

**ATB FINANCIAL**  
**MEDIUM TERM NOTES/BONDS**  
**BEARER DEPOSIT NOTES**  
**INFORMATION MEMORANDUM**

This Information Memorandum is not, and under no circumstances is to be construed as an offering of Medium Term Notes/Bonds or Bearer Deposit Notes for sale in the United States of America (including its territories, possessions and other areas subject to its jurisdiction) or to any citizen or resident of the United States of America. The Medium Term Notes/Bonds or Bearer Deposit Notes will not be sold outside of Canada or to any person who is not a resident of Canada or to any person purchasing for resale to, or for the account or benefit of any person who is not a resident of Canada.

This Information Memorandum does not in anyway obligate ATB Financial to accept an offer to purchase the Medium Term Notes/Bonds or Bearer Deposit Notes.

## **CONTENTS**

Introduction .....3

Description of the Notes .....4

    1. MTNs .....6

    2. BDNs .....9

Statement of Guarantee .....10

# Introduction

Alberta Treasury Branches (“ATB Financial”) is an Alberta crown corporation under *Alberta Treasury Branches Act* (the “Act”). It exercises its powers as an agent of the Crown in right of Alberta. Pursuant to the Act and the related Regulations (i) all money deposited with ATB Financial and interest payable on that money is 100% guaranteed by the Province of Alberta and (ii) all debt instruments issued by ATB Financial, which have an original term to maturity of not more than 10 years and are not subordinate to any other money deposited with ATB Financial, such as the Notes (as hereinafter defined), are 100% guaranteed by the Province of Alberta as to principal and interest.

ATB Financial operates as a financial intermediary, providing financial services to Albertans in 245 communities, through a network of 154 branches and 134 agencies as of March 31, 2007

ATB Financial's vision is to be Alberta's first choice for financial services

A significant portion of ATB Financial's funding requirements is met through deposits gathered through its branch network. Most of its assets are in the form of personal, commercial and mortgage loans.

As of December 31, 2006, ATB Financial was Canada's ninth largest deposit taking financial institution (when ranked by assets). As of that date, of the Canadian chartered banks only seven had a larger asset base than ATB Financial.

Further information on ATB Financial can be obtained through its Web site at <http://www.atb.com/>

# Description of the Notes

ATB Financial's Mid-Term Notes/Bonds ("MTNs") and Bearer Deposit Notes ("BDNs") (collectively referred to herein as "Notes") are issued under the authority of the Act to evidence the receipt of a deposit under the Act. The borrowing and repayment of funds deposited under the Act and interest payable thereon, as evidenced by the Notes, is authorized by the Board of Directors of ATB Financial (resolution dated February 22, 2006) and guaranteed by the Crown in right of Alberta.

## **Purpose of Issue**

The net proceeds from the issue of the Notes will be used by ATB Financial to manage its assets and liabilities within ATB Financial's risk management and liquidity policies.

## **Currency**

The Notes may be denominated in any currency.

## **Principal Amount**

The aggregate principal amount of Notes outstanding at any time shall not exceed the amount authorized by the Minister of Finance, as evidenced by the wholesale borrowing agreement then in effect between the Province of Alberta and ATB Financial.

## **Maturities**

The term of any Note issued may not exceed 10 years.

## **Ranking**

The Notes are direct senior unsecured obligations of ATB Financial and will rank equally and *pari passu* with each other and with all other present and future unsecured and unsubordinated indebtedness of ATB Financial.

## **Governing Law**

The Notes will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein,

without giving effect to the choice of laws provisions thereof. A holder of a Note irrevocably attorns and submits to the exclusive jurisdiction of the Courts of the Province of Alberta, sitting in the City of Edmonton.

#### Selling Restriction

The Notes have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States of America, its territories or possessions, any state of the United States of America and the District of Columbia to, or for the account or benefit of or on behalf of a U.S. Person (as defined below) at any time. The Notes will not be sold outside of Canada to any person who is not a resident of Canada or to a person purchasing for resale to, or for the account or benefit of, any person who is not a resident of Canada.

“U.S. Person” is:

- a. any natural person resident in the United States of America;
- b. any partnership or corporation organized or incorporated under United States law or formed by one or more U.S. Persons principally for the purpose of investing in securities not registered under the U.S. Securities Act;
- c. any estate or trust of which any executor, administrator, trustee or similar person is a U.S. Person unless the beneficiaries are not U.S. Persons and a non-U.S. Person who is also an executor, administrator, trustee or similar person has or shares investment discretion;
- d. any non-discretionary account for the benefit of a U.S. Person;
- e. any U.S. agency or branch of a foreign entity; or
- f. any discretionary account held by a dealer or other fiduciary organized and incorporated in or resident of the United States of America.

#### Purchaser’s Representation

By accepting a Note and the payment of amounts due thereunder, a holder (including any person having an interest in a book-entry note) represents and warrants in favour of ATB Financial that such holder:

- a. is not a U.S. Person; and

- b. is not purchasing for resale to, or for the account or benefit of any person who is a U.S. Person.

### No Liability

ATB Financial does not assume any liability for:

- a. any aspect of the records relating to beneficial ownership of the Notes held by a nominee of, or The Canadian Depository for Securities (“CDS”) or a successor or payment relating thereto;
- b. maintaining, supervising or reviewing any records related to the Notes; or
- c. any advice or representation made by or with respect to CDS including those contained in this Information Memorandum and relating to the rules governing CDS or any action taken by CDS or at the direction of its participant.

## 1. MTNs

### a. Form and Registration

MTNs will be issued in the form of a fully registered book-entry only global note held by, or on behalf of, CDS as custodian of the MTNs (for its participants) and registered in the name of CDS or its nominee. Beneficial interests in the global note will be represented through these book-entry accounts, which will be established and maintained by CDS in accordance with CDS’ practices, rules and agreements. Registrations of ownership and transfers of the MTNs will be made only through the depository service of CDS. Except in the limited circumstances described below, no owner of a beneficial interest in this global note will be entitled to a certificate or other instrument from ATB Financial or CDS evidencing ownership thereof, and no owner of a beneficial interest in this global note will be shown on the records maintained by CDS except through book-entry accounts of a dealer which is a participant of CDS acting on behalf of beneficial owners. Each purchaser of a MTN represented by a book-entry only global note will receive a customer confirmation of purchase from the dealer or dealers from which the MTN is purchased in accordance with the practices and procedures of the selling dealer or dealers. The practices of the dealers may vary but generally customer confirmations are issued promptly after execution of a customer order.

CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in MTNs.

MTNs will be issued in fully registered form (definitive notes) to holders or their nominees other than CDS or its nominee only if (i) CDS notifies ATB Financial it is unwilling or unable to continue as depository in connection with the global note and ATB Financial is unable to locate a qualified successor, or (ii) ATB Financial notifies CDS that it desires to issue the MTNs in definitive form. Such fully registered notes shall be delivered as directed by the persons in whose names such definitive notes are to be registered and such delivery shall take place within a reasonable time after notification under (i) or (ii) above is given taking into account the time required to print certificates, but in no event more than sixty (60) days after such notification is given. Upon the exchange of the MTNs in definitive form for this global note, ATB Financial or any registrar or transfer agent duly appointed shall receive and cancel this global note, shall reduce the holdings of CDS on the register to nil and shall authenticate MTNs in definitive form in the aggregate principal amount of this global note in exchange for the CDS participants' beneficial interests in this global note as of the record date for such exchange, as directed by CDS. After such exchange, all payments in respect of such MTNs in definitive form shall be made to the registered holders thereof, in accordance with the terms and conditions of the MTNs.

**b. Payment of Interest and Principal**

Payments of interest and principal on each MTN will be made by ATB Financial to CDS or its nominee, as the case may be, as registered holder of the MTN. A record date will be established at least 15 business days prior to payment date. Interest payments on MTNs will be made by cheque or wire transfer dated the date interest is payable and delivered to CDS or its nominee, as the case may be, at least two business days before the date interest is payable.

As long as CDS or its nominee is the registered owner of a MTN, CDS or its nominee, as the case may be, will be considered the sole owner of the MTN for the purposes of receiving payment on the MTN.

ATB Financial expects that CDS or its nominee, upon receipt of any payment of principal or interest in respect of a MTN, will credit on the date principal or interest is payable the dealers' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such MTN as shown on the records of CDS or its nominee as of the record date. ATB Financial also expects that payments of principal and interest by the dealers to the owners of beneficial interests in such MTNs held through such participants in the depository service of CDS will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants. The responsibility and liability of ATB Financial in respect of MTNs represented by book-entry only MTNs is limited to making payment of any principal and interest due on such MTN to CDS or its nominee.

Payments of interest on each definitive note will be made in the manner set out in the global note.

**c. Transfers**

Transfers of beneficial ownership in MTNs represented by book-entry only MTNs will be effected through records maintained by CDS for such MTNs or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Beneficial owners who are not participants in the depository service of CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in MTNs, may do so only through participants in the depository service of CDS.

The ability of a beneficial owner of an interest in an MTN represented by a book-entry only global note to pledge the MTN or otherwise take action with respect to such owner's interest in an MTN represented by a book-entry only global note (other than through a participant) may be limited due to the lack of a physical certificate.

The registered holder of a definitive note may transfer the definitive note upon payment of any taxes incidental thereto by executing the form of transfer provided on the reverse side of the definitive note in person or by attorney duly appointed in writing and forwarding the definitive note to the location



where the register is kept for issuance of a new definitive note payable to and registered in the name of the transferee.

The MTN issued upon a transfer will be of the same amount, rate of interest, date and maturity as the MTN transferred; provided that, in the event that one or more interest payments have been made prior to the transfer, the new MTN will be dated as of the last interest payment date to which interest has been paid. No transfer of an MTN will be registered during the 15 business days immediately preceding the dates fixed for payment of interest or principal.

## 2. BDNs

### a. Form and Registration

BDNs will be issued in negotiable form payable to the bearer or the order of the purchaser thereof in the form of book-entry notes subject to the *Depository Bills and Notes Act, 1998*, (Canada) and made payable to and deposited with CDS. The BDN's will be issued only in book-entry form, in which case such Notes must be purchased or transferred through participants in the CDS debt clearing service, which participants include securities brokers and dealers and banks and trust companies, or through other institutions that maintain a custodial relationship with a CDS participant, either directly or indirectly. BDN's will be issued at a discount to mature at the principal amount.

### b. Payment of Interest and Principal

Payment of principal or interest, if any, on each BDN will be made in the manner set out in the BDN or otherwise in accordance with the rules and procedures of CDS.

### c. Transfers

Any transaction related to a BDN or related to an interest in a BDN may only be effected by the making of the appropriate entries in the records of CDS.

## Statement of Guarantee

Section 14(1) of the *Alberta Treasury Branches Act*, (RSA 2000, Chapter A-37) states that the repayment by Alberta Treasury Branches of money deposited under this Act, and interest payable on that money, is guaranteed by the Crown in right of Alberta.

Section 1(3)(b) of the *Alberta Treasury Branches Regulation AR 187/97 (as amended)* states that for the purposes of section 14 of the Act, "money deposited" includes debt instruments issued by Alberta Treasury Branches that

- (b) have an original term to maturity of no more than 10 years; and
- (c) are not subordinate to other money deposited with Alberta Treasury Branches.