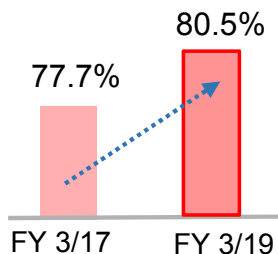# Review of the Previous Medium-term Management Plan:

"Next COMPASS 140"

Maintaining Our Solid Position Toward the Next Stage

Achievements in Three Priority Areas

百五銀行 FRONTIER BANKING

● Review of "Next COMPASS 140:" Maintaining Our Solid Position Toward the Next Stage

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Employee awareness survey
Ratio of employees who have job satisfaction **80.5%**

80.5%
77.7%

FY 3/17 — FY 3/19

Total overtime work hours
*Compared to FY 3/16 **Reduction by 16.8%**

477,830 hrs.
397,284 hrs.

FY 3/16 — FY 3/19
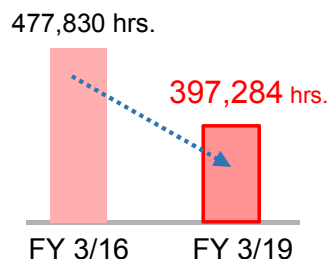
Work-style Reforms

Topline Innovation

Interest income
* Comparison with FY 3/16 **+1.9 billion yen**

49.3 billion yen
47.4 billion yen

FY 3/16 — FY 3/19

Fees and commissions
* Comparison with FY 3/16 **+1.8 billion yen**

9.3 billion yen
7.5 billion yen

FY 3/16 — FY 3/19

Three Points of Focus
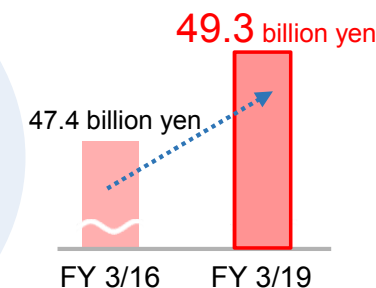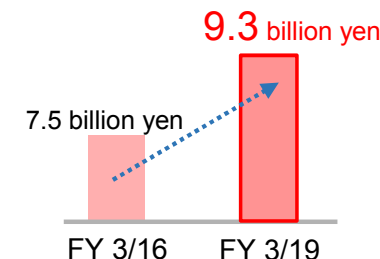
Supporting and growing together with the region

Number of consultation on business succession 852 cases

☐ Consultation on M&A
☐ Consultation on business succession

852 cases
427
425

328 cases
135
193

FY 3/16 — FY 3/19
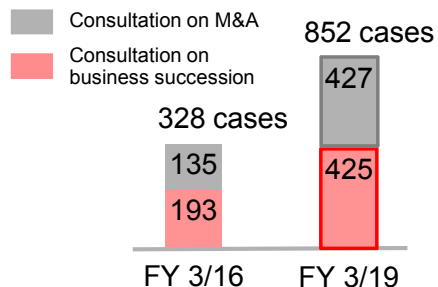
Number of clients which underwent business assessment 2,167 companies

2,167 companies
630 companies

FY 3/16 — FY 3/19

The Previous Medium-term Management Plan: Results for Key Management Indicators

百五銀行 FRONTIER BANKING
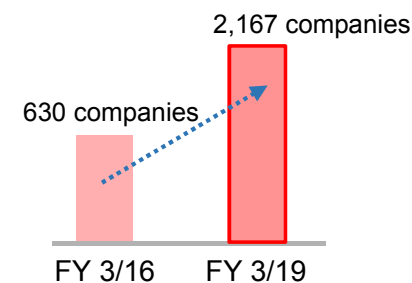
- The Bank performed favorably during the three-year period covered by the previous Medium-term Management Plan, with a significant increase in deposits and loans, and achieved most numerical targets.

Results for Key Management Indicators

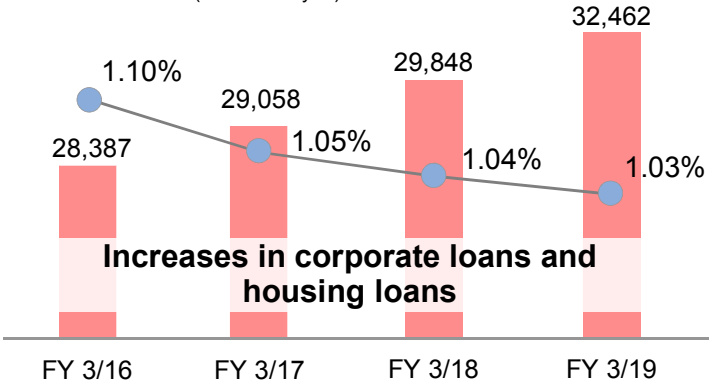|	Item	The previous medium-term management plan period		Change over the three-year period	Topics
		FY 3/16 (results)	FY 3/19 (results)		
Growth potential	Average balance of total deposits (including negotiable certificates of deposit)	4,658.4 billion yen	4,992.9 billion yen	+334.5 billion yen Increase rate 7.1%	**Average balance of housing loans** (Unit: 100 million yen) 2,749 → 10,258
	Average balance of loans	2,838.7 billion yen	3,246.2 billion yen	+407.5 billion yen Increase rate 14.3 %	7,509 Exceeded 1 trillion yen
Profitability	Core net operating income	11.8 billion yen	14.0 billion yen	+2.2 billion yen Increase rate 18.6 %	FY 3/16 FY 3/19
Efficiency	ROE (Shareholders' equity base)	(*) 5.90%	4.32%	Compared with the Medium-term Management Plan targets +1.62P	**Balance of loans in Aichi Prefecture** (Unit: 100 million yen) 3,287 → 10,191
	Core OHR (Core gross operating income base)	78.14%	74.43%	Improvement of 3.71P	6,904 Exceeded 1 trillion yen
Soundness	Capital adequacy ratio (Based on full implementation of Basel III)	(SA) 9.14%	(FIRB) 9.30%	Obtained FIRB approval Achieved sophisticated risk and equity capital management	March-end 2016 March-end 2019

(*) temporary factors: Posted gain on redemption of retirement benefit trust of 3.6 billion yen in FY 3/16.

Status of Operating Income from Services to Customers (published figures)

百五銀行 FRONTIER BANKING

● Moved operating income from services to customers into the black

Turnaround of operating income from services to customers
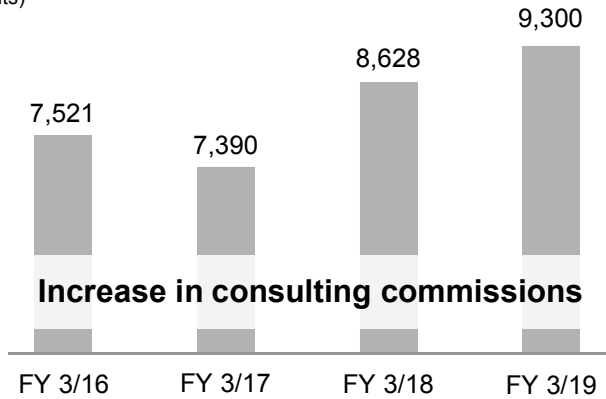
Change in average balance of loans and deposit-loan yield margin

■ Average balance of loans (100 million yen) ● Deposit-loan yield margin (all departments)
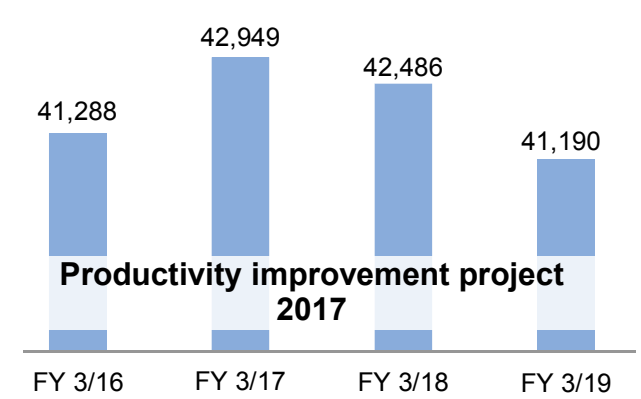
	FY 3/16	FY 3/17	FY 3/18	FY 3/19
Average balance	28,387	29,058	29,848	32,462
Yield margin	1.10%	1.05%	1.04%	1.03%

Increases in corporate loans and housing loans

Change in fees and commissions
(Unit: million yen)

FY 3/16	FY 3/17	FY 3/18	FY 3/19
7,521	7,390	8,628	9,300

Increase in consulting commissions

Change in operating expenses
(Unit: million yen)

FY 3/16	FY 3/17	FY 3/18	FY 3/19
41,288	42,949	42,486	41,190

Productivity improvement project 2017

Changes in operating income from services to customers
(Unit: 100 million yen)

FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/22
(24)	(49)	(26)	15	37

Turned positive
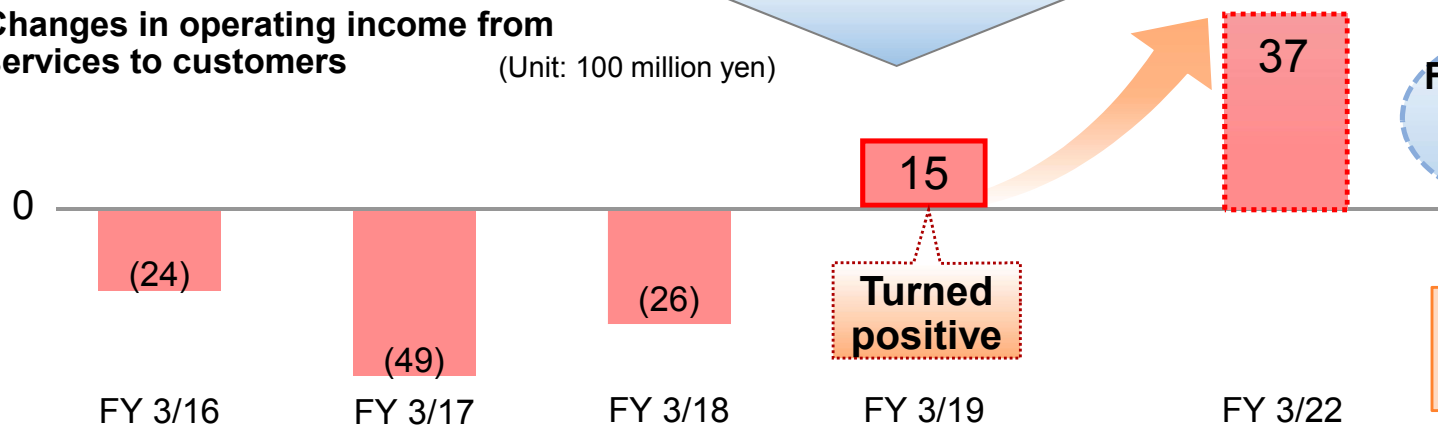
Further growth of profit in core businesses

Execution of new Medium-term Management Plan

Operating income from services to customers

Average balance of loans x (interest rate on loans - interest on deposits, etc.) + fees and commissions - operating expenses (including retirement benefit expenses in extraordinary gain and loss)