

Credit Rating Report

Province of Alberta

Morningstar DBRS

September 18, 2025

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Credit Ratings

Debt	Rating	Rating Action	Trend
Issuer Rating	AA	Confirmed	Stable
Long-Term Debt	AA	Confirmed	Stable
Short-Term Debt	R-1 (high)	Confirmed	Stable

Credit Rating Update

On September 12, 2025, DBRS Limited (Morningstar DBRS) confirmed the Province of Alberta's (Alberta or the Province) Issuer Rating and Long-Term Debt credit rating at AA and Short-Term Debt credit rating at R-1 (high). All trends are Stable.

The Province's first-quarter update forecasts a deficit of \$6.5 billion in 2025–26 (up from the February 2025 budget that projected a deficit of \$5.2 billion). On a Morningstar DBRS-adjusted basis, this equates to 1.8% of GDP. The deterioration in operating performance primarily resulted from a decline in resource revenues (particularly affected by the slide in oil prices), accompanied by higher spending. The medium-term budget suggests adjusted deficits at less than 1.0% of GDP. We believe the medium-term outlook remains vulnerable to adverse changes in energy prices, global economic slowdown, trade uncertainty, and the government's ability to manage cost pressures.

We expect Alberta's adjusted debt-to-GDP ratio to be 16.7% in 2025–26 (down from 17.8% in 2024–25). This is the lowest debt-to-GDP burden among all Canadian provinces. Over the medium term, we project adjusted debt will rise to more than 18.0% of GDP by 2027–28. This level is considered manageable for the current credit ratings.

Following real GDP growth of 2.7% in 2024, the Province estimates growth will moderate in 2025 (2.0%) and 2026 (1.7%). Heightened global economic uncertainty arising from trade tariffs and weaker oil prices are weighing on many sectors, particularly manufacturing, agriculture, and energy. Nevertheless, higher oil and gas production, healthy construction activity, and the cooling inflation (driven, in part, by the carbon tax removal) should provide an offset.

We could upgrade Alberta's credit ratings if there were a combination of material improvements in economic diversification and a significant strengthening of the government's balance sheet. The credit ratings could be downgraded should a material decline in energy prices result in materially weaker-than-expected financial risk metrics on a sustained basis.

Financial Information

(For the year ended March 31)	Q1 2026	2025	2024	2023	2022
Debt/GDP (%)	16.7	17.8	19.1	18.1	26.6
Surplus (deficit)/GDP (%)	(1.8)	1.5	0.6	2.2	0.9
Federal transfers/total revenue (%)	18.4	15.3	16.5	14.9	17.0
Interest costs/total revenue (%)	4.1	3.9	4.2	3.7	3.9
Real GDP growth (%)	2.0	2.7	2.3	6.0	5.2

Sources: The Province, Macrobond, and Morningstar DBRS calculations.

Issuer Description

Alberta is in Western Canada and has the third-largest provincial economy (based on nominal GDP) and fourth-largest population (approximately 5.0 million) in the country. The Province is home to much of Canada's oil and gas (O&G) industry and has the world's third-largest proven oil reserves, totalling approximately 171 billion barrels.

Credit Rating Considerations

Strengths

1. *Competitive tax regime*

Alberta has the most competitive tax system in the country. It does not levy a sales tax, health premium, capital tax, or payroll tax and has relatively low personal and corporate income tax rates. The Province's competitive tax advantage could provide the government with flexibility to address fiscal imbalances, when necessary.

2. *Strong demographics*

Alberta has a relatively young population, with a median age of 38 years as at July 1, 2024—one of the lowest across Canadian provinces and below the national median age of 40.3 years. Furthermore, population growth remains positive, supported by natural increases and international immigration.

3. *Abundant O&G resources*

Alberta has a long-established energy industry and the world's third-largest proven reserves, which have contributed to high income levels, significant royalty revenue for the Province, and the potential for above-average economic growth.

Challenges

1. *Economic concentration and constrained market access*

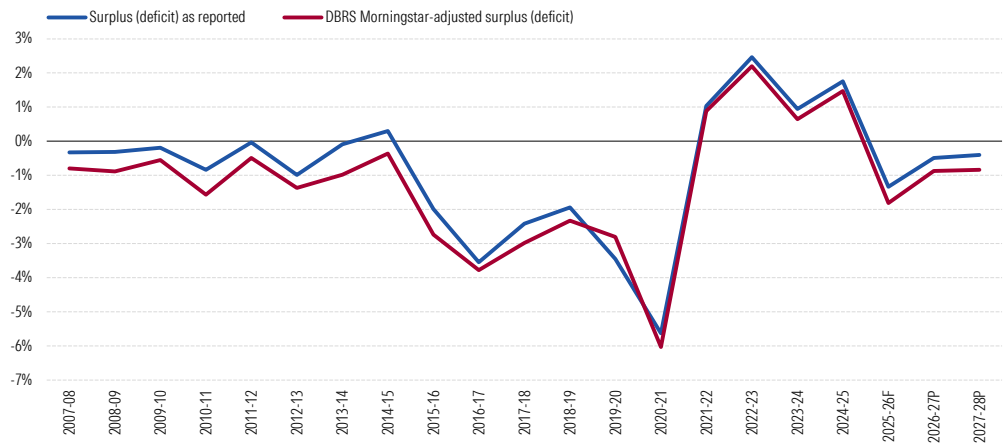
A high reliance on the energy sector adds considerable volatility to economic and fiscal performance. Furthermore, Western Canada's energy industry faces other significant challenges that will likely limit investment and growth, such as the ongoing trade uncertainty with the U.S., rising environmental concerns, and expectations that growth in demand for renewable energy will rise over the coming decade.

2. Labour negotiations

While Alberta has been successful in achieving affordable wage settlements in past collective bargaining agreements and demonstrating progress toward its goal of aligning per capita spending with comparable provinces, this appears to be more challenging to sustain in light of cost of living and retention pressures.

2025–26 Interim Results

Exhibit 1 Operating Result (Share of GDP)



F = forecast; P = plan.
Sources: The Province, Morningstar DBRS, and Macrobond.

The Province's first-quarter update (released on August 28, 2025) forecasts a deficit of \$6.5 billion in 2025–26 (up from the February 2025 budget that projected a deficit of \$5.2 billion). On a Morningstar DBRS-adjusted basis, this equates to 1.8% of GDP. The deterioration in operating performance primarily resulted from a decline in resource revenues (particularly affected by the slide in oil prices), accompanied by an increase in spending, which will, for the most part, be funded through the contingency allocation.

Relative to F2025, the first quarter update indicates a decrease in adjusted total revenue (-10.8%) in 2025–26, owing to lower natural resource revenues (-28.8%), tax revenues (-6.2%), other own-source revenues (-13.1%), and net income from government business enterprises (-3.6%). Federal transfers increased 6.3%. This most recent update assumes an average West Texas Intermediate (WTI) oil price of USD 63.75 per barrel (/bbl) (lower than the budgeted USD 68.00/bbl), the light-heavy differential of USD 11.90/bbl (relative to budgeted USD 17.10/bbl), and an exchange rate of 72.5 (U.S./CAD), relative to 69.6 assumed in the budget. The budget estimated that a \$1 decrease in WTI could reduce revenues by \$750 million, \$1 increase in light-heavy oil price differential will result in a \$740 million loss of revenue, and every cent increase in the exchange rate will adversely affect revenues by \$560 million.

Assuming the unallocated contingency of \$2.5 billion is fully used, we estimate adjusted total spending to be \$81.7 billion in 2025–26, an increase of 8.3% over the previous year. Excluding this contingency,

adjusted expenses are forecast to rise by 4.9% to \$79.2 billion. Public sector compensation contributed roughly \$650 million higher spending compared with the prior year, among other spending increases during the year. Alberta forecasts debt-servicing costs to decline by 6.6% year over year (YOY), supported by lower debt servicing costs related to loans to local authorities that are fully offset by healthy returns on investment assets. As a share of adjusted total revenue, interest costs are expected to remain stable around 4.1% in 2025—26.

In 2025—26, \$1.5 billion of the budgeted \$4.0 billion contingency is allocated for disaster assistance and to absorb unforeseen expenditure pressures, and the rest remains unallocated. In 2024—25, Alberta used the \$2.0 billion contingency in its entirety to cover wildfire-fighting efforts and operating needs.

Exhibit 2 Operating Summary

(\$ millions)	2025-26	2024-25	2023-24	2022-23	2021-22
	Q1 Update	Actual	Actual	Actual	Actual
Revenue	72,967	82,469	74,738	76,143	68,322
Expense					
Program expense	73,898	70,934	67,304	61,673	61,766
Interest expense	3,004	3,215	3,149	2,829	2,641
Contingencies	2,542				
Surplus (deficit) as reported	(6,477)	8,320	4,285	11,641	3,915
Morningstar DBRS Adjustments					
Nonrecurring items ¹	-	-	-	-	866
Capital investment	(5,348)	(4,309)	(4,121)	(3,910)	(4,045)
Amortization	3,048	2,968	2,764	2,666	2,613
Adjusted surplus (deficit)	(8,777)	6,979	2,852	10,397	3,349
Share of nominal GDP (%)	(1.8)	1.5	0.6	2.2	0.9

1. For 2020—21, Alberta reported a loss of \$866.0 million following the end of Alberta's crude-by-rail contracts.

Sources: Morningstar DBRS and the Province.

Under the Sustainable Fiscal Planning and Reporting Act (introduced in Budget 2023), the government will continue to limit deficits under prescribed thresholds (\$7.7 billion threshold for 2025—26), limit in-year spending increases to below the budgeted contingency (\$4.0 billion for 2025—26), and improve the Province's financial condition through equal surplus cash allocation toward debt repayment/Heritage Fund deposits and the Alberta Fund. The Province ensures that 100% of the Heritage Fund net income is retained within the fund.

For 2025—26, the first-quarter update points to a capital program of \$8.9 billion, up \$294.0 million from budget, with the increase resulting from the use of unspent funds from the prior year as well as new investment.

Medium-Term Outlook

The Province has not updated its multiyear forecast, but the 2025 budget pointed to deficits of \$2.4 billion and \$2.0 billion in 2026—27 and 2027—28, respectively. On an adjusted basis, this translates into adjusted deficits at less than 1.0% of GDP each year. The higher-than-budgeted deficit in the first quarter reinforces our view that the medium-term outlook remains very sensitive to adverse changes in

energy prices, the broader economic and trade environment, and the government's ability to manage cost pressures, such as public-sector compensation.

2024–25 Results

Alberta reported a surplus of \$8.3 billion in 2024–25, up from the budgeted surplus of \$0.4 billion. On an adjusted basis, after including capital expenditures as incurred rather than as amortized and adjusting for nonrecurring \$713.0 million tobacco settlement (upfront payment) recognized for the year, this equates to a surplus of \$7.0 billion, or 1.5% of GDP.

Adjusted revenue increased by 9.4% YOY, owing to increases across all revenue categories: tax revenues (+13.6%), natural resource revenues (+13.9%), net income from government business enterprises (+66.0%), federal transfers (+2.3%), and other own-source revenues (+2.1%).

Adjusted expenditures were up 5.0% YOY as the government invested in service needs of a growing population, including health (+7.7%), education (+5.1%), social services (+5.3%), transportation, communication and utilities (+13.7%), and other expenses (+15.1%). Together, these offset the decline in spending related to agriculture, resource management and economic development (-1.1%), protection of persons and property (-7.8%), and general government (-1.7%). Debt servicing costs increased by 2.1% YOY and capital spending was up 3.1% YOY.

Debt Profile

Exhibit 3 Debt-to-GDP Ratios

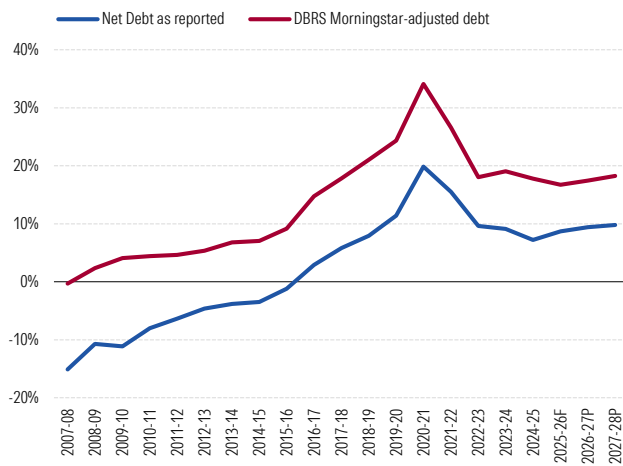
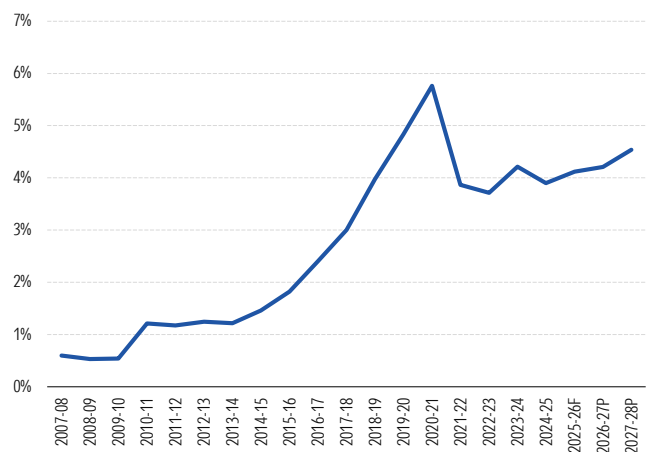


Exhibit 4 Interest Costs as a Share of Adjusted Revenue



Sources: Statistics Canada, Morningstar DBRS, and the Province.

Alberta's debt remains low. As at March 31, 2025, the reported net debt-to-GDP ratio was 7.2%, down from a peak of 19.9% in 2020–21. On a Morningstar DBRS-adjusted basis, debt is defined as tax-supported debt, debt borrowed by or on behalf of provincial Crown corporations, and unfunded pension liabilities, less assets in the Heritage Fund. In 2024–25, this adjusted debt was 17.8%, down from 19.1% in the prior year.

Alberta aims to maintain a prudent debt structure. The Province targets a relatively smooth maturity profile, while all foreign currency-denominated debt is hedged back to Canadian dollars. Based on the Province's first quarter update, upcoming long-term debt maturities amount to \$30.5 billion between fiscal years 2025—26 and 2027—28, which the Province will fund through advance new borrowings, net of cash.

For the year ending March 31, 2026, Alberta noted an opening cash balance of \$5.1 billion from the prior year. Of this, the Province allocated \$2.8 billion to the Heritage Fund (\$27.6 billion as of June 30, 2025), with the remaining \$2.3 billion available to offset new borrowing requirements in 2025—26.

The Province also maintains capacity on its short-term borrowing programs. The Canadian market consists of promissory notes and provincial T-bills with U.S. commercial paper making up all of the issuance into the U.S. market.

As at March 31, 2025, unfunded pension liabilities totalled \$7.5 billion and continue to decline as plan membership matures.

Credit Unions and ATB Financial

Credit union deposits are guaranteed by the Province through the Credit Union Deposit Guarantee Corporation and represent a potential liability of \$29.1 billion as at March 31, 2025, compared with \$28.3 billion the previous year. In addition, the deposits of ATB Financial amounted to \$43.3 billion as at March 31, 2025, and are also guaranteed by the Province. These are not included in our calculation of tax-supported debt. Credit unions and ATB Financial have significant assets to mitigate the risk of loss to the Province and are well capitalized with very manageable loan losses.

Alberta Indigenous Opportunities Corporation (AIOC)

For 2024—25, Alberta has committed up to \$3.0 billion in potential support through loan guarantees to the AIOC, up from \$2.0 billion in the prior year. We treat the AIOC as a government-related entity and include any loan guarantees in our calculation of adjusted debt. If fully used, this could add up to 50 basis points to our measure of the debt-to-GDP ratio.

Outlook

We expect Alberta's adjusted debt-to-GDP ratio to be 16.7% in 2025—26. This is the lowest debt-to-GDP burden among all Canadian provinces. Based on budget estimates and conservatively assuming a 4% growth in the value of the Heritage Fund, we project adjusted debt will rise to more than 18.0% of GDP by 2027—28. This level is considered manageable for the current credit ratings. We net Heritage Fund assets against tax-supported debt; therefore, any faster growth in this pool of assets would be favourable for our calculation of adjusted debt.

Economy

Exhibit 5 Economic Growth (Annual)

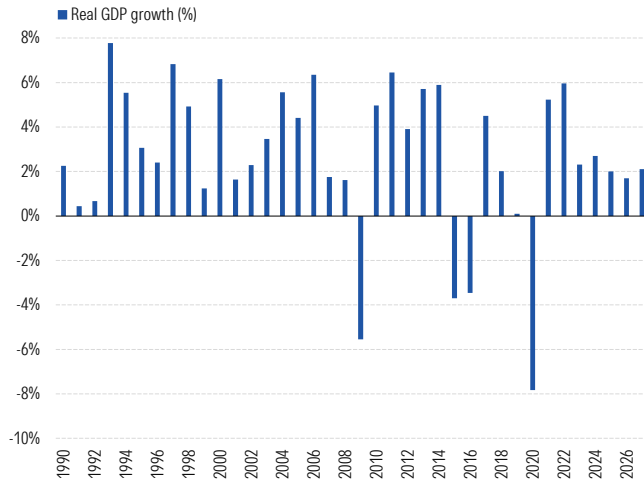
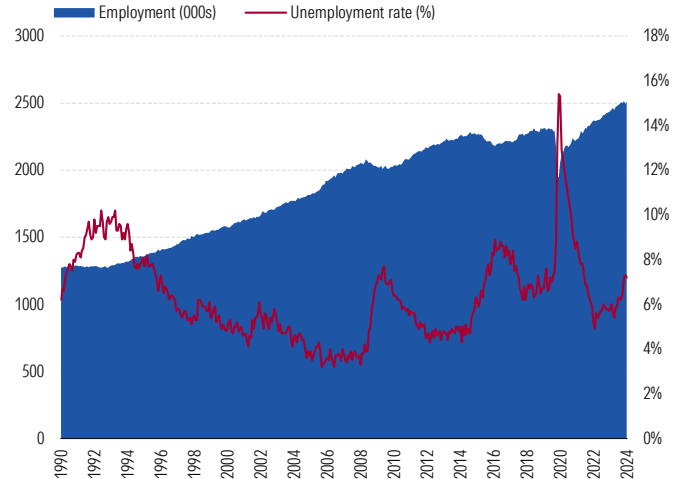


Exhibit 6 Labour Market (Annual)



Sources: Statistics Canada and the Province.

Real GDP grew by 2.7% in 2024. The Province anticipates 2.0% growth in 2025 and 1.7% in 2026. Heightened global economic uncertainty arising from trade tariffs is particularly affecting manufacturing and agriculture industries and private sector business investment, while softer oil prices are presenting headwinds for the energy sector.

The labour market appears to be weakening. Statistics Canada published its most recent Labour Force Survey, which indicates that monthly unemployment rate in Alberta (as of August 2025) increased to 8.8% (up from 8.0% for the same period last year). This is higher than August's national average unemployment rate of 8.0%. For August 2025, Statistics Canada reported a modest employment decline (-0.6%) from the prior month; however, it increased by 1.7% from August 2024. Over the medium term, decelerating population growth (forecast to average 1.4% between 2026 and 2028, relative to 2.5% in 2025) in line with federal immigration targets indicates a potential slowdown in job gains, and the outlook for slower growth in average weekly earnings (3.2% in 2025 and 2.8% in 2026) could constrain consumer spending.

Nevertheless, higher oil and gas production, healthy construction activity (both residential and nonresidential), and the cooling inflation (driven, in part, by the carbon tax removal) should provide an offset.

Economic Statistics					
Economic Data	2026E	2025F	2024	2023	2022
Nominal GDP (C\$ billions)	492.8	484.1	474.6	452.4	472.8
Growth rate (%)	1.8	2.0	4.9	(4.3)	24.4
Real GDP (\$ billions)	380.1	373.7	366.4	356.8	348.7
Growth rate (%)	1.7	2.0	2.7	2.3	6.0
Population (thousands)	5,080	5,009	4,889	4,685	4,511
Population growth (%)	1.4	2.5	4.4	3.9	1.8
Labour Market					
Employment (thousands)	2,609	2,567	2,519	2,443	2,356
Growth rate (%)	1.6	1.9	3.1	3.7	4.9
Average weekly earnings (\$)	1,420	1,374	1,328	1,283	1,257
Growth rate (%)	3.4	3.4	3.5	2.1	2.5
Unemployment rate (%)	7.2	7.4	7.0	5.9	5.8
Other Indicators					
Housing starts	40,800	43,000	47,827	36,022	36,544
Retail sales (\$ millions)	113	108	104	102	98
Inflation rate (CPI)	2.4	2.6	2.9	3.3	6.4
Household income per capita (\$)	-	-	-	51,923	51,025

E = estimate, F = forecast.

Sources: Statistics Canada, Macrobond, the Province, and Morningstar DBRS estimates and projections.

Government and Elections

Party in Power	UCP (majority)	Current Distribution of Seats in the Legislature	
Premier	Danielle Smith	UCP	48
Finance Minister	Nate Horner	New Democratic Party	37
Next Election	May 2027	Independent/Vacant	1/1

Environmental, Social, and Governance (ESG) Considerations

Environmental

The following environmental factor had a relevant effect on the credit analysis: carbon and greenhouse gas (GHG) costs. Alberta is the largest emitter of GHGs among all provinces, and second highest on a per capita basis. In 2023, GHG emissions were 263 megatonnes of carbon dioxide, according to Environment and Climate Change Canada. Alberta regulates industry emissions and imposes an industrial carbon tax on heavy emitters. According to the Province, this tax has resulted in a decline in the intensity of emissions in the O&G sector. Although Alberta is accelerating its emissions reduction efforts, the goal to reach net zero remains divergent from federal emissions reduction targets. Given Alberta's reliance on the nonrenewable energy sector, a faster reduction in GHG emissions will continue to present a challenge in the coming years.

Environmental regulation is affecting the outlook for Alberta's economy and finances. Investment in Alberta's energy sector has been significantly affected by increased federal environmental regulation, price volatility, and the rising interest in renewable energy over fossil fuels. These trends could materially weigh on the outlook for employment, incomes, GDP growth, and broader provincial finances. Additionally, Alberta's economy is highly susceptible to the resource sector and is vulnerable to import and export price shocks. However, we believe these considerations are already captured in our assessment of Alberta's critical rating factors through the *Rating Canadian Provincial and Territorial Governments* methodology.

Social

There were no social factors that had a significant or relevant effect on the credit analysis. A relatively high GDP per capita among peers reflects Alberta's skilled and productive workforce. Respect for human rights is also strong, and access to quality healthcare and other basic services is widespread.

Governance

There were no governance factors that had a significant or relevant effect on the credit analysis. Canada scores highly in the Worldwide Governance Indicators for both rule of law and control of corruption. Like Canada, Alberta has effective and transparent governing institutions, providing a favourable environment for investment and limited scope for corruption.

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*		
Environmental		Overall:	Y	R
Emissions, Effluents, and Waste	Do the costs or risks result in changes to a government's financial standing or relationship with other governments, and does this affect the assessment of credit risk?	N		N
Carbon and GHG Costs	Does a government face coordinated pressure from a higher-tier government or from numerous foreign governments as a result of its GHG emissions policies, and does this affect the assessment of credit risk?	Y		R
	Will recent regulatory changes have an impact on economic resilience or public finances?	N		N
	Carbon and GHG Costs	Y		R
Resource and Energy Management	Does the scarcity of key resources impose high costs on the public sector or make the private sector less competitive?	N		N
	Is the economy reliant on industries that are vulnerable to import or export price shocks?	N		N
	Resource and Energy Management	N		N
Land Impact and Biodiversity	Is there a risk to a government's economic or tax base for failing to effectively regulate land impact and biodiversity activities?	N		N
Climate and Weather Risks	Under key IPCC climate scenarios will climate change and adverse weather events potentially destroy a material portion of national wealth, weaken the financial system, or disrupt the economy?	N		N
Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N		N
Social		Overall:	N	N
Human Capital and Human Rights	Compared with regional or global peers, is the domestic labour force more or less competitive, flexible and productive?	N		N
	Are labour or social conflicts a key source of economic volatility?	N		N
	Are individual and human rights insufficiently respected or failing to meet the population's expectations?	N		N
	Is the government exposed to heavy, coordinated international pressure as a result of its respect for fundamental human rights?	N		N
	Human Capital and Human Rights	N		N
Access to Basic Services	Does a failure to provide adequate basic services deter investment, migration, and income growth within the economy?	N		N
Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N		N
Governance		Overall:	N	N
Bribery, Corruption, and Political Risks	Does widespread evidence of official corruption and other weaknesses in the rule of law deter investment and contribute to fiscal or financial challenges?	N		N
Institutional Strength, Governance, and Transparency	Compared with other governments, do institutional arrangements provide a higher or lesser degree of accountability, transparency, and effectiveness?	N		N
	Are regulatory and oversight bodies insufficiently protected from inappropriate political influence?	N		N
	Are government officials insufficiently exposed to public scrutiny or held to insufficiently high ethical standards of conduct?	N		N
	Institutional Strength, Governance, and Transparency	N		N
Peace and Security	Is the government likely to initiate or respond to hostilities with neighbouring governments?	N		N
	Is the government's authority over certain regions contested by domestic or foreign militias?	N		N
	Is the risk of terrorism or violence sufficient to deter investment or to create contingent liabilities for the government?	N		N
	Peace and Security	N		N
Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N		N
Consolidated ESG Criteria Output:		Y		R

* A Relevant Effect means that the impact of the applicable ESG Factors has not changed the rating or rating trend on the issuer.
 A Significant Effect means that the impact of the applicable ESG Factors has changed the rating or trend on the issuer.

Financial Tables

Statement of Operations					
	2025-26	2024-25	2023-24	2022-23	2021-22
(\$ millions unless otherwise noted)	Q1	Actual	Actual	Actual	Actual
Revenue					
Tax Revenue					
Personal income tax	14,937	16,120	15,160	13,925	13,335
Corporate income tax	7,000	8,125	7,044	8,103	4,718
Education property tax	3,124	2,797	2,526	2,537	2,478
Other	3,428	3,314	1,892	1,798	2,868
Subtotal	28,489	30,356	26,622	26,363	23,399
Natural Resource Revenue					
Bitumen royalty	11,924	17,167	14,518	16,879	11,605
Crude oil royalty	2,302	3,037	2,972	3,968	1,947
Natural gas	924	1,220	1,057	3,595	2,227
Other	505	563	865	961	498
Subtotal	15,655	21,987	19,412	25,403	16,277
Net Income from Government Business Enterprises					
Alberta Gaming, Liquor and Cannabis Commission	2,332	2,263	2,370	2,397	2,055
ATB Financial	285	348	337	428	586
Balancing Pool	63	50	160	144	96
Alberta Petroleum Marketing Commission	(700)	(616)	(1,637)	(487)	2,059
Other	-	8	7	(1)	14
Subtotal	1,980	2,053	1,237	2,481	4,810
Other Own-Source Revenue					
Investment income	3,389	4,803	4,587	1,334	3,579
Premiums, fees, and licenses	5,638	5,504	5,565	4,672	4,520
Other revenue	4,402	5,150	4,979	4,527	4,142
Subtotal	13,429	15,457	15,131	10,533	12,241
Federal Transfers					
Canada Health Transfer	6,560	6,161	5,964	5,507	5,503
Canada Social Transfer	2,089	1,993	1,908	1,864	1,796
Other	4,764	4,464	4,464	3,992	4,296
Subtotal	13,413	12,618	12,336	11,363	11,595
Total revenue as reported	72,967	82,469	74,738	76,143	68,322
Growth rate (%)	(11.5)	10.3	(1.8)	11.4	58.4
Morningstar DBRS Adjustments					
Nonrecurring revenue ¹	-	(713)	-	-	-
Adjusted total revenue	72,967	81,756	74,738	76,143	68,322
Growth rate (%)	(10.8)	9.4	(1.8)	11.4	58.4

¹ In 2024–25, the Province received a portion of the tobacco litigation settlement against three tobacco companies.

	2025–26	2024–25	2023–24	2022–23	2021–22
Expense	Q1 ¹	Actual	Actual	Actual	Actual
Program Expense					
Health	-	29,560	27,447	25,486	25,143
Education	-	17,197	16,359	15,220	14,308
Social services	-	8,462	8,035	7,222	5,992
Agriculture, resource management, and economic development	-	4,125	4,171	3,990	5,480
Protection of persons and property	-	3,186	3,454	2,059	2,006
Transportation, communication, and utilities	-	2,489	2,189	2,447	2,110
General government	-	3,445	3,503	3,015	3,070
Other	-	2,470	2,146	2,234	3,657
Subtotal	73,898	70,934	67,304	61,673	61,766
Debt servicing costs	3,004	3,215	3,149	2,829	2,641
Contingency	2,542	-	-	-	-
Total expense as reported	79,444	74,149	70,453	64,502	64,407
Growth rate (%)	7.1	5.2	9.2	0.1	7.2
Morningstar DBRS Adjustments					
Nonrecurring expenditures	-	-	-	-	(866)
Capital investment	5,348	4,309	4,121	3,910	4,045
Amortization	(3,048)	(2,968)	(2,764)	(2,666)	(2,613)
Adjusted total expenditures	81,744	75,490	71,810	65,746	64,973
Growth rate (%)	8.3	5.1	9.2	1.2	6.0

¹ Alberta's first-quarter report does not provide an expense breakdown comparable with previous years.

Statement of Financial Position (CAD millions)					
	2025–26	2024–25	2023–24	2022–23	2021–22
	Q1	Actual	Actual	Actual	Actual
Financial Assets					
Cash and investments	-	9,147	5,461	5,770	11,955
Equity in government enterprises	-	735	862	1,846	1,766
Portfolio investments	-	53,568	47,310	40,335	33,406
Other financial assets	-	34,485	33,256	31,539	30,999
Total financial assets	85,181	97,935	86,889	79,490	78,126
Liabilities					
Accounts payable and accrued liabilities	-	18,680	16,303	15,529	13,430
Unfunded pension liabilities	-	7,504	7,904	8,272	8,287
Debt	-	102,707	99,793	97,116	110,399
Other	-	3,381	4,253	4,187	2,645
Total liabilities	127,338	132,272	128,253	125,104	134,761
Net assets (debt)	(42,157)	(34,337)	(41,364)	(45,614)	(56,635)
Nonfinancial liabilities	64,297	62,925	61,515	60,624	59,268
Net assets before spent deferred capital contributions	22,140	28,588	20,151	15,010	275
Spend deferred capital contributions	4,109	4,080	3,964	3,696	3,523
Accumulated surplus (deficit)	18,031	24,508	16,187	11,314	(3,248)
Net debt as a share of nominal GDP (%)	8.7	7.2	9.1	9.6	15.5

Debt Profile (\$ millions)					
	2025–26	2024–25	2023–24	2022–23	2021–22
	Q1	Actual	Actual	Actual	Actual
Tax-supported debt					
Notes, bonds, and debentures	100,910	99,967	96,913	93,874	107,105
Capital leases	225	225	243	232	247
Public-private partnerships	2,412	2,515	2,637	3,010	3,047
Loan guarantees ¹	897	897	831	516	251
Coal phase-out agreements	432	514	610	687	761
Less: Heritage Fund assets (market value)	(31,043)	(27,157)	(22,940)	(21,227)	(18,715)
Net tax-supported debt	73,833	76,961	78,294	77,092	92,696
Calculation of Adjusted Debt					
Net tax-supported debt	73,833	76,961	78,294	77,092	92,696
Unfunded pension liabilities	7,129	7,504	7,904	8,272	8,287
Adjusted debt	80,962	84,465	86,198	85,364	100,983
Share of nominal GDP (%)	16.7	17.8	19.1	18.1	26.6
Foreign Currency Exposure (net of hedges) (%)					
Canadian dollars	100.0	100.0	100.0	100.0	100.0
Other	-	-	-	-	-
Fixed/Floating Rate Exposure (net of hedges) (%)					
Fixed rate	93.0	93.0	92.6	84.0	85.0
Floating and maturing within 12 months	7.0	7.0	7.4	16.0	15.0

1. Loan guarantees include those related with ATB, AIOC, and other financial institutions.

Credit Rating History

	Current	2024	2023	2022	2021	2020
Issuer Rating	AA	AA	AA	AA (low)	AA (low)	AA (low)
Long-Term Debt	AA	AA	AA	AA (low)	AA (low)	AA (low)
Short-Term Debt	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Previous Report

- *Province of Alberta: Rating Report, September 13, 2024.*

Related Research

- *Rating Canadian Provincial and Territorial Governments, April 25, 2025.*
- *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings, May 16, 2025.*
- *Alberta's 2025–26 Budget: Strong Fiscal Position And Budget Conservatism Underpinning Alberta's Credit Profile, February 25, 2025.*
- *2025 Canadian Provincial Ratings Outlook, December 9, 2024.*
- *Access to Capital Plays a Critical Role in Supporting Economic Reconciliation with Indigenous Peoples in Canada, September 30, 2024.*

Notes:

All figures are in Canadian dollars unless otherwise noted.

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