts and percentages of insured and uninsured RMLs and HELOCs:

| *As at* *($ in thousands)* | | | **June 30 2026** | | **March 31 2026** |
|---|---|---|---|---|---|
| Residential mortgages | Insured (1) | $ 13,246,024 | 57.5% | $ 13,109,458 | 57.9% |
| | Uninsured | 9,791,251 | 42.5% | 9,520,814 | 42.1% |
| **Total residential mortgages** | | **$ 23,037,275** | **100.0%** | **$ 22,630,272** | **100.0%** |
| Home equity lines of credit | Uninsured | $ 1,930,824 | 100.0% | $ 1,898,581 | 100.0% |
| **Total home equity lines of credit** | | **$ 1,930,824** | **100.0%** | **$ 1,898,581** | **100.0%** |
| **Total** | **Insured** | **$ 13,246,024** | **53.1%** | **$ 13,109,458** | **53.4%** |
| | **Uninsured** | **11,722,075** | **46.9%** | **11,419,394** | **46.6%** |

(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 10: Real Estate Secured Lending (Amortization Period)

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

| *As at* | **June 30 2026** | **March 31 2026** |
|---|---|---|
| Less than 25 years | 90.0% | 91.1% |
| 25 years and above | 10.0% | 8.9% |
| **Total** | **100.0%** | **100.0%** |

### Table 11: Real Estate Secured Lending (Average Loan-to-Value Ratio)

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

| *As at* | **June 30 2026** | **March 31 2026** |
|---|---|---|
| Residential mortgages | 65.7% | 65.9% |
| Home equity lines of credit | 58.8% | 59.5% |

ATB performs stress testing on our RML portfolio as part of our overall stress-testing program to assess the impact of an economic downturn. Severe changes in house prices, interest rates and unemployment levels are among the factors considered in our testing. ATB considers potential losses in our RML portfolio under such scenarios to be manageable, given the portfolio's higher proportion of insured and low loan-to-value ratio mortgages.

ATB has limited exposure to variable rate mortgages, which comprised 21.1% of total mortgages as at June 30, 2026, and 18.7% at March 31, 2026.

# Market Risk

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

## Interest Rate Risk

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

### Table 12: 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*<br>*($ in thousands)* | June 30<br>2026 | March 31<br>2026 |
|---|---|---|
| **Impact on net earnings in succeeding year from:** | | |
| *Increase in interest rates of:* | | |
| 100 basis points | $ 41,117 | $ 50,442 |
| 200 basis points | 77,708 | 96,415 |
| *Decrease in interest rates of:* | | |
| 100 basis points (1) | (47,535) | (57,525) |
| 200 basis points (1) | (103,705) | (122,595) |

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

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

## Foreign Exchange Risk

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

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

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

ATB is within our Board-approved minimum limits as at June 30, 2026, and March 31, 2026.

# Liquidity Risk

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

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

As at June 30, 2026, the LCR is 140.3% (March 31, 2026: 132.6%), above the Board-approved minimum limit.

### Table 13: Long-Term Funding Sources

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

| | June 30<br>2026 | | March 31<br>2026 | |
|---|---|---|---|---|
| *As at*<br>*($ in thousands)* | Long-term funding | Percentage of total | Long-term funding | Percentage of total |
| Wholesale borrowings | $ 3,802,250 | 30.6% | $ 6,620,600 | 45.4% |
| Securitization liabilities | 8,612,073 | 69.4% | 7,977,371 | 54.6% |
| **Total long-term funding** | **$ 12,414,323** | **100.0%** | **$ 14,597,971** | **100.0%** |

# CONSOLIDATED FINANCIAL STATEMENTS

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

| *As at* *($ in thousands)* | Note | June 30 2026 | March 31 2026 | June 30 2025 |
|---|---|---|---|---|
| Cash | | $ 1,461,040 | $ 1,319,457 | $ 1,623,271 |
| Interest-bearing deposits with financial institutions | | 134,747 | 481,287 | 118,633 |
| **Total cash resources** | | **1,595,787** | **1,800,744** | **1,741,904** |
| Securities measured at fair value through profit or loss | | 694,481 | 614,248 | 435,174 |
| Securities measured at fair value through other comprehensive income | | 7,508,846 | 6,112,516 | 5,943,664 |
| **Total securities** | 6 | **8,203,327** | **6,726,764** | **6,378,838** |
| **Securities purchased under reverse repurchase agreements** | | **1,100,062** | **800,123** | **-** |
| Business | | 34,477,168 | 34,588,227 | 31,661,809 |
| Residential mortgages | | 23,037,275 | 22,630,272 | 20,801,373 |
| Personal | | 3,630,539 | 3,604,507 | 3,612,853 |
| Credit card | | 800,997 | 764,163 | 781,249 |
| **Total gross loans** | | **61,945,979** | **61,587,169** | **56,857,284** |
| Allowance for loan losses | 8 | (395,688) | (383,564) | (389,205) |
| **Total net loans** | 7 | **61,550,291** | **61,203,605** | **56,468,079** |
| Derivative financial instruments | | 1,101,004 | 1,245,866 | 974,299 |
| Property and equipment | | 221,394 | 225,112 | 204,152 |
| Software and other intangibles | | 294,977 | 305,372 | 327,955 |
| Other assets | | 1,698,764 | 1,225,101 | 823,441 |
| **Total other assets** | | **3,316,139** | **3,001,451** | **2,329,847** |
| **Total assets** | | **$ 75,765,606** | **$ 73,532,687** | **$ 66,918,668** |
| Transaction accounts | | $ 18,484,532 | $ 16,592,954 | $ 13,687,670 |
| Savings accounts | | 11,835,914 | 12,007,929 | 11,265,522 |
| Notice accounts | | 7,348,594 | 6,949,744 | 6,993,418 |
| Non-redeemable fixed-date deposits | | 13,166,231 | 11,454,148 | 10,261,010 |
| Redeemable fixed-date deposits | | 1,811,611 | 1,775,340 | 1,995,850 |
| **Total deposits** | | **52,646,882** | **48,780,115** | **44,203,470** |
| Securitization liabilities | 9 | 8,607,492 | 7,961,539 | 6,606,150 |
| Wholesale borrowings | | 3,793,606 | 6,600,879 | 6,424,190 |
| Derivative financial instruments | | 987,667 | 1,198,212 | 908,590 |
| Securities sold under repurchase agreements | | 202,550 | 193,435 | 922,457 |
| Obligations related to securities sold short | | 481,834 | 541,646 | 269,425 |
| Other liabilities | | 2,787,303 | 2,151,945 | 1,806,003 |
| **Total other liabilities** | | **16,860,452** | **18,647,656** | **16,936,815** |
| **Total liabilities** | | **69,507,334** | **67,427,771** | **61,140,285** |
| Retained earnings | | 6,139,052 | 6,003,994 | 5,670,384 |
| Accumulated other comprehensive income (loss) | | 119,220 | 100,922 | 107,999 |
| **Total equity** | | **6,258,272** | **6,104,916** | **5,778,383** |
| **Total liabilities and equity** | | **$ 75,765,606** | **$ 73,532,687** | **$ 66,918,668** |

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

DocuSigned by:
Chris Turchansky
44C880012C6246F...
Chris Turchansky
President and Chief Executive Officer

DocuSigned by:
Dan Hugo
9374A622B14A4E6...
Dan Hugo
Chief Financial and Strategy Officer

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

| *For the three months ended*<br>*($ in thousands)* | Note | June 30<br>2026 | March 31<br>2026 | June 30<br>2025 |
|---|---|---|---|---|
| Loans | | $ 775,102 | $ 741,674 | $ 694,704 |
| Securities | | 48,363 | 38,904 | 47,146 |
| Interest-bearing deposits with financial institutions | | 8,015 | 6,818 | 8,598 |
| **Interest income** | | **831,480** | **787,396** | **750,448** |
| Deposits | | 283,299 | 275,248 | 281,980 |
| Wholesale borrowings | | 42,772 | 44,595 | 42,057 |
| Securitization | | 58,459 | 54,816 | 47,632 |
| **Interest expense** | | **384,530** | **374,659** | **371,669** |
| **Net interest income** | | **446,950** | **412,737** | **378,779** |
| Wealth management | | 107,146 | 101,322 | 94,291 |
| Service charges | | 25,344 | 27,297 | 27,526 |
| Card fees | | 24,835 | 22,646 | 23,269 |
| Credit fees | | 19,085 | 24,546 | 17,496 |
| Financial markets | | 18,829 | 19,405 | 13,672 |
| Capital markets | | 40,780 | 51,890 | 19,670 |
| Foreign exchange gains (losses) | | 4,005 | 2,704 | 8,117 |
| Insurance | | 5,077 | 6,628 | 5,165 |
| Net gains (losses) on derivative financial instruments | | (1,619) | (907) | (1,275) |
| Net gains (losses) on securities | | 2,029 | 4,842 | 4,463 |
| Sundry | | 1,721 | 1,499 | (861) |
| **Other income** | | **247,232** | **261,872** | **211,533** |
| **Total revenue** | | **694,182** | **674,609** | **590,312** |
| **Provision for (recovery of) loan losses** | 8 | **29,484** | **19,980** | **11,265** |
| Salaries and employee benefits | | 257,950 | 268,658 | 220,273 |
| Information technology | | 62,287 | 63,527 | 54,344 |
| Premises and occupancy, including depreciation | | 22,205 | 22,737 | 18,841 |
| Professional and consulting costs | | 32,250 | 51,462 | 29,866 |
| Deposit guarantee fee | | 19,178 | 20,214 | 16,058 |
| Equipment, including depreciation | | 3,427 | 2,931 | 2,534 |
| Software and other intangibles amortization | | 18,174 | 19,193 | 20,021 |
| General and administrative | | 22,548 | 26,746 | 20,232 |
| ATB agencies | | 4,693 | 4,452 | 4,498 |
| Other | | 14,119 | 15,569 | 17,955 |
| **Non-interest expense** | | **456,831** | **495,489** | **404,622** |
| **Income before payment in lieu of tax** | | **207,867** | **159,140** | **174,425** |
| Payment in lieu of tax | 10 | 47,809 | 36,602 | 40,118 |
| **Net income** | | **$ 160,058** | **$ 122,538** | **$ 134,307** |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

| *For the three months ended* *($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| **Net income** | $ 160,058 | $ 122,538 | $ 134,307 |
| **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 | 10,591 | (3,719) | (17,422) |
| Net losses (gains) reclassified to net income | (3,390) | 9,196 | 12,646 |
| Unrealized net gains (losses) on derivative financial instruments designated as cash flow hedges | | | |
| Unrealized net gains (losses) arising during the period | 92,190 | 3,003 | (24,733) |
| Net losses (gains) reclassified to net income | (85,699) | (23,484) | 14,733 |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurement of defined-benefit plan liabilities | 4,606 | 4,355 | 1,973 |
| **Other comprehensive income (loss)** | **18,298** | **(10,649)** | **(12,803)** |
| **Comprehensive income (loss)** | **$ 178,356** | **$ 111,889** | **$ 121,504** |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

| *For the three months ended* *($ in thousands)* | **June 30 2026** | **March 31 2026** | **June 30 2025** |
|---|---|---|---|
| **Retained earnings** | | | |
| Balance at beginning of the period | $ 6,003,994 | $ 5,906,456 | $ 5,561,077 |
| Net income | 160,058 | 122,538 | 134,307 |
| Dividends | (25,000) | (25,000) | (25,000) |
| **Balance at end of the period** | **6,139,052** | **6,003,994** | **5,670,384** |
| **Accumulated other comprehensive income (loss)** | | | |
| *Securities measured at fair value through other comprehensive income* | | | |
| Balance at beginning of the period | 75,383 | 69,906 | 64,503 |
| Other comprehensive income (loss) | 7,201 | 5,477 | (4,776) |
| **Balance at end of the period** | **82,584** | **75,383** | **59,727** |
| *Derivative financial instruments designated as cash flow hedges* | | | |
| Balance at beginning of the period | (16,494) | 3,987 | 24,798 |
| Other comprehensive income (loss) | 6,491 | (20,481) | (10,000) |
| **Balance at end of the period** | **(10,003)** | **(16,494)** | **14,798** |
| *Defined-benefit-plan liabilities* | | | |
| Balance at beginning of the period | 42,033 | 37,678 | 31,501 |
| Other comprehensive income (loss) | 4,606 | 4,355 | 1,973 |
| **Balance at end of the period** | **46,639** | **42,033** | **33,474** |
| **Accumulated other comprehensive income (loss)** | **119,220** | **100,922** | **107,999** |
| **Equity** | **$ 6,258,272** | **$ 6,104,916** | **$ 5,778,383** |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

| *For the three months ended* *($ in thousands)* | June 30 2026 | March 31 2026 | June 30 2025 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income | $ 160,058 | $ 122,538 | $ 134,307 |
| *Adjustments for non-cash items and other items* | | | |
| Provision for (recovery of) loan losses | 29,484 | 19,980 | 11,265 |
| Depreciation and amortization | 31,470 | 31,478 | 30,706 |
| Net losses (gains) on securities | (2,029) | (4,842) | (4,463) |
| Losses (gains) on foreign-denominated wholesale borrowings | (727) | 7,305 | (28,499) |
| *Adjustments for net changes in operating assets and liabilities* | | | |
| Loans | (356,692) | (745,086) | (2,178,286) |
| Deposits | 3,868,198 | (113,667) | 875,253 |
| Trading securities | (58,447) | (128,691) | 19,056 |
| Securities sold under repurchase agreements | 9,115 | (10,058) | (36,834) |
| Securities purchased under reverse repurchase agreements | (299,939) | (400,086) | 598,202 |
| Derivative financial instruments | (59,192) | (3,469) | 5,672 |
| Prepayments and other receivables | (484,158) | (247,418) | (175,539) |
| Accounts receivable—financial market products | 74 | (367) | 1,232 |
| Due to (from) clients, brokers and dealers | 520,898 | 230,889 | 60,035 |
| Deposit guarantee fee payable | (58,218) | 24,953 | (50,285) |
| Accounts payable and accrued liabilities | 59,698 | (80,508) | (34,192) |
| Accounts payable—financial market products | 231,990 | (10) | 63,384 |
| Liability for payment in lieu of tax | (114,358) | 36,595 | (63,712) |
| Net interest receivable and payable | 1,273 | 9,176 | (39,081) |
| Change in accrued-pension-benefit liability | 774 | 1,359 | (1,571) |
| Obligations related to securities sold short | (59,812) | 130,623 | 89,891 |
| Other | 20,883 | 6,596 | 21,465 |
| **Net cash provided by (used in) operating activities** | **3,440,343** | **(1,112,710)** | **(701,994)** |
| **Cash flows from investing activities** | | | |
| Acquisition, net of cash acquired (Note 14) | (1,812) | 6,935 | - |
| Purchase of securities, other than trading | (3,018,478) | (1,690,698) | (1,945,184) |
| Proceeds from sales and maturities of securities, other than trading | 1,626,954 | 2,066,481 | 1,515,805 |
| Change in interest-bearing deposits with financial institutions | 346,540 | (382,444) | 57,312 |
| Purchases and disposals of property and equipment, software and other intangibles | (16,951) | (40,471) | (16,428) |
| **Net cash provided by (used in) investing activities** | **(1,063,747)** | **(40,197)** | **(388,495)** |
| **Cash flows from financing activities** | | | |
| Dividends (Note 11) | (25,000) | (25,000) | (25,000) |
| Issuance of wholesale borrowings | 1,193,778 | 3,408,440 | 3,892,898 |
| Repayment of wholesale borrowings | (4,024,240) | (3,092,017) | (2,054,543) |
| Issuance of securitization liabilities | 925,883 | 830,940 | 385,218 |
| Repayment of securitization liabilities | (297,630) | (168,577) | (313,248) |
| Repayment of lease liabilities | (7,804) | (7,980) | (7,896) |
| **Net cash provided by (used in) financing activities** | **(2,235,013)** | **945,806** | **1,877,429** |
| Net increase (decrease) in cash | 141,583 | (207,101) | 786,940 |
| Cash at beginning of the period | 1,319,457 | 1,526,558 | 836,331 |
| **Cash at end of the period** | **$ 1,461,040** | **$ 1,319,457** | **$ 1,623,271** |
| **Net cash provided by (used in) operating activities includes:** | | | |
| Interest paid | $ (354,109) | $ (330,721) | $ (405,790) |
| Interest received | 847,179 | 758,672 | 754,852 |

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*June 30, 2026 (Unaudited)*

## 1 Nature of Operations

ATB is an Alberta-based financial services provider engaged in retail and commercial banking, credit cards and wealth management, investment management and capital markets services. ATB is an agent of the Crown in right of Alberta and operates under the authority of the *ATB Financial Act* (the *ATB Act*), Revised Statutes of Alberta, 2000, Chapter A-37. Under the *ATB Act*, ATB was established as a provincial Crown corporation governed by a Board of Directors appointed by the Lieutenant Governor in Council. Under the *Alberta Public Agencies Governance Act*, ATB is recognized as a government commercial enterprise and remains operationally independent from the provincial government. The address of the head office is 2100, 10020-100 Street, Edmonton, Alberta, Canada, T5J 0N3.

ATB is exempt from Canadian federal and Alberta provincial income taxes but pays an amount to the Government of Alberta (GoA) designed to be in lieu of such charges. (See Note 10.)

## 2 Material Accounting Policies

### General Information

#### Basis of Preparation

These interim condensed consolidated financial statements ("interim statements") have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) and the accounting requirements of ASFI. The interim statements do not include all information required for complete annual consolidated financial statements and should be read in conjunction with ATB's 2026 annual consolidated financial statements. The accounting policies, methods of computation and presentation of these interim statements are consistent with the most recent annual consolidated financial statements, except for the change in our segment presentation as described in Note 13. These interim statements were approved by the Audit Committee on August 12, 2026.

These interim statements are presented in Canadian dollars, and all values are rounded to the nearest thousand dollars, unless otherwise indicated. They include the assets, liabilities and results of operations and cash flows of ATB and our subsidiaries. All intercompany transactions and balances have been eliminated from the consolidated results.

#### Significant Accounting Judgments, Estimates and Assumptions

While applying ATB's accounting policies, management has exercised judgment and made estimates in determining amounts recognized in the consolidated financial statements. The most significant judgments and estimates include the allowance for loan losses, the fair value of financial instruments and the assumptions underlying the accounting for employee benefit obligations. Actual results could differ significantly from these estimates, and the impact of any such differences will be recorded in future periods.

## 3 Summary of Accounting Policy Changes

### Changes in Accounting Policies and Disclosures

Accounting standards and amendments that are newly effective for this fiscal year-end are detailed in Note 3 to the 2026 annual consolidated financial statements. Adoption of newly effective standards and amendments did not have a material impact on our financial statements.

### Future Accounting Policy Changes

Accounting standards and amendments that are effective for future years are detailed in Note 3 to the 2026 annual consolidated financial statements.

# 4 Financial Instruments

## Classification and Carrying Value

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

| *As at June 30, 2026* *($ in thousands)* | Carrying value: Financial instruments classified as FVTPL | Financial instruments designated as FVTPL | Financial instruments classified as FVOCI | Financial instruments designated as FVOCI | Financial instruments measured at amortized cost | Total carrying value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash (1) | $ - | $ - | $ - | $ - | $ 1,461,040 | $ 1,461,040 |
| Interest-bearing deposits with financial institutions (1) | - | 134,747 | - | - | - | 134,747 |
| Total cash resources | - | 134,747 | - | - | 1,461,040 | 1,595,787 |
| Total securities (1) | 692,041 | 2,440 | 7,388,059 | 120,787 | - | 8,203,327 |
| Securities purchased under reverse repurchase agreements (1) | - | - | - | - | 1,100,062 | 1,100,062 |
| Total net loans (2) | - | - | - | - | 61,550,291 | 61,550,291 |
| Derivative financial instruments | 1,101,004 | - | - | - | - | 1,101,004 |
| Other assets (1) (6) | - | - | - | - | 1,561,883 | 1,561,883 |
| Total other assets | 1,101,004 | - | - | - | 1,561,883 | 2,662,887 |
| **Total financial assets** | **$ 1,793,045** | **$ 137,187** | **$ 7,388,059** | **$ 120,787** | **$ 65,673,276** | **$ 75,112,354** |
| **Financial liabilities** | | | | | | |
| Total deposits (3) | $ - | $ - | $ - | $ - | $ 52,646,882 | $ 52,646,882 |
| Securitization liabilities (4) | - | - | - | - | 8,607,492 | 8,607,492 |
| Wholesale borrowings (5) | - | - | - | - | 3,793,606 | 3,793,606 |
| Derivative financial instruments (1) | 987,667 | - | - | - | - | 987,667 |
| Securities sold under repurchase agreements (1) | - | - | - | - | 202,550 | 202,550 |
| Obligations related to securities sold short | 481,834 | - | - | - | - | 481,834 |
| Other liabilities (1) (6) (7) | 31,716 | - | - | - | 2,634,319 | 2,666,035 |
| Total other liabilities | 1,501,217 | - | - | - | 15,237,967 | 16,739,184 |
| **Total financial liabilities** | **$ 1,501,217** | **$ -** | **$ -** | **$ -** | **$ 67,884,849** | **$ 69,386,066** |

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $63,962,469.
(3) The fair value of deposits is estimated at $52,406,168.
(4) The fair value of securitization liabilities is estimated at $8,684,797.
(5) The fair value of wholesale borrowings is estimated at $3,869,590.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV.

| | Carrying value | | | | | |
|---|---|---|---|---|---|---|
| *As at March 31, 2026 ($ in thousands)* | **Financial instruments classified as FVTPL** | **Financial instruments designated as FVTPL** | **Financial instruments classified as FVOCI** | **Financial instruments designated as FVOCI** | **Financial instruments measured at amortized cost** | **Total carrying value** |
| **Financial assets** | | | | | | |
| Cash (1) | $ - | $ - | $ - | $ - | $ 1,319,457 | $ 1,319,457 |
| Interest-bearing deposits with financial institutions (1) | - | 481,287 | - | - | - | 481,287 |
| Total cash resources | - | 481,287 | - | - | 1,319,457 | 1,800,744 |
| Total securities (1) | 609,089 | 5,159 | 5,997,159 | 115,357 | - | 6,726,764 |
| Securities purchased under reverse repurchase agreements (1) | - | - | - | - | 800,123 | 800,123 |
| Total net loans (2) | - | - | - | - | 61,203,605 | 61,203,605 |
| Derivative financial instruments | 1,245,866 | - | - | - | - | 1,245,866 |
| Other assets (1) (6) | - | - | - | - | 1,094,047 | 1,094,047 |
| Total other assets | 1,245,866 | - | - | - | 1,094,047 | 2,339,913 |
| **Total financial assets** | **$ 1,854,955** | **$ 486,446** | **$ 5,997,159** | **$ 115,357** | **$ 64,417,232** | **$ 72,871,149** |
| **Financial liabilities** | | | | | | |
| Total deposits (3) | $ - | $ - | $ - | $ - | $ 48,780,115 | $ 48,780,115 |
| Securitization liabilities (4) | - | - | - | - | 7,961,539 | 7,961,539 |
| Wholesale borrowings (5) | - | - | - | - | 6,600,879 | 6,600,879 |
| Derivative financial instruments (1) | 1,198,212 | - | - | - | - | 1,198,212 |
| Securities sold under repurchase agreements (1) | - | - | - | - | 193,435 | 193,435 |
| Obligations related to securities sold short | 541,646 | - | - | - | - | 541,646 |
| Other liabilities (1) (6) (7) | 30,784 | - | - | - | 1,884,928 | 1,915,712 |
| Total other liabilities | 1,770,642 | - | - | - | 16,640,781 | 18,411,423 |
| **Total financial liabilities** | **$ 1,770,642** | **$ -** | **$ -** | **$ -** | **$ 65,420,896** | **$ 67,191,538** |

(1) The fair value is estimated to equal carrying value.
(2) The fair value of loans is estimated at $63,518,368.
(3) The fair value of deposits is estimated at $48,397,475.
(4) The fair value of securitization liabilities is estimated at $7,832,076.
(5) The fair value of wholesale borrowings is estimated at $6,664,041.
(6) Amounts presented here exclude certain other assets and other liabilities not considered financial instruments.
(7) Contingent consideration related to the acquisition of BCV.

## Fair-Value Hierarchy

The following tables present the level within the fair-value hierarchy as described in Note 4 of the 2026 annual consolidated financial statements, of ATB's financial assets and liabilities measured at fair value. Transfers between fair-value levels can result from additional, revised or new information about the availability of quoted market prices or observable market inputs. For the three months ended June 30, 2026, and the year ended March 31, 2026, there were no transfers of financial instruments between Levels 1 and 2 or into and out of Level 3.

| *As at*<br>*($ in thousands)* | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **June 30, 2026** | | | | |
| **Financial assets** | | | | |
| Interest-bearing deposits with financial institutions | $ - | $ 134,747 | $ - | $ 134,747 |
| *Securities* | | | | |
| Securities measured at FVTPL | 561,382 | 11,708 | 121,391 | 694,481 |
| Securities measured at FVOCI | 7,388,059 | - | 120,787 | 7,508,846 |
| *Other assets* | | | | |
| Derivative financial instruments | - | 1,101,004 | - | 1,101,004 |
| **Total financial assets** | **$ 7,949,441** | **$ 1,247,459** | **$ 242,178** | **$ 9,439,078** |
| **Financial liabilities** | | | | |
| *Other liabilities* | | | | |
| Securities measured at FVTPL | $ 481,834 | $ - | $ - | $ 481,834 |
| Derivative financial instruments | - | 987,667 | - | 987,667 |
| Other liabilities (1) | - | - | 31,716 | 31,716 |
| **Total financial liabilities** | **$ 481,834** | **$ 987,667** | **$ 31,716** | **$ 1,501,217** |
| **March 31, 2026** | | | | |
| **Financial assets** | | | | |
| Interest-bearing deposits with financial institutions | $ - | $ 481,287 | $ - | $ 481,287 |
| *Securities* | | | | |
| Securities measured at FVTPL | 491,197 | 10,791 | 112,260 | 614,248 |
| Securities measured at FVOCI | 5,997,159 | - | 115,357 | 6,112,516 |
| *Other assets* | | | | |
| Derivative financial instruments | - | 1,245,866 | - | 1,245,866 |
| **Total financial assets** | **$ 6,488,356** | **$ 1,737,944** | **$ 227,617** | **$ 8,453,917** |
| **Financial liabilities** | | | | |
| *Other liabilities* | | | | |
| Securities measured at FVTPL | $ 541,646 | $ - | $ - | $ 541,646 |
| Derivative financial instruments | - | 1,198,212 | - | 1,198,212 |
| Other liabilities (1) | - | - | 30,784 | 30,784 |
| **Total financial liabilities** | **$ 541,646** | **$ 1,198,212** | **$ 30,784** | **$ 1,770,642** |

## Valuation of Level 3 Instruments

For direct investments in private companies—as there is no observable market price as at the balance sheet date—ATB estimates the fair value using a combination of discounted cash flows and market multiples derived from quoted prices of comparative companies. Specifically, the expected earnings before interest, income tax, depreciation and amortization (EBITDA). For direct investments in capital funds, the net asset value is used in estimating the fair value of ATB's interest. The fair value of the contingent consideration related to the acquisition of BCV was calculated using a Monte Carlo simulation approach under a risk-neutral framework. A Monte Carlo simulation approach using geometric Brownian motion is commonly used to model non-linear payoff structures such as the contingent payments.

The following table presents ATB's sensitivity analysis for the fair-value measurement of the contingent consideration related to the acquisition of BCV:

| | June 30, 2026 | | | March 31, 2026 | | |
|---|---|---|---|---|---|---|
| | Range of input values | | | Range of input values | | |
| | Low | Base | High | Low | Base | High |
| AUA discount rate | 8.3% | 7.3% | 6.3% | 8.5% | 7.5% | 6.5% |
| Fair-value of contingent consideration | $ 31,167 | $ 31,716 | $ 32,278 | $ 30,161 | $ 30,784 | $ 31,422 |
| AUA volatility | 20% | 25% | 30% | 20% | 25% | 30% |
| Fair-value of contingent consideration | $ 31,353 | $ 31,716 | $ 31,716 | $ 30,475 | $ 30,784 | $ 30,710 |

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

| | | | June 30, 2026 | | March 31, 2026 | |
|---|---|---|---|---|---|---|
| | | | 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 | 2.0 | 11.5 | 2.1 | 11.5 |
| | | Enterprise value/revenue multiple | 4.6 | 6.3 | 4.5 | 5.5 |
| | 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 $7.5 million increase and decrease in fair value (March 31, 2026: $7.4 million increase and decrease). The estimate is adjusted depending on the type of investment. Valuation techniques are detailed in Note 2 of the 2026 annual consolidated financial statements.

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

| *($ in thousands)* | Securities designated as FVOCI | Securities classified as FVTPL |
|---|---|---|
| Fair value as at March 31, 2026 | $ 115,357 | $ 112,260 |
| Total realized and unrealized gains (losses) included in net income | - | 2,593 |
| Total realized and unrealized gains (losses) included in other comprehensive income | 4,748 | - |
| Purchases and issuances | 682 | 6,538 |
| **Fair value as at June 30, 2026** | **$ 120,787** | **$ 121,391** |
| Change in unrealized gains included in income regarding financial instruments held as at June 30, 2026 | $ - | $ 2,593 |

| | | |
|---|---|---|
| Fair value as at March 31, 2025 | $ 107,924 | $ 98,681 |
| Total realized and unrealized gains (losses) included in net income | - | 6,420 |
| Total realized and unrealized gains (losses) included in other comprehensive income | 5,712 | - |
| Purchases and issuances | 1,721 | 7,159 |
| **Fair value as at March 31, 2026** | **$ 115,357** | **$ 112,260** |
| Change in unrealized gains included in income regarding financial instruments held as at March 31, 2026 | $ - | $ 6,420 |

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

## Contingent Consideration

As part of the purchase agreement with the previous owners of BCV, ATB has agreed to pay cash payments to the previous owners, determined in tranches, up to a possible total of $70.0 million based on the future value of AUA. The contingent consideration is classified in other liabilities.

As at June 30, 2026, ATB's current forecasts for the AUA of BCV indicate that certain targets will be achieved and future cash payments will be made to the previous owners due to the synergies realized. The fair value of the contingent consideration as at June 30, 2026 reflects this development, among other factors. The fair value is determined using a discounted cash flow model.

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

| *($ in thousands)* | **Contingent consideration** |
|---|---|
| Fair value as at March 31, 2026 | $ 30,784 |
| Unrealized fair value changes recognized in profit or loss | 932 |
| **Fair value as at June 30, 2026** | **$ 31,716** |
| Fair value as at March 31, 2025 | $ 44,975 |
| Unrealized fair value changes recognized in profit or loss | 10,809 |
| Contingent consideration paid | (25,000) |
| **Fair value as at March 31, 2026** | **$ 30,784** |

# 5 Financial Instruments—Risk Management

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

# 6 Securities

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

| *As at* *($ in thousands)* | Within 1 year | 1 to 5 years | Over 5 years | No maturity | Total carrying value |
|---|---|---|---|---|---|
| **June 30, 2026** | | | | | |
| **Securities measured at FVTPL** | | | | | |
| Trading (1) | $ 69,130 | $ 124,865 | $ 364,947 | $ - | $ 558,942 |
| Other securities (2) | - | - | 61,592 | 73,947 | 135,539 |
| **Total securities measured at FVTPL** | **$ 69,130** | **$ 124,865** | **$ 426,539** | **$ 73,947** | **$ 694,481** |
| **Securities measured at FVOCI** | | | | | |
| Investments—issued or guaranteed by the federal, provincial or municipal government | $ 5,063,103 | $ 2,324,956 | $ - | $ - | $ 7,388,059 |
| Other securities (2) | - | - | 120,787 | - | 120,787 |
| **Total securities measured at FVOCI** | **$ 5,063,103** | **$ 2,324,956** | **$ 120,787** | **$ -** | **$ 7,508,846** |
| **March 31, 2026** | | | | | |
| **Securities measured at FVTPL** | | | | | |
| Trading (1) | $ 51,333 | $ 161,922 | $ 275,743 | $ - | $ 488,998 |
| Other securities (2) | - | - | 52,482 | 72,768 | 125,250 |
| **Total securities measured at FVTPL** | **$ 51,333** | **$ 161,922** | **$ 328,225** | **$ 72,768** | **$ 614,248** |
| **Securities measured at FVOCI** | | | | | |
| Investments—issued or guaranteed by the federal, provincial or municipal government | $ 3,767,605 | $ 2,229,554 | $ - | $ - | $ 5,997,159 |
| Other securities (2) | - | - | 115,357 | - | 115,357 |
| **Total securities measured at FVOCI** | **$ 3,767,605** | **$ 2,229,554** | **$ 115,357** | **$ -** | **$ 6,112,516** |

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

As at June 30, 2026, and at March 31, 2026, we had no securities classified as held-to-maturity.

# 7 Loans

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

| Risk assessment | FICO score range |
|---|---|
| Very low risk | 829 – 900 |
| Low risk | 800 – 828 |
| Medium risk | 620 – 799 |
| High risk | 619 or lower |

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

| Risk assessment (1) | Legacy BRR range |
|---|---|
| Very low risk | 1 – 2 |
| Low risk | 3 – 4 |
| Medium risk | 5 – 8 |
| High risk | 9 – 13 |

For non-retail loans, some borrowers are assigned a BRR. The following table outlines the borrower-risk-assessment level assigned to each range:

| Risk assessment (1) | BRR range |
|---|---|
| Very low risk | 20 – 21 |
| Low risk | 22 – 24 |
| Medium risk | 30 – 33 |
| High risk | 34 – 50 |

(1) Effective Q1 2027, Cormark Capital Markets non-retail loans transitioned to an updated BRR scale as part of a phased implementation. All other non-retail portfolios continue to report under the legacy BRR scale.

# Credit Quality

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

| *As at* *($ in thousands)* | | | | June 30 2026 (1) | | | | March 31 2026 (1) |
|---|---|---|---|---|---|---|---|---|
| | Performing | | Impaired | | Performing | | Impaired | |
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Very low risk | $ 514,745 | $ 3,317 | $ - | $ 518,062 | $ 1,558,871 | $ 3,584 | $ - | $ 1,562,455 |
| Low risk | 7,085,709 | 29,736 | - | 7,115,445 | 5,751,604 | 122,459 | - | 5,874,063 |
| Medium risk | 24,117,671 | 784,011 | - | 24,901,682 | 24,166,399 | 1,142,038 | - | 25,308,437 |
| High risk | 421,260 | 1,170,729 | - | 1,591,989 | 272,067 | 1,256,896 | - | 1,528,963 |
| Not rated (2) | 5,968 | 47 | - | 6,015 | 12,919 | 6 | - | 12,925 |
| Impaired | - | - | 343,975 | 343,975 | - | - | 301,384 | 301,384 |
| **Total business** | **32,145,353** | **1,987,840** | **343,975** | **34,477,168** | **31,761,860** | **2,524,983** | **301,384** | **34,588,227** |
| Very low risk | 8,255,147 | 12,379 | - | 8,267,526 | 8,278,891 | 11,240 | - | 8,290,131 |
| Low risk | 3,866,453 | 10,187 | - | 3,876,640 | 3,662,459 | 5,638 | - | 3,668,097 |
| Medium risk | 10,070,230 | 98,207 | - | 10,168,437 | 9,854,800 | 119,210 | - | 9,974,010 |
| High risk | 545,031 | 139,152 | - | 684,183 | 521,445 | 133,680 | - | 655,125 |
| Not rated (2) | 3,306 | - | - | 3,306 | 4,058 | - | - | 4,058 |
| Impaired | - | - | 37,183 | 37,183 | - | - | 38,851 | 38,851 |
| **Total residential mortgages** | **22,740,167** | **259,925** | **37,183** | **23,037,275** | **22,321,653** | **269,768** | **38,851** | **22,630,272** |
| Very low risk | 1,235,580 | 6,434 | - | 1,242,014 | 1,223,505 | 2,652 | - | 1,226,157 |
| Low risk | 494,787 | 1,245 | - | 496,032 | 469,366 | 1,949 | - | 471,315 |
| Medium risk | 1,673,228 | 33,718 | - | 1,706,946 | 1,689,267 | 28,013 | - | 1,717,280 |
| High risk | 116,846 | 30,590 | - | 147,436 | 124,367 | 27,239 | - | 151,606 |
| Not rated (2) | 3,251 | 60 | - | 3,311 | 5,053 | 68 | - | 5,121 |
| Impaired | - | - | 34,800 | 34,800 | - | - | 33,028 | 33,028 |
| **Total personal** | **3,523,692** | **72,047** | **34,800** | **3,630,539** | **3,511,558** | **59,921** | **33,028** | **3,604,507** |
| Very low risk | 74,428 | 1,090 | - | 75,518 | 69,709 | 1,101 | - | 70,810 |
| Low risk | 61,252 | 1,434 | - | 62,686 | 54,174 | 1,137 | - | 55,311 |
| Medium risk | 482,354 | 51,414 | - | 533,768 | 469,634 | 37,658 | - | 507,292 |
| High risk | 52,547 | 31,920 | - | 84,467 | 55,030 | 30,399 | - | 85,429 |
| Not rated (2) | 35,032 | 4,185 | - | 39,217 | 35,143 | 4,819 | - | 39,962 |
| Impaired | - | - | 5,341 | 5,341 | - | - | 5,359 | 5,359 |
| **Total credit card** | **705,613** | **90,043** | **5,341** | **800,997** | **683,690** | **75,114** | **5,359** | **764,163** |
| **Total loans** | **59,114,825** | **2,409,855** | **421,299** | **61,945,979** | **58,278,761** | **2,929,786** | **378,622** | **61,587,169** |
| Total allowance for loan losses | (99,982) | (88,302) | (207,404) | (395,688) | (92,230) | (97,796) | (193,538) | (383,564) |
| **Total net loans** | **$ 59,014,843** | **$ 2,321,553** | **$ 213,895** | **$ 61,550,291** | **$ 58,186,531** | **$ 2,831,990** | **$ 185,084** | **$ 61,203,605** |

(1) Effective FY2027 Q1, risk assessment thresholds were revised for very low risk, low risk and medium risk categories. Prior-period credit quality disclosures have been reclassified to conform with the current period's definitions.
(2) Loans where the client account-level risk rating has not been determined have been included in the "not rated" category.

| *As at* *($ in thousands)* | | | | June 30 2026 (1) | | | | March 31 2026 (1) |
|---|---|---|---|---|---|---|---|---|
| | **Performing** | | **Impaired** | | **Performing** | | **Impaired** | |
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Very low risk | $ 4,653,015 | $4,206 | $ - | $ 4,657,221 | $4,459,133 | $3,803 | $ - | $ 4,462,936 |
| Low risk | 1,029,368 | 2,751 | - | 1,032,119 | 989,279 | 2,873 | - | 992,152 |
| Medium risk | 1,494,516 | 20,550 | - | 1,515,066 | 1,562,082 | 12,805 | - | 1,574,887 |
| High risk | 29,971 | 4,935 | - | 34,906 | 25,115 | 3,774 | - | 28,889 |
| Not rated (2) | 4,482 | 11 | - | 4,493 | 83,047 | 178 | - | 83,225 |
| **Total undrawn loan commitments — retail** | **7,211,352** | **32,453** | **-** | **7,243,805** | **7,118,656** | **23,433** | **-** | **7,142,089** |
| Total allowance for loan losses (3) | (17,872) | (3,768) | - | (21,640) | (17,702) | (3,113) | - | (20,815) |
| **Total net undrawn — retail** | **$ 7,193,480** | **$ 28,685** | **$ -** | **$ 7,222,165** | **$ 7,100,954** | **$ 20,320** | **$ -** | **$ 7,121,274** |
| Very low risk | $ 418,148 | $ - | $ - | $ 418,148 | $ 410,798 | $ 4,987 | $ - | $ 415,785 |
| Low risk | 9,218,427 | 74,925 | - | 9,293,352 | 8,269,786 | 58,114 | - | 8,327,900 |
| Medium risk | 12,584,002 | 282,723 | - | 12,866,725 | 11,468,067 | 520,529 | - | 11,988,596 |
| High risk | 402,948 | 240,196 | - | 643,144 | 393,881 | 290,908 | - | 684,789 |
| Not rated (2) | 113,983 | 8,375 | - | 122,358 | 199,636 | 8,449 | - | 208,085 |
| **Total undrawn loan commitments — non-retail** | **22,737,508** | **606,219** | **-** | **23,343,727** | **20,742,168** | **882,987** | **-** | **21,625,155** |
| Total allowance for loan losses (3) | (29,429) | (21,457) | - | (50,886) | (26,264) | (21,524) | - | (47,788) |
| **Total net undrawn — non-retail** | **$ 22,708,079** | **$ 584,762** | **$ -** | **$ 23,292,841** | **$ 20,715,904** | **$ 861,463** | **$ -** | **$ 21,577,367** |

(1) Effective FY2027 Q1, risk assessment thresholds were revised for very low risk, low risk and medium risk categories. Prior-period credit quality disclosures have been reclassified to conform with the current period's definitions.
(2) Loans where the client account-level risk rating has not been determined have been included in the "not rated" category.
(3) The allowance is presented under other liabilities in the consolidated statement of financial position.

## Loans Past Due

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

| *As at* *($ in thousands)* | **Business** | **Residential mortgages** | **Personal** | **Credit card** | **Total** | **Percentage of total gross loans** |
|---|---|---|---|---|---|---|
| **June 30, 2026** | | | | | | |
| Up to 1 month (1) | $ 33,427 | $ 143,396 | $ 13,454 | $ 29,071 | $ 219,348 | 0.4% |
| Over 1 month up to 2 months | 47,920 | 31,420 | 28,825 | 10,235 | 118,400 | 0.2% |
| Over 2 months up to 3 months | 17,559 | 20,406 | 5,264 | 5,230 | 48,459 | 0.1% |
| Over 3 months | 6,910 | 2,788 | 628 | 5,231 | 15,557 | 0.0% |
| **Total past due but not impaired** | **$ 105,816** | **$ 198,010** | **$ 48,171** | **$ 49,767** | **$ 401,764** | **0.7%** |
| **March 31, 2026** | | | | | | |
| Up to 1 month (1) | $ 301,985 | $ 230,485 | $ 77,721 | $ 27,937 | $ 638,128 | 1.0% |
| Over 1 month up to 2 months | 34,704 | 49,327 | 20,445 | 11,169 | 115,645 | 0.2% |
| Over 2 months up to 3 months | 4,465 | 11,601 | 6,175 | 4,172 | 26,413 | 0.0% |
| Over 3 months | 926 | 1,173 | 737 | 4,839 | 7,675 | 0.0% |
| **Total past due but not impaired** | **$ 342,080** | **$ 292,586** | **$ 105,078** | **$ 48,117** | **$ 787,861** | **1.2%** |

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

# 8 Allowance for Loan Losses

ATB records an allowance for losses for all loans by incorporating a forward-looking expected credit losses (ECLs) approach, as required under IFRS 9. This process involves complex models, with inputs and assumptions requiring a high degree of judgment to assess forecasts of macroeconomic variables and significant increases in credit risk. Our estimates and assumptions consider a range of possible scenarios, including the current interest rate environment. We continue to closely monitor external conditions and their impacts on our clients. Due to the unique conditions in the current environment, uncertainty in judgments and assumptions remains elevated as at June 30, 2026.

## Key Inputs and Assumptions

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

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

## Forward-Looking Information

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

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

| | **Baseline scenario** | | | **Optimistic scenario** | | | **Pessimistic scenario** | | |
|---|---|---|---|---|---|---|---|---|---|
| *As at* | **2026** | **2027** | **2028** | **2026** | **2027** | **2028** | **2026** | **2027** | **2028** |
| **June 30, 2026** | | | | | | | | | |
| Alberta GDP (%) | 2.8 | 2.4 | 2.4 | 4.9 | 3.8 | 2.9 | 0.1 | 0.1 | 1.4 |
| Alberta Unemployment rate (%) | 6.5 | 6.1 | 5.9 | 5.8 | 4.9 | 4.7 | 7.4 | 7.8 | 7.7 |
| Alberta Housing starts | 44,961 | 36,382 | 35,244 | 49,360 | 43,332 | 42,751 | 39,919 | 28,640 | 26,310 |
| Oil prices *(WTI, USD/barrel)* | 84 | 70 | 65 | 97 | 88 | 81 | 69 | 52 | 48 |
| 3m T-bill yield *(%)* | 2.2 | 2.5 | 2.7 | 2.6 | 3.1 | 3.4 | 1.8 | 1.9 | 2.0 |

| | **2026** | **2027** | **2028** | **2026** | **2027** | **2028** | **2026** | **2027** | **2028** |
|---|---|---|---|---|---|---|---|---|---|
| **March 31, 2026** | | | | | | | | | |
| Alberta GDP (%) | 2.7 | 2.3 | 2.4 | 4.5 | 2.9 | 2.9 | (1.3) | 0.9 | 1.8 |
| Alberta Unemployment rate (%) | 6.4 | 6.1 | 5.9 | 5.3 | 4.9 | 4.8 | 7.9 | 7.9 | 7.8 |
| Alberta Housing starts | 45,332 | 37,166 | 35,831 | 52,300 | 45,965 | 45,863 | 38,057 | 29,918 | 28,611 |
| Oil prices (*WTI, USD/barrel*) | 75 | 68 | 65 | 78 | 79 | 81 | 46 | 47 | 48 |
| 3m T-bill yield (%) | 2.2 | 2.5 | 2.7 | 3.0 | 2.9 | 3.0 | 1.8 | 1.7 | 1.8 |

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

| *For the three months ended ($ in thousands)* | Balance at beginning of period | Provision for (recovery of) loan losses | Net write-offs | Discounted cash flows on impaired loans and other | Balance at end of period | Comprises | |
|---|---|---|---|---|---|---|---|
| | | | | | | Loans | Other credit instruments (1) |
| **June 30, 2026** | | | | | | | |
| Business | $ 369,536 | $ 18,290 | $ (2,847) | $ (607) | $ 384,372 | $ 334,649 | $ 49,723 |
| Residential mortgages | 11,834 | 226 | (105) | 34 | 11,989 | 9,729 | 2,260 |
| Personal | 40,483 | 6,070 | (6,432) | 156 | 40,277 | 29,746 | 10,531 |
| Credit card | 30,314 | 4,898 | (3,656) | 20 | 31,576 | 21,564 | 10,012 |
| **Total** | **$ 452,167** | **$ 29,484** | **$ (13,040)** | **$ (397)** | **$ 468,214** | **$ 395,688** | **$ 72,526** |
| **June 30, 2025** | | | | | | | |
| Business | $ 401,440 | $ (1,775) | $ (12,376) | $ (6,893) | $ 380,396 | $ 326,323 | $ 54,073 |
| Residential mortgages | 11,213 | 464 | (407) | 223 | 11,493 | 8,675 | 2,818 |
| Personal | 41,928 | 7,971 | (7,228) | 300 | 42,971 | 32,890 | 10,081 |
| Credit card | 30,210 | 4,605 | (4,076) | (54) | 30,685 | 21,317 | 9,368 |
| **Total** | **$ 484,791** | **$ 11,265** | **$ (24,087)** | **$ (6,424)** | **$ 465,545** | **$ 389,205** | **$ 76,340** |

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

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

| | June 30, 2026 | | | | June 30, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Performing | | Impaired | | Performing | | Impaired | |
| *For the three months ended ($ in thousands)* | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| **Allowance for loan losses—business loans** | | | | | | | | |
| Balance at beginning of period | $ 92,940 | $ 101,957 | $ 174,639 | $ 369,536 | $ 73,006 | $ 97,256 | $ 231,178 | $ 401,440 |
| *Provision for (recovery of) loan losses* | | | | | | | | |
| Transfers into (out of) Stage 1 (1) | 5,412 | (5,412) | - | - | 2,292 | (2,202) | (90) | - |
| Transfers into (out of) Stage 2 (1) | (8,046) | 8,073 | (27) | - | (9,581) | 9,831 | (250) | - |
| Transfers into (out of) Stage 3 (1) | (8,946) | (536) | 9,482 | - | (7,913) | (285) | 8,198 | - |
| New originations (2) | 30,366 | - | - | 30,366 | 32,230 | - | - | 32,230 |
| Repayments (3) | (16,510) | (23,772) | (542) | (40,824) | (7,079) | (18,862) | (14,303) | (40,244) |
| Remeasurements (4) | 10,523 | 16,107 | 2,118 | 28,748 | (6,496) | 15,708 | (2,973) | 6,239 |
| **Total provision for (recovery of) loan losses** | **12,799** | **(5,540)** | **11,031** | **18,290** | **3,453** | **4,190** | **(9,418)** | **(1,775)** |
| Write-offs | - | - | (3,316) | (3,316) | - | - | (13,288) | (13,288) |
| Recoveries | - | - | 469 | 469 | - | - | 912 | 912 |
| Discounted cash flows on impaired loans and other | (561) | (5,644) | 5,598 | (607) | (269) | (130) | (6,494) | (6,893) |
| **Balance at end of period** | **$ 105,178** | **$ 90,773** | **$ 188,421** | **$ 384,372** | **$ 76,190** | **$ 101,316** | **$ 202,890** | **$ 380,396** |
| **Allowance for loan losses—residential mortgages** | | | | | | | | |
| Balance at beginning of period | $ 7,761 | $ 3,525 | $ 548 | $ 11,834 | $ 6,879 | $ 3,125 | $ 1,209 | $ 11,213 |
| *Provision for (recovery of) loan losses* | | | | | | | | |
| Transfers into (out of) Stage 1 (1) | 521 | (380) | (141) | - | 531 | (411) | (120) | - |
| Transfers into (out of) Stage 2 (1) | (55) | 155 | (100) | - | (34) | 103 | (69) | - |
| Transfers into (out of) Stage 3 (1) | (2) | (77) | 79 | - | (2) | (67) | 69 | - |
| New originations (2) | 94 | - | - | 94 | 64 | - | - | 64 |
| Repayments (3) | (52) | (26) | (57) | (135) | (44) | (35) | (62) | (141) |
| Remeasurements (4) | (78) | 102 | 243 | 267 | 383 | (118) | 276 | 541 |
| **Total provision for (recovery of) loan losses** | **428** | **(226)** | **24** | **226** | **898** | **(528)** | **94** | **464** |
| Write-offs | - | - | (161) | (161) | - | - | (433) | (433) |
| Recoveries | - | - | 56 | 56 | - | - | 26 | 26 |
| Discounted cash flows on impaired loans and other | - | - | 34 | 34 | - | - | 223 | 223 |
| **Balance at end of period** | **$ 8,189** | **$ 3,299** | **$ 501** | **$ 11,989** | **$ 7,777** | **$ 2,597** | **$ 1,119** | **$ 11,493** |

(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, risk and model parameters. For business loans, this also includes the benefit from our synthetic securitization programs. (See Note 9).

| | June 30, 2026 | | | | June 30, 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Performing | | Impaired | | Performing | | Impaired | |
| *For the three months ended* *($ in thousands)* | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| **Allowance for loan losses—personal loans** | | | | | | | | |
| Balance at beginning of period | $ 21,143 | $ 3,958 | $ 15,382 | $ 40,483 | $ 18,300 | $ 8,042 | $ 15,586 | $ 41,928 |
| *Provision for (recovery of) loan losses* | | | | | | | | |
| Transfers into (out of) Stage 1 (1) | 1,885 | (1,734) | (151) | - | 4,803 | (4,204) | (599) | - |
| Transfers into (out of) Stage 2 (1) | (547) | 695 | (148) | - | (640) | 989 | (349) | - |
| Transfers into (out of) Stage 3 (1) | (175) | (687) | 862 | - | (195) | (805) | 1,000 | - |
| New originations (2) | 893 | - | - | 893 | 1,054 | - | - | 1,054 |
| Repayments (3) | (401) | (88) | (253) | (742) | (433) | (273) | (120) | (826) |
| Remeasurements (4) | (1,658) | 1,530 | 6,047 | 5,919 | (3,567) | 3,332 | 7,978 | 7,743 |
| **Total provision for (recovery of) loan losses** | **(3)** | **(284)** | **6,357** | **6,070** | **1,022** | **(961)** | **7,910** | **7,971** |
| Write-offs | - | - | (6,438) | (6,438) | - | - | (7,252) | (7,252) |
| Recoveries | - | - | 6 | 6 | - | - | 24 | 24 |
| Discounted cash flows on impaired loans and other | - | - | 156 | 156 | - | - | 300 | 300 |
| **Balance at end of period** | **$ 21,140** | **$ 3,674** | **$ 15,463** | **$ 40,277** | **$ 19,322** | **$ 7,081** | **$ 16,568** | **$ 42,971** |
| **Allowance for loan losses—credit card** | | | | | | | | |
| Balance at beginning of period | $ 14,352 | $ 12,993 | $ 2,969 | $ 30,314 | $ 13,981 | $ 12,690 | $ 3,539 | $ 30,210 |
| *Provision for (recovery of) loan losses* | | | | | | | | |
| Transfers into (out of) Stage 1 (1) | 4,948 | (4,608) | (340) | - | 4,308 | (4,308) | - | - |
| Transfers into (out of) Stage 2 (1) | (977) | 1,547 | (570) | - | (527) | 527 | - | - |
| Transfers into (out of) Stage 3 (1) | (42) | (651) | 693 | - | (32) | (497) | 529 | - |
| New originations (2) | 355 | - | - | 355 | 324 | - | - | 324 |
| Repayments (3) | (138) | (1,256) | (103) | (1,497) | (130) | (1,454) | - | (1,584) |
| Remeasurements (4) | (5,734) | 7,747 | 4,027 | 6,040 | (2,952) | 6,033 | 2,784 | 5,865 |
| **Total provision for (recovery of) loan losses** | **(1,588)** | **2,779** | **3,707** | **4,898** | **991** | **301** | **3,313** | **4,605** |
| Write-offs | - | - | (6,921) | (6,921) | - | - | (7,537) | (7,537) |
| Recoveries | - | - | 3,265 | 3,265 | - | - | 3,461 | 3,461 |
| Discounted cash flows on impaired loans and other | 12 | 9 | (1) | 20 | (27) | (15) | (12) | (54) |
| **Balance at end of period** | **$ 12,776** | **$ 15,781** | **$ 3,019** | **$ 31,576** | **$ 14,945** | **$ 12,976** | **$ 2,764** | **$ 30,685** |
| **Total balance as at end of period** | **$ 147,283** | **$ 113,527** | **$ 207,404** | **$ 468,214** | **$118,234** | **$123,970** | **$223,341** | **$465,545** |
| Comprises: Loans | $ 99,982 | $ 88,302 | $ 207,404 | $ 395,688 | $ 62,928 | $ 102,936 | $ 223,341 | $ 389,205 |
| Comprises: Other credit instruments (5) | 47,301 | 25,225 | - | 72,526 | 55,306 | 21,034 | - | 76,340 |

(1) Stage transfers represent movement between stages and exclude changes due to remeasurements.
(2) New originations relate to new loans recognized during the period.
(3) Repayments relate to loans fully repaid or derecognized and exclude loans written off where a credit loss was incurred.
(4) Remeasurements represent the change in the allowance due to changes in economic factors and risk and model parameters. For business loans, this also includes the benefit from our synthetic securitization programs. (See Note 9).
(5) Other credit instruments, including off-balance-sheet items, are recorded to other liabilities in the consolidated statement of financial position.

# 9 Securitization Liabilities and Pledged Assets

## Residential Mortgage Loans Securitization

ATB periodically securitizes insured residential mortgage loans (RMLs) and certain securities by participating in the *National Housing Act* Mortgage-Backed Security (MBS) Program. The MBSs issued as a result of this program are pledged to the CMB program or to third-party investors. The sale of mortgage pools and certain securities that comprise the MBSs does not qualify for derecognition as outlined in IFRS 9 *Financial Instruments*, as ATB retains the prepayment, credit and interest rate risks, which represent substantially all of the risks and rewards. Therefore, it is accounted for as a securitization liability. (For more on the program, refer to Note 15 of the 2026 annual consolidated financial statements.)

Separate from the NHA MBS Program, ATB entered into a program with another financial institution to securitize uninsured mortgages during FY2026 Q3. This program provides an amortizing term-funding channel where ATB exchanges a portion of its uninsured mortgage portfolio for liquidity. ATB retains the credit and interest rate risks. The uninsured mortgages remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. Interest rate swaps and a sponsor indemnity are used to manage interest rate mismatches.

## Credit Card Securitization

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

## Equipment Finance Securitization

In December 2023, ATB entered into a program with another financial institution to securitize equipment finance receivables as an additional source of funding. This program allowed ATB to borrow up to 84% of the equipment finance receivables pledged. The equipment finance receivables remained on ATB's consolidated statement of financial position and have not been transferred as they did not qualify for derecognition. This program was wound down in FY2026 Q3.

In October 2025, ATB successfully entered into a strategic partnership with Essex Lease Financial Corporation (Essex) to transfer the servicing and administration responsibilities of ATB's Capital Asset Financing portfolio to Essex. Refer to Note 28 of the 2026 annual consolidated financial statements for details of the partnership and impacts to the consolidated financial statements.

## Synthetic Securitization

ATB began the synthetic securitization of certain agricultural and energy loan assets during FY2025 Q1 and FY2026 Q3, respectively. This allows ATB to purchase credit protection against eligible credit events on these loans through the issuance of interest-bearing guarantee-linked notes to third-party investors. The loans remain on ATB's consolidated statement of financial position and have not been transferred as they do not qualify for derecognition. As at June 30 2026, $153.8 million (March 31, 2026: $153.8 million) in guarantee-linked notes was outstanding. The guarantee-linked notes are fully cash collateralized as funds in the amount of the guarantee are received on issuance. ATB has also purchased an additional $18.0 million of unfunded protection (or non-payment insurance) related to the energy loans under synthetic securitization.

The following table presents the carrying amount of assets under securitization and the associated liability recognized in the consolidated statement of financial position:

| *As at*<br>*($ in thousands)* | **June 30**<br>**2026** | **March 31**<br>**2026** |
|---|---|---|
| Principal value of insured mortgages pledged as collateral | $ 7,724,104 | $ 7,215,480 |
| ATB mortgage-backed securities pledged as collateral through repurchase agreements | 338,281 | 438,341 |
| Principal value of uninsured mortgages pledged as collateral | 456,685 | 467,263 |
| Principal value of credit card receivables pledged as collateral | 710,377 | 691,683 |
| Principal value of equipment finance loans and leases pledged as collateral | 430,695 | 485,098 |
| Principal value of loans under synthetic securitization | 1,350,000 | 1,350,000 |
| **Total** | **$ 11,010,142** | **$ 10,647,865** |
| **Associated liabilities** | **$ 8,607,492** | **$ 7,961,539** |

# 10 Payment in Lieu of Tax

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

For the three months ended June 30, 2026, ATB has accrued a total of $47.8 million (March 31, 2026: $36.6 million and June 30, 2025: $40.1 million) for PILOT.

# 11 Dividends

Dividends are recorded as a reduction to equity when they are declared by the Board of Directors. For the three months ended June 30, 2026, ATB declared and paid dividends of $25.0 million (June 30, 2025: $25.0 million).

Subsequent to June 30, 2026, ATB's Board of Directors declared a $25.0 million dividend payable to the GoA.

# 12 Capital Management

ATB measures and reports capital adequacy to ensure we meet the minimum levels set out by our regulator, ASFI, while supporting the continued growth of our business.

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

Tier 1 capital consists of retained earnings. Tier 2 capital consists of eligible portions of both wholesale borrowings and the collective allowance for loan losses. (For more details, refer to Note 25 of the 2026 annual consolidated financial statements.)

As at June 30, 2026, and at March 31, 2026, ATB has exceeded the total capital requirements and Tier 1 capital requirement of the *Capital Requirements* guideline.

| *As at*<br>*($ in thousands)* | **June 30**<br>**2026** | **March 31**<br>**2026** |
|---|---|---|
| **Tier 1 capital** | | |
| Retained earnings | $ 6,139,052 | $ 6,003,994 |
| **Tier 2 capital** | | |
| *Eligible portions of:* | | |
| Wholesale borrowings | 1,815,148 | 1,485,317 |
| Collective allowance for loan losses | 260,810 | 258,629 |
| **Total Tier 2 capital** | **$ 2,075,958** | **$ 1,743,946** |
| *Deductions from capital* | | |
| Software and other intangibles | 294,977 | 305,372 |
| **Total capital** | **$ 7,920,033** | **$ 7,442,568** |
| Total risk-weighted assets | $ 51,671,107 | $ 50,676,633 |
| **Risk-weighted capital ratios** | | |
| Tier 1 capital ratio | 11.9% | 11.8% |
| Total capital ratio | 15.3% | 14.6% |

# 13 Segmented Information

ATB has organized our operations and activities around the following four areas of expertise (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.
- **Business Banking** provides operating and deposit structures, commercial and agricultural lending, trade finance and digital cash management solutions to commercial and corporate clients.
- **Cormark Capital Markets** provides lending and deposit solutions across many industry sectors, along with investment banking, corporate banking advisory, institutional equity research and sales and trading solutions across debt, equity and commodity markets.
- **Wealth** provides investment advisory services, investment management, insurance solutions, private banking and investment & portfolio management solutions.

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

Effective FY2027 Q1, ATB realigned its organizational structure to enhance operational efficiency and support our strategic priorities. This resulted in the division of ATB Business into two separate segments: Business Banking and Cormark Capital Markets. This transition also led to the centralization of certain support functions and the direct integration of others within their respective AOEs. In connection with these changes, expenses from certain support functions were reclassified between segments. Results from prior periods have been reclassified to conform with the current period's presentation with the exception of certain historical horizontal allocations where the impact is immaterial to the prior period segment results.

## Basis of Presentation

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

NII is attributed to each AOE according to ATB's internal funds transfer pricing (FTP) system: assets earn NII to the extent that external revenues exceed internal FTP expense, and liabilities earn NII to the extent that internal FTP revenues exceed external interest expenses. LLP is allocated based on the loans the AOE has issued and is determined based on the methodology outlined in Notes 2 and 9 of the 2026 annual consolidated financial statements.

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

| *For the three months ended* *($ in thousands)* | Everyday Financial Services | Business Banking | Capital Markets | ATB Wealth (2) | Strategic support units | Total |
|---|---|---|---|---|---|---|
| **June 30, 2026** | | | | | | |
| Net interest income (loss) | $ 181,826 | $ 144,403 | $ 73,361 | $ 11,399 | $ 35,961 | $ 446,950 |
| Other income (loss) | 42,702 | 23,300 | 71,731 | 108,825 | 674 | 247,232 |
| Total revenue (loss) | 224,528 | 167,703 | 145,092 | 120,224 | 36,635 | 694,182 |
| Provision for (recovery of) loan losses | 12,332 | (11,496) | 25,872 | 1,051 | 1,725 | 29,484 |
| Non-interest expense (1) | 159,318 | 81,739 | 81,214 | 108,359 | 26,201 | 456,831 |
| Income (loss) before payment in lieu of tax | 52,878 | 97,460 | 38,006 | 10,814 | 8,709 | 207,867 |
| Payment in lieu of (recovery of) tax | 12,162 | 22,416 | 8,741 | 2,487 | 2,003 | 47,809 |
| **Net income (loss)** | **$ 40,716** | **$ 75,044** | **$ 29,265** | **$ 8,327** | **$ 6,706** | **$ 160,058** |
| Total assets | $ 36,581,718 | $ 20,701,239 | $ 17,042,681 | $ 1,204,285 | $ 235,683 | $ 75,765,606 |
| Total liabilities | 22,490,921 | 15,122,861 | 14,547,477 | 1,348,165 | 15,997,910 | 69,507,334 |
| **March 31, 2026** | | | | | | |
| Net interest income (loss) | $ 173,144 | $ 140,268 | $ 63,788 | $ 11,086 | $ 24,451 | $ 412,737 |
| Other income (loss) | 45,211 | 20,113 | 96,173 | 102,710 | (2,335) | 261,872 |
| Total revenue (loss) | 218,355 | 160,381 | 159,961 | 113,796 | 22,116 | 674,609 |
| Provision for (recovery of) loan losses | 9,526 | 6,421 | 1,319 | 59 | 2,655 | 19,980 |
| Non-interest expense (1) | 161,281 | 90,572 | 88,893 | 105,263 | 49,480 | 495,489 |
| Income (loss) before payment in lieu of tax | 47,548 | 63,388 | 69,749 | 8,474 | (30,019) | 159,140 |
| Payment in lieu of (recovery of) tax | 10,935 | 15,653 | 15,811 | 2,065 | (7,862) | 36,602 |
| **Net income (loss)** | **$ 36,613** | **$ 47,735** | **$ 53,938** | **$ 6,409** | **$ (22,157)** | **$ 122,538** |
| Total assets | $ 36,286,548 | $ 22,326,004 | $ 13,198,339 | $ 1,211,218 | $ 510,578 | $ 73,532,687 |
| Total liabilities | 22,409,970 | 14,714,148 | 10,830,527 | 1,352,693 | 18,120,433 | 67,427,771 |
| **June 30, 2025** | | | | | | |
| Net interest income (loss) | $ 156,101 | $ 138,539 | $ 61,161 | $ 10,357 | $ 12,621 | $ 378,779 |
| Other income (loss) | 43,559 | 22,319 | 43,778 | 95,576 | 6,301 | 211,533 |
| Total revenue (loss) | 199,660 | 160,858 | 104,939 | 105,933 | 18,922 | 590,312 |
| Provision for (recovery of) loan losses | 11,222 | 1,794 | (4,196) | 1,398 | 1,047 | 11,265 |
| Non-interest expense (1) | 145,968 | 82,313 | 65,792 | 98,995 | 11,554 | 404,622 |
| Income (loss) before payment in lieu of tax | 42,470 | 76,751 | 43,343 | 5,540 | 6,321 | 174,425 |
| Payment in lieu of (recovery of) tax | 9,768 | 18,471 | 9,646 | 1,292 | 941 | 40,118 |
| **Net income (loss)** | **$ 32,702** | **$ 58,280** | **$ 33,697** | **$ 4,248** | **$ 5,380** | **$ 134,307** |
| Total assets | $ 34,409,576 | $ 21,612,027 | $ 9,232,783 | $ 1,157,469 | $ 506,813 | $ 66,918,668 |
| Total liabilities | 21,178,650 | 14,303,816 | 7,081,585 | 1,261,357 | 17,314,877 | 61,140,285 |

(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) On December 15, 2025, we completed the acquisition of Cormark. The results have been consolidated within the Cormark Capital Markets segment from the closing date, which impacted results, balances and ratios for the period. For further details refer to Note 14.

# 14 Business Combinations

## Cormark Securities Inc.

On December 15, 2025, ATB acquired 100% of the issued and outstanding shares in the capital of Cormark Securities Inc. (Cormark), a leading Canadian investment dealer recognized for its knowledge and commitment to the mid-cap and emerging growth market. Cormark provides investment banking, equity research coverage and institutional sales and trading to clients in Canada and internationally. ATB's acquisition of Cormark broadens our institutional reach and provides clients with deeper insights and differentiated expertise. This acquisition strengthens our ability to deliver sophisticated investment banking and risk management services across key growth sectors.

ATB used the acquisition method to account for the purchase. The valuation of all assets acquired, liabilities assumed and purchase consideration transferred was finalized during FY2027 Q1.

The fair values of the identifiable assets and liabilities of Cormark as at the date of acquisition are presented in the following table:

| *As at*<br>*($ in thousands)* | **December 15**<br>**2025** |
|---|---|
| **Assets** | |
| Cash | $ 58,852 |
| Current assets | 60,791 |
| Property and equipment | 1,285 |
| Right-of-use assets | 2,657 |
| Intangible assets | 3,700 |
| Other assets | 35 |
| **Total assets** | **$ 127,320** |
| **Liabilities** | |
| Current liabilities | $ 68,276 |
| Assumed liabilities | 1,157 |
| Lease liabilities | 3,251 |
| **Total liabilities** | **$ 72,684** |
| **Total identifiable net assets at fair value** | **$ 54,636** |
| **Goodwill arising on acquisition** | **$ 4,308** |
| **Purchase consideration transferred** | **$ 58,944** |

The following table summarizes the net cash flow on acquisition:

| *As at*<br>*($ in thousands)* | **December 15**<br>**2025** |
|---|---|
| **Analysis of cash flows on acquisition:** | |
| Transaction costs of the acquisition, net of reimbursed amounts paid on behalf of Cormark (included in cash flows from operating activities) | (6,403) |
| Net cash acquired with the subsidiary (included in cash flows from investing activities) | 58,852 |
| Cash paid (included in cash flows from investing activities) | (58,636) |
| **Net cash flow on acquisition** | **$ (6,187)** |

The acquisition date fair value of trade receivables, included within current assets, was $55.2 million.

ATB measured the acquired lease liabilities, included in other liabilities, using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets, included in property and equipment, were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The intangible assets of $3.7 million include brand and customer relationships. The goodwill of $4.3 million comprises the value of expected synergies arising from the acquisition and workforce, which is not separately recognized.

The operations of Cormark and ATB Capital Markets were fully integrated during FY2026 Q4. From the date of acquisition to the date of amalgamation, revenue and profit were immaterial. As a result of this integration, management is unable to disclose separate revenue and profit of Cormark for the full period following the acquisition.

Transaction costs of $6.4 million were expensed and included in other NIE for the year ended March 31, 2026.

## 15 Comparative Amounts

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

# GLOSSARY

*(unaudited)*

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

| | |
|---|---|
| | shape of the yield curve or in any other interest rate relationship. |
| **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 security (MBS)** | A security established through the securitization of residential mortgage loans. |
| **Net assets gathered** | Net of assets inflows and outflows at period-end. |
| **Net income (NI)** | Income after the removal of expenses, provision for loan losses and payment in lieu of tax. |
| **Net interest income (NII)** | The difference between interest earned on assets, such as cash, securities and loans, and interest paid on liabilities, such as deposits, wholesale borrowings and securitization liabilities. |
| **Net interest margin (NIM)** | The ratio of net interest income for the period to the value of average interest-earning assets for the period. |
| **Net loan change** | Net loans outstanding at period-end less net loans outstanding at the previous period-end, divided by net loans outstanding at the previous period-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. |
| **Option** | A contract between two parties whereby the buyer of the option has the right but no obligation to buy (call) or sell (put) a specified financial instrument or currency at a set price or rate on or before a specified future date or on a series of specified future dates. |
| **Other income to total revenue** | Other income for the period divided by total revenue for the period. |
| **Performing loan change** | Performing loans outstanding at period-end less performing loans outstanding at the previous period-end, divided by performing loans outstanding at the previous period-end. |
| **Performing loans** | Net loans, excluding impaired loans. |
| **Probability of default (PD)** | The likelihood that a borrower will not be able to make scheduled payments. |
| **Provision for loan losses (LLP)** | See "loan loss provision." |
| **Return on average assets** | Net income for the period divided by average total assets for the period. |
| **Return on average risk-weighted assets** | Net income for the period divided by average risk-weighted assets for the period. |
| **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. |
| **Swaps** | A contractual agreement between two parties to exchange a series of cash flows. For interest rate swaps, counterparties generally exchange fixed- and floating-rate interest payments based on a notional amount in a single currency. For cross-currency swaps, counterparties generally exchange one currency for another at a set date. |
| **Tier 1 capital** | A measure of retained earnings used to determine regulatory ratios set out by our regulator, the Alberta Superintendent of Financial Institutions. |
| **Tier 1 capital ratio** | Tier 1 capital divided by risk-weighted assets. |
| **Total asset change** | Total assets outstanding at period-end less total assets outstanding at the previous period-end, divided by total<br>assets outstanding at the previous period-end. For period-to-date change, it is the change in net assets recorded<br>during the period. |
| **Total capital** | An assessed regulatory measure of Tier 1 capital; Tier 2 capital consisting of eligible portions of subordinated debentures, wholesale borrowings and the collective allowance for loan losses; and the deduction of software and other intangibles. |
| **Total capital ratio** | Total capital divided by risk-weighted assets. |
| **Total deposit change** | Total deposits outstanding at period-end less total deposits outstanding at the previous period-end, divided by total deposits outstanding at the previous period-end. |
| **Total expense change** | The current period's non-interest expense less the previous period's non-interest expense, divided by the previous period's non-interest expense. |
| **Total revenue** | The sum of net interest income and other income. |
| **Total revenue change** | The current period's total revenue less the previous period's total revenue, divided by the previous period's total revenue. |
| **Yield curve** | A graph curve showing the return of a fixed-interest security against the term to maturity. |

# ACRONYMS

*(unaudited)*

| | |
|---|---|
| **AOCI** | Accumulated other comprehensive income |
| **AOE** | Area of expertise |
| **ASFI** | Alberta Superintendent of Financial Institutions |
| **AUA** | Assets under administration |
| **BRR** | Borrower risk rating |
| **CAR Guideline** | *Capital Adequacy Requirements Guideline* |
| **CMB** | Canada Mortgage Bonds |
| **CMHC** | Canada Mortgage Housing Corporation |
| **EBITDA** | Earnings before interest, income tax, depreciation and amortization |
| **ECL** | Expected credit loss |
| **EFS** | Everyday Financial Services |
| **FICO** | Fair Isaac Corporation |
| **FTP** | Funds transfer pricing |
| **FVOCI** | Fair value through other comprehensive income |
| **FVTPL** | Fair value through profit or loss |
| **FX** | Foreign exchange |
| **FY** | Fiscal year (for example, FY2027) |
| **GDP** | Gross domestic product |
| **GoA** | Government of Alberta |
| **HELOC** | Home equity line of credit |

| | |
|---|---|
| **IAS** | International Accounting Standard |
| **IASB** | International Accounting Standards Board |
| **IFRS** | International Financial Reporting Standards |
| **LCR** | Liquidity coverage ratio |
| **LLP** | Loan loss provision (also “provision for loan losses”) |
| **MBS** | Mortgage-backed security |
| **MD&A** | Management’s discussion and analysis |
| **NI** | Net income |
| **NIBP** | Net income before provision for loan losses |
| **NIE** | Non-interest expense |
| **NII** | Net interest income |
| **NIM** | Net interest margin |
| **OCI** | Other comprehensive income |
| **OI** | Other income |
| **OSFI** | Office of the Superintendent of Financial Institutions |
| **PILOT** | Payment in lieu of tax |
| **RML** | Residential mortgage loan |
| **SPV** | Special purpose vehicle |
| **SSU** | Strategic support unit |
| **WTI** | West Texas Intermediate |