



Annual Report 2017



THE PRINCIPLES OF LABOUR BANKS

“ **L**abour Banks are financial cooperatives that cultivate the dreams and ideals of our workers.”

“ **L**abour Banks consider their objectives to be twofold: promote economic, welfare, environmental and cultural activities by their members; and create, by working together, a society in which all people can live in happiness.”

“ **L**abour Banks are formed from worker-based organizations and organizations that keep their doors open to a wide range of citizens. This network of member organizations is the essence of the Labour Banks.”

“ **M**embers participate in the administration of Labour Banks as equals, seeking to improve the activities and projects of the banks. Sincerity, fairness, and openness are key Labour Bank principles. By their commitment to sound management, Labour Banks will endeavor to keep faith with their members.”

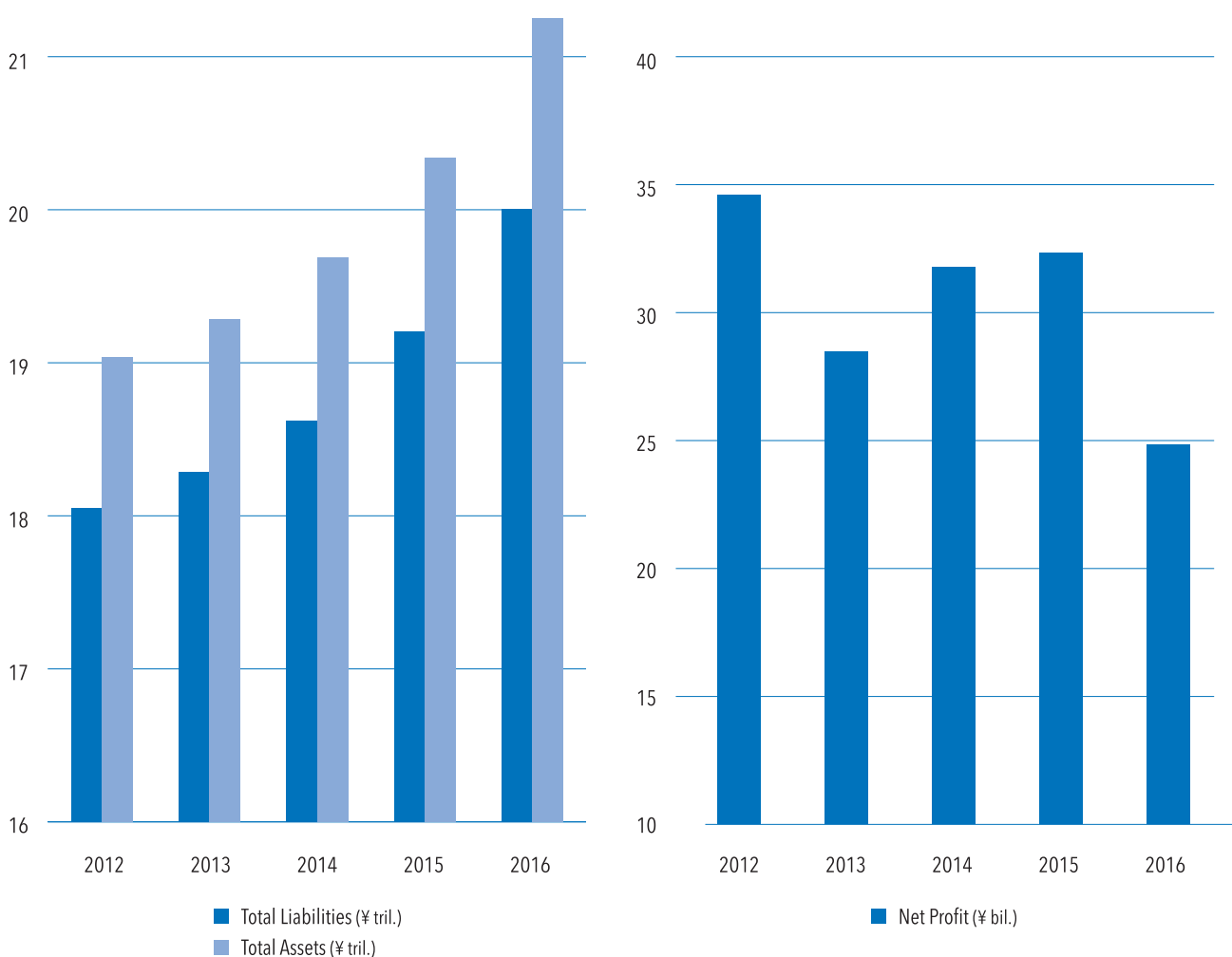
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HIGHLIGHTS OF FISCAL 2016

	2012	2013	2014	2015	(¥ mil.) 2016	(US\$ thous.) 2016
Total Assets	19,073,010	19,324,827	19,730,409	20,391,911	21,229,990	194,770,552
Total Liabilities	18,081,755	18,318,295	18,658,225	19,244,663	20,091,897	184,329,330
Ordinary Income	311,293	309,480	294,583	293,798	278,031	2,550,744
Operating Income	305,655	301,989	290,514	289,674	274,687	2,520,069
Net Profit	34,479	28,388	31,674	32,237	24,905	228,487

¥109.00=US\$1
Fiscal year ended March 31.



MESSAGE FROM THE PRESIDENT



Kimito Nakae
President
National Association of Labour Banks

Labour Banks are the only financial cooperatives in Japan that exist for the welfare of workers, meeting the financial needs of workers and those of their organizations.

At the time they were founded, around sixty years ago, Labour Banks primarily provided financial support to workers who were suffering from high interest rates, supplied funding for living allowances when wages were delayed or unpaid, and furnished financial backing for mutual aid and welfare efforts by labour unions and consumer cooperatives. However, the financial needs of workers have diversified in tandem with economic growth, and increasing weight has been given to financing home acquisitions and purchases of consumer durables such as electrical appliances, as well as funding education, car purchases, overseas travel, etc.

Through their activities, Labour Banks have played an important role in developing and strengthening worker welfare projects in Japan, including the workers' mutual-aid insurance movement, housing cooperative movement and construction of welfare centers for workers. Labour Banks have also conducted various activities in close collaboration with communities, such as encouraging asset formation through savings, promoting the resolution of the multiple debt problem, and declaring their commitment to company-financed pensions to support workers after retirement. At present, the 13 Labour Banks nationwide have around 630 branches with a total deposit balance of around 20 trillion yen and a total loan balance of around 12 trillion yen, which includes housing, car and educational loans. In the area of asset formation through savings, particularly, Labour Banks are the top financial institutions in Japan in terms of contract numbers and savings deposits. Roughly ten million "constituents" (individual workers who make up member organizations) are now using Labour Banks.

Looking at the current circumstances surrounding workers, while some improvements can be seen in the overall employment situation, the proportion of non-regular workers is increasing, resulting in instability in the income and employment situation. At the same time, as income disparities widen, child poverty and the student-loan crisis have become serious social problems. Moreover, the percentage of elderly households that regard “life planning for old age” as a source of anxiety in daily life now exceeds 70% for people in their 50s and 60% for those in their 60s, revealing that anxiety about future life is increasing.

In these circumstances, we must constantly be attentive to the voices of workers to know what they expect from Labour Banks, be sensitive to their feelings, and make firm efforts to respond to their needs. Recalling the origin of Labour Banks, it is clear that, we must extend our helping hand to the people who are in real need of Labour Banks, that is, the people who are in dire distress.

Labour Banks currently fulfil various needs of workers at every stage of their life by providing high-quality products and services, and continue to give priority to the support for workers throughout their lives. Centering on this “lifelong relationship” with workers, we will strengthen cooperation with our member organizations, and also develop businesses with our existing customers, particularly “constituents,” and further try to expand our services to comprehensive financial services covering each household.

In addition, we intended to promote the use of Labour Banks by non-regular workers and workers at small and medium enterprises to support their lives. Moreover, we will construct networks with other non-profit and cooperative sectors such as consumer cooperatives, social welfare corporations, NPOs and so forth, and further develop a framework for joint activities to resolve serious problems facing workers and communities.

Simply increasing deposits, expanding loans or making profits are not in themselves the goals for Labour Banks. A 2010 ILO (International Labour Organization) report describes Labour Banks in detail as financial institutions with a social conscience that is globally unique. Befitting this high rating, we will continue to provide high-quality products and services to become financial institutions that are the most accessible and trustworthy for all working people.

We would be grateful for your continued understanding and support.

中江公人

ABOUT US

Labour Banks are financial institutions organized as cooperatives, created by labour unions and consumer cooperatives who pool funds to assist each other. Financial institutions are founded by specific laws and Labour Banks are established in accordance with the Labour Bank Law (enacted in 1953), with its business license issued by the Financial Services Agency and Ministry of Health, Labour and Welfare.

The Labour Bank Law provides for the principles of Labour Bank management: (1) activities geared toward profit-making cannot be undertaken; (2) services are to be provided directly to members and not for the benefit of special members; and (3) Labour Banks must maintain a politically neutral position.

Moreover, the goals of Labour Banks are to improve the economic status of workers as stipulated in Article 1 of the Labour Bank Law.

1. Basic Stance



Objectives

Labour Banks are financial institutions organized as cooperatives, created by Labour unions and consumer cooperatives who pool funds to assist each other. We are striving to create a society in which working people and their families can live in security and comfort. Of the numerous financial institutions in Japan, Labour Banks are the only ones purely working for people's welfare.



Governance

Labour Banks are governed in an equitable and democratic manner, and not for profit-making purposes, in accordance with the Labour Bank Law. The circle of people who share an interest in Labour Banks' unique form of governance spreads throughout Japan, and there are approximately 10 million constituents nationwide. Labour Banks are used extensively by many working people, including members of Labour unions and consumer cooperatives.



Operations

Labour Banks' operations differ very little from those of ordinary financial institutions: taking deposits, offering loans, and providing various services. However, the funds deposited by working people are used to finance homes, cars, education, and child care of fellow workers and their families and serve to make the lives of working people even more enriched.

2. Social Role

Labour Banks fulfil their unique financial functions to meet the financial and welfare needs of workers and their families so that they can live their lives with a sense of security and comfort, to play a social role within labour unions, the daily lives of people, and society at large, in a person-centered manner.

(1) We Support Labour Union Activities

The situation surrounding workers has become increasingly difficult in recent years, as seen through the widening wage gap and the increasing number of non-regular workers. We back up labour unions' independent welfare activities by offering low-interest financing and advantageous programs.

(2) We Offer Low-Interest Loan Products

We have a unique character in that profit is not our objective. This enables us to provide low-interest loan products for homes, cars, education, child care, etc.

(3) We Assist Welfare Programs

While providing individuals with low-interest financing, we also provide working people with comprehensive support. As such, we demonstrate our role as a core bank for welfare organizations, by supplying operating funds to consumer cooperatives and nonprofits.

(4) We Are Broadening Our Uses

We support non-unionized workers to form mutual aid groups as well as retirees' associations, to use Labour Banks.

(5) We Offer Welfare-Related Financing

The various activities we have undertaken include campaigns to democratize finance at the time of the oil shocks and to help loan shark victims. At the time of the Great Hanshin-Awaji Earthquake and Great East Japan Earthquake, which together killed or injured more than 50,000 people, we promptly responded with special measures for existing borrowers and special loan programs for disaster victims.

(6) We Are Promoting Improvements in Zaikei (Asset Formation) Savings Programs

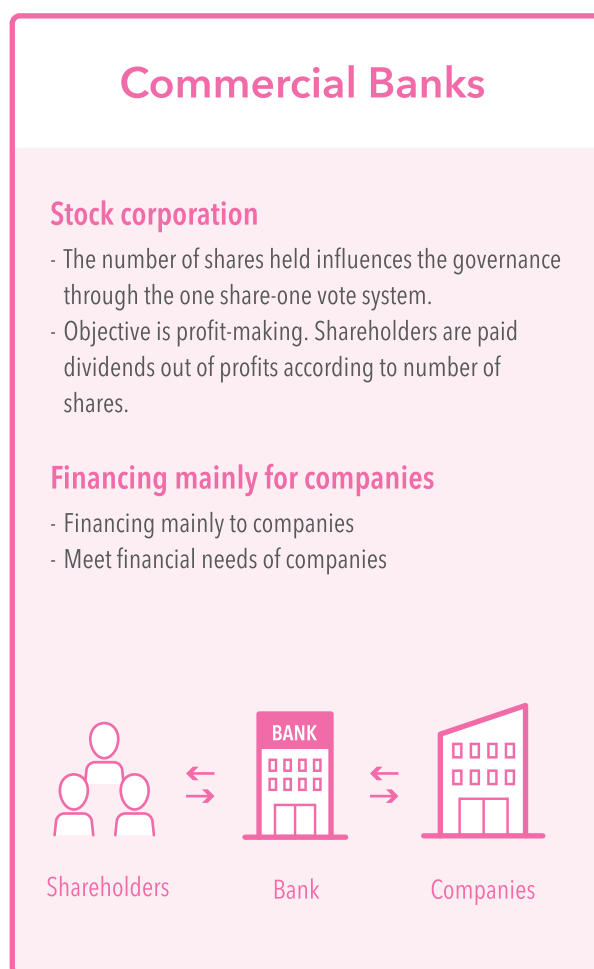
As part of efforts to improve asset formation savings programs, we have requested that the tax-free ceiling be raised. The campaign to improve programs is a part of Labour Banks' role in society, and we are making efforts to create the best asset formation programs by working jointly with worker welfare organizations.

7. We Protect Customers Against Multiple Debt Liabilities

The situation with multiple debt liability problems is still serious. We endeavor to provide advice and information about preventive steps and the correct ways to use credit cards. We work together with lawyers, judicial scriveners (shiho-shoshi lawyers) and other experts on efforts to help people recover from multiple debt obligations.

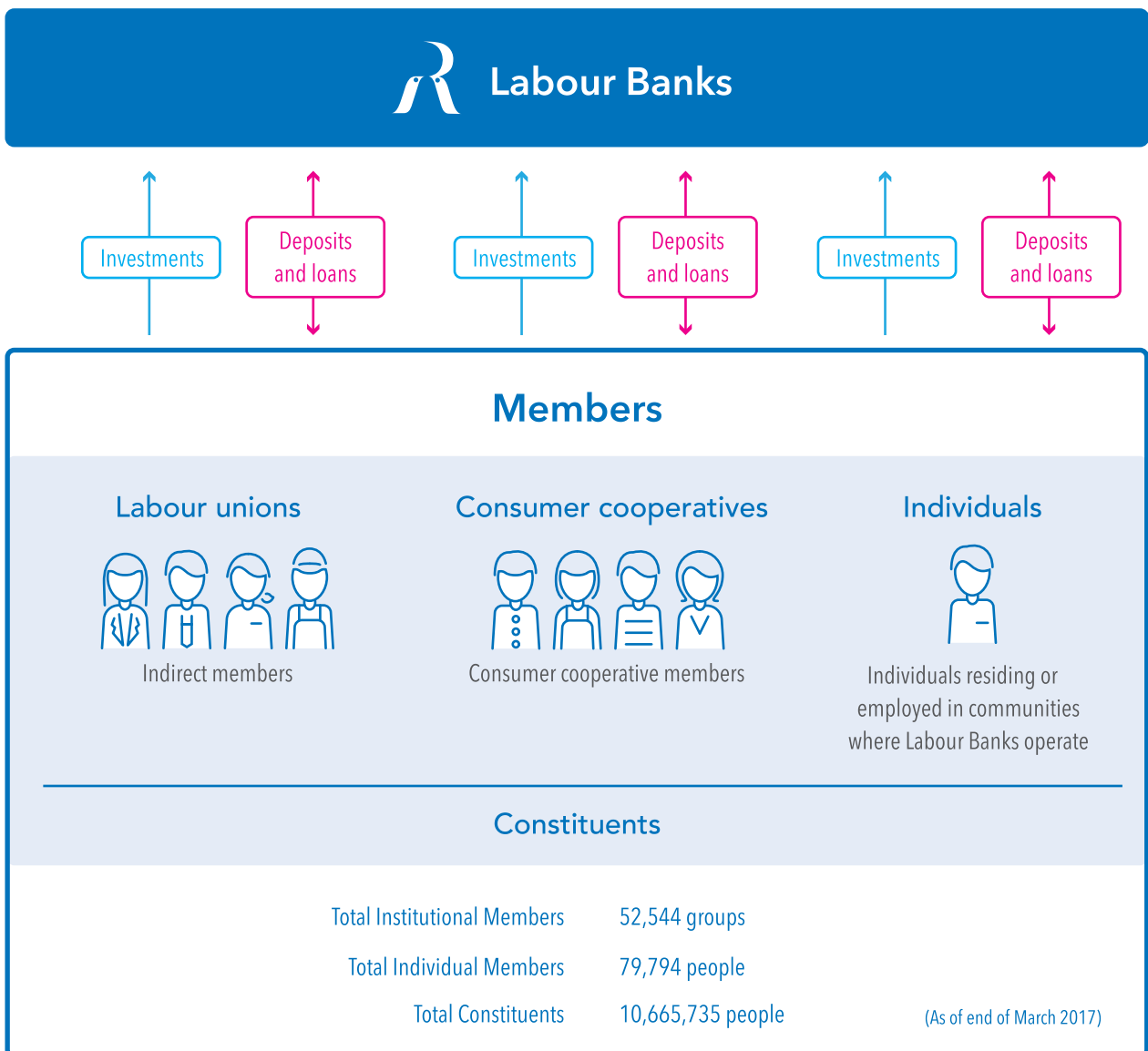
3. Organizational structure

Labour Banks are financial institutions organized as cooperatives, which are not managed for profit-making. Unlike conventional commercial banks which seek profit, Labour Banks value relationships between people and their communities. As such, Labour Banks work together with members to expand welfare-related financing to meet the daily needs of workers and the welfare needs of communities.



4. Members

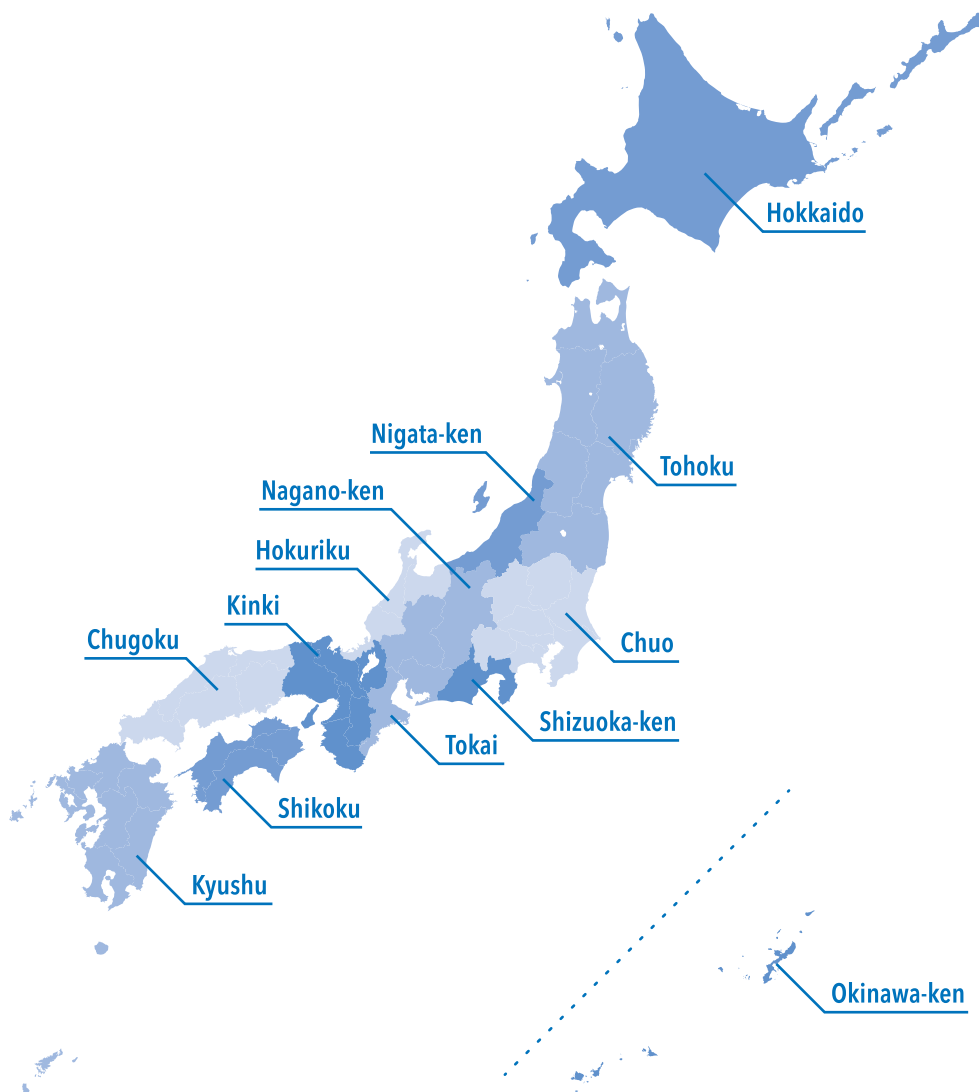
Anyone who is a worker can use Labour Banks. Labour Bank membership is composed mainly of institutions such as labour unions and consumer cooperatives that invest in the Labour Banks. Individual workers may, as constituents of the member organizations, use the services of Labour Banks. Moreover, individuals who do not have labour unions in their workplaces or have not joined consumer cooperatives, are also able to use the services of Labour Banks by making individual investments in Labour Banks or by joining the workers' groups ("Friends of Labour Banks").



HISTORY OF LABOUR BANKS

1. Overview

The history of Labour Banks' foundation goes back to 1950 after the country's defeat in World War II. Japan was in a rush to rebuild its economy at the time, and much of the funds that financial institutions collected from the nation's citizens were invested in the nationalized industries and private corporations, with none lent to workers. As such, workers had no recourse but to borrow from loan sharks and pawnshops at high interest rates and had a hard time with interest burdens and harsh collection methods.



It was under these circumstances that in 1950, the Consumer's Co-operative Union in Okayama and labour unions in Hyogo made separate calls for establishing banks for workers, leading to the establishment of Labour Banks.

These two Labour Banks in Okayama and Hyogo were established prior to the Labour Bank Law being enacted, so they were set up in accordance with the Small and Medium-Sized Enterprise Co-operatives Act as credit cooperatives.

Following the enactment of the Labour Bank Law in 1953, the banks set up as credit cooperatives became Labour Banks. In 1966, with the establishment of a Labour Bank in Okinawa Prefecture, which was occupied by the U.S. forces, Labour Banks were established in all 47 prefectures.

Since then, with the establishment of the Kinki Labour Bank in 1998, mergers proceeded, bringing the nationwide total to the current 13, each run as an independent entity.

2. Current status

The 13 Labour Banks across Japan have a total of 633 branches as of the end of March 2017.

The branches cover all of Japan, from the Wakkanai Branch of the Hokkaido Labour Bank at the northern tip, to the Yaeyama Branch of the Okinawa-ken Labour Bank at the southern tip. As Labour Banks are financial institutions for workers, branches and ATMs are set up in locations where workers live, in order to meet their financial needs.

3. Central administrative organ of Labour Banks

The National Association of Labour Banks and the Federation of Labour Banks (Rokinren Bank) serve as central administrative organs for Labour Banks.

The National Association of Labour Banks' main role is to develop overall policies and positions of Labour Banks' business and provide management guidance to all 13 Labour Banks. Additionally, as the representative body of (Rokin) financial cooperatives, it engages in strengthening ties with other cooperatives both domestically and internationally.

The Rokinren Bank's main role is to adjust the demand and supply of funds and provide centralized data processing for Labour Banks, develop and manage a unified online system, etc.

The National Association of Labour Banks and the Rokinren Bank act as a safety net for all 13 Labour Banks by building a mutual support system and providing support for business operations.

SERVICES OF LABOUR BANKS

Deposits

Item	Service
Packaged Account	Combines ordinary and time deposits. The overdraft function which uses time deposits as security, makes loans automatically available.
Ordinary Deposit	Deposits and withdrawals can be made anytime. Widely used for paying wages and utility charges.
Current Deposit	Deposit for check payments and used for settling accounts of group members.
Saving Deposit	Combines the convenience of ordinary deposits and the advantages of time deposits.
Deposit at Notice	Used to handle sizable funds for a short period.
"Super" Time Deposit	Used for making lump sum deposits which are left untouched until maturation.
Maturity-Designated "Wide" Time Deposit	Deposit which can be withdrawn anytime after a lapse of one year. One-year compounded interest accrued.
Floating-Rate Time Deposit	Time deposit to which a new interest rate is applied every six months.
Large-Scale Time Deposit	Used to operate large funds over ¥10 million.
"Zaikei" Deposit (property accumulation deposit)	Based on the laws for "Promoting Workers' Property Accumulation," which has three types of accounts: General Zaikei, Zaikei Annuity and Zaikei Housing. Of those accounts, a combined savings in Zaikei Annuity and Zaikei Housing of up to ¥5.5 million are tax-exempt.
"Ace" Deposit	An installment time deposit similar to the property-accumulation deposit accounts. Non-fixed-date, specified-date and pension types are available.
Negotiable Certificate of Deposit	Deposit with a high yield that can be opened with an initial amount exceeding ¥50 million. Unlike typical time deposits, this savings certificate is negotiable if procedures designated by Labour Banks are followed, as it does not come with a provision prohibiting negotiations.

Loans

Item	Service
Card Loan	
My Plan	Card loan combined with packaged accounts. Services are also available from "My Plan Club"
Car Loan	Use of funds is not restricted to purchase of cars, but can be directed toward other purchases as long as they are car-related.
Educational Loan	Low-interest loan, available for any purpose related to education, such as enrollment fees and tuition.
Housing Loan	Can be used to build or purchase new housing or enlarge/rebuild housing.
Salary and Allowance Fund	Loan system for group members.
Welfare and Mutual Aid Fund	Loan system for group members.
Consumers' Cooperative Fund	Loan system for group members.
Housing Project Fund	Loan system for group members.
NPO Project Support Loan	Loan system for NPOs.

Others

Item	Service
Domestic Exchange	Remittance can be made to any financial institution within the country.
Account Transfer	Payments for utilities – such as electricity, gas, water, telephone, credit cards, and various insurance premiums – can be automatically deducted from an ordinary deposit account.
Salary Deposit	Account holders can receive salaries from private-sector companies or other employers in designated deposit accounts.
Annuity Receipt	Various public annuities, mutual aid annuities, etc. can be received through a designated account.
Cash Advance	Money deposited can be withdrawn with a Labour Bank cash card from a cash dispenser or an ATM installed at any Labour Bank, as well as from financial institutions and convenience stores across the country.
Credit Card	“Labour Bank UC Card” is a prominent credit card of the UC group. It is also linked to Visa and Mastercard.
Agency Business	This organization provides services on behalf of the Japan Housing Finance Agency and other public financial institutions.
Debit Card	This is a service where payments for shopping and dining can be made with your Labour Bank cash card in stores with the “J-Debit” mark, without any transaction fee charges.
OTC Sales of Japanese Government Bonds	Japanese government bonds (JGBs) with two-year and 10-year maturities as well as JGBs with maturities of 3, 5, and 10 years for retail investors are sold over the counters (OTC) of Labour Bank outlets. Of these, the 10-year JGBs for retail investors carry variable coupon rates that are reviewed every six months.
OTC Sales of Investment Trusts	Investment trust instruments, established and managed by investment trust management companies, are sold over the counters of Labour Bank outlets in order to support asset management in accordance with life plans.
Internet Banking Telephone Banking	Transfer of funds and balance inquiries are possible via computers, smartphones, mobile phones, and other devices.
Defined Contribution Pension Plan	For this pension plan, you set a fixed contribution amount, such as a percentage from your salary, into your pension fund. The amount of pension payment you receive will be determined by the contribution made and the pension fund investment revenue.
OTC Sales of Mutual Assistance & Insurance	Zenrosai’s mutual assistance services and casualty and life insurances are sold over-the-counter at Labour Bank outlets.

VISION STATEMENT

“Realize an inclusive society where people support one another”

Labour Banks were established independently by workers for their welfare at a time when they were unable to receive loans from financial institutions after World War II. Labour unions that are members have since actively participated in Labour Bank’s business operations as part of their labour movement in order to protect and improve the livelihood of workers.

As non-regular workers increase and wage gaps widen today, the situation surrounding workers

**The most trusted, and most accessible financial institution
that cares for the worker's welfare**



Inclusive society where people support one another

Strengthen ties with members



Strengthen ties with members, work together to solve challenges that workers face, and support independent welfare activities that members engage in.

**Develop Labour Bank's activities
in communities**



Develop Labour Bank's activities within communities, while enhancing and expanding workers' mutual-aid and activities, along with strengthening ties with the non-profit and cooperative sector

**Provide support through financial functions
Our role of providing high-quality financial services**



- Provide appropriate financial services for meeting lifestyle and life stage needs of workers
- Offer core financial functions to the non-profit and cooperative sector

**Connect people through information
Our role of connecting people with one another,
as well as with their communities**



Provide information to enable everyone to live with a sense of security and fulfilment within their communities

has become increasingly challenging. Under such circumstances, the meaning of promoting the Labour Banks as a team with members needs to be revisited so that Labour Banks can make efforts to solve issues that workers face through that partnership.

Labour Banks, as Japan's only specialized financial institution for workers, will continue to be a source of support for the independent welfare activities of members by providing services and promoting movements that cater to the needs of the times while honouring the spirit of its founding.

Our commitment:

- We will support workers' livelihoods throughout their life
- We will fulfil our role as providers of core financial functions for the non-profit and cooperative sector
- We will contribute to creating an inclusive society by connecting people with one another and to their communities

OUR EFFORTS FOR REALIZING THE LABOUR BANK'S VISION

1. Providing support for the workers' livelihood

Labour Banks in Japan are engaged in supporting the workers' livelihood throughout their lifetime, with three pillars of support provided: Improving livelihoods, protecting livelihoods, and planning livelihoods.

For money related issues pertaining to the workers' livelihood, Labour Banks work in partnership with members and provide guidance and advice.

The issue of multiple debt has been a social problem from long ago, which Labour Banks were quick to address. Awareness campaigns to help workers avoid falling into multiple debt, as well as assisting those who had fallen into multiple debt, are some examples of efforts that have been made.

In recent years, high-interest credit card loans have increased and surpassed consumer loans.

In order to avoid turning this credit card loan issue into a new social problem, Labour Banks encourage high-interest credit card loan users to refinance with Labour Bank loans that offer lower

interest, as part of efforts to support the workers' livelihood.

At the same time, an educational DVD titled, "Protect your livelihood with proper financial knowledge: Current state of credit card loans," was produced to equip members with financial knowledge in areas such as the proper use of credit card loans, to raise awareness in collaboration with members.

2. Supporting non-profit businesses

As stated in the Vision Statement, Labour Banks place value on connecting people with one another and to their communities, as a way to contribute to building an inclusive society. We support solving various issues by building a cooperative network with community-based organizations, encouraging collaboration between organizations, and providing information needed by residents.

The NPO Project Support Loan was started in April 2000 by the Chuo Labour Bank and Kinki Labour Bank for the purpose of supporting registered non-profit organizations (NPOs) through financing, as we are a financial cooperative that strives to create a society where workers and their families can live with a sense of security and comfort. This loan is now offered at all Labour Banks.

3. Providing support to non-regular workers

The number of non-regular workers in Japan reached 20.23 million people in 2016, which makes up 37.5% of those employed. The rise in non-regular workers has led to unstable employment and a widening gap in income. Labour unions view helping non-regular workers a priority issue.

Labour Banks strive to support the livelihoods of all workers so that they may live with a sense of security throughout their lives. The livelihoods of non-regular workers are supported in partnership with members, by offering a line-up of financing options, along with promotion of *Zaikei* (property accumulation savings) and instalment time deposits that provide a planned approach to savings.

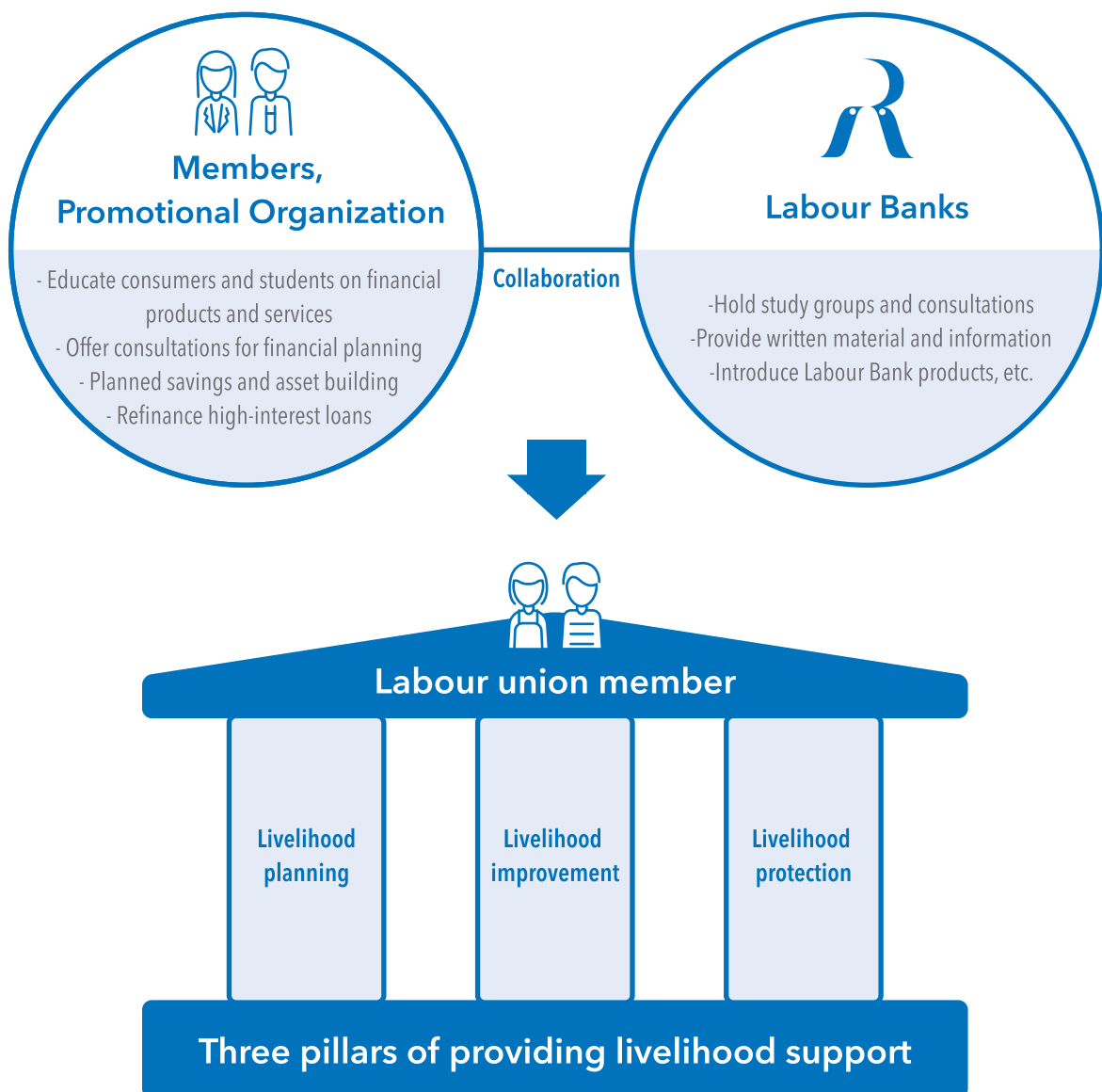
4. Building a sustainable society

The Sustainable Development Goals (SDGs), adopted during the September 2015 United Nations Sustainable Development Summit, are composed of 17 Goals and 169 Targets. Meeting the Goals and Targets requires participation and partnership not only from national governments and international organizations, but also from a wide range of stakeholders such as Labour unions, cooperatives, etc.

The SDG's slogan of "No one will be left behind," as well as its goal of making financial services available to all who need it, which is the concept of financial inclusion, matches the history, princi-

ples, and vision that Labour Banks are founded on.

Labour Banks will strive to fulfil its role as a financial cooperative to build a sustainable society in which all working people can live with a sense of security.



COOPERATION WITH DOMESTIC AND INTERNATIONAL COOPERATIVES

Labour Banks value partnerships with domestic and international cooperatives, as we are striving to create a society in which fellow workers and their families can live with a sense security and comfort.

Membership in the International Co-operative Alliance (ICA)

The National Association of Labour Banks became a member of the ICA in September 2010 to promote international cooperation among cooperatives.

The ICA was established in 1895 in London as an organization for cooperatives worldwide, with headquarters currently based in Brussels, Belgium.

National level cooperatives and international organizations from a wide variety of fields such as agriculture, forestry and fisheries; consumers; credit and savings; insurance; etc., join as members from around the globe. The ICA is recognized by the United Nations as the largest non-governmental organization in the world.

Membership in the Japan Joint Committee of Co-operatives (JJC)

The JJC was established in 1956 to strengthen cooperation among the ICA member organizations for domestic and international cooperative activities. It is active in conducting collaborative projects related to the international activities of cooperatives, such as participation in the ICA general assembly. The National Association of Labour Banks joined in 2010 and works to build partnerships and cooperation with cooperatives.

* The JJC is scheduled to rebrand itself as a new collaborative organization called "Japan Co-operative Alliance (JCA)" in April 2018 to elevate the shared value of cooperatives within communities and enable it to expand its role and potential in building sustainable societies. The National Association of Labour Banks will continue membership with the JCA and work to solve various issues within communities in partnership with cooperatives in Japan.



CONSOLIDATED BALANCE SHEET FOR ALL LABOUR BANKS



ASSETS

	(\$ mil.)		(US\$ thous.)
	2016	2015	2016
Cash	148,865	153,674	1,365,737
Due from banks	5,932,672	5,379,293	54,428,192
Call loans	-	-	-
Monetary claims purchased	18,028	57,637	165,394
Money in trusts	9,426	9,050	86,482
Securities	2,578,636	2,517,583	23,657,217
Loans	12,224,856	11,957,613	112,154,645
Others	162,465	163,901	1,490,507
Tangible fixed assets	148,650	147,324	1,363,767
Intangible fixed assets	1,746	1,677	16,021
Prepaid pension costs	1,669	976	15,313
Deferred tax assets	5,498	4,614	50,446
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	8,945	10,675	82,064
Allowance for loan losses	-11,470	-12,112	-105,238
Other allowances	-	-	-
Total assets	¥21,229,990	¥20,391,911	\$194,770,552

LIABILITIES

	(\$ mil.)		(US\$ thous.)
	2016	2015	2016
Deposits (including NCDs)	19,245,691	18,791,227	176,565,978
Demand deposits	5,464,336	5,173,247	50,131,525
Time deposits	13,781,355	13,617,980	126,434,453
Borrowed money	657,967	227,652	6,036,396
Payables under securities lending transactions	30,000	48,199	275,230
Other liabilities	59,741	67,553	548,084
Reserve for bonus payments	5,556	5,626	50,981
Provision for employee retirement benefits	59,714	60,023	547,837
Provision for director retirement benefits	1,077	1,048	9,887
Other reserves	2,031	1,918	18,633
Reserves under the special laws	-	-	-
Deferred tax debt	17,889	27,424	164,119
Deferred tax debt related to revaluation	3,282	3,312	30,116
Guarantees	8,945	10,675	82,064
Total liabilities	¥20,091,897	¥19,244,663	\$184,329,330

MEMBERS' NET EQUITY

	(\$ mil.)		(US\$ thous.)
	2016	2015	2016
Capital	95,590	95,800	876,980
Capital surplus	-	-	-
Earned surplus	945,120	926,208	8,670,827
Of which, unappropriated surplus for the term	36,521	42,521	335,060
Unappropriated share	-61	-57	-565
Unrealized gains and losses on other securities	95,713	126,582	878,106
Deferred hedge gains and losses	-3,324	-6,282	-30,503
Land revaluation excess	5,055	4,996	46,376
Members' net equity	1,138,093	1,147,248	10,441,221
Total liabilities and members' net equity	¥21,229,990	¥20,391,911	\$194,770,552

CONSOLIDATED STATEMENTS OF INCOME FOR ALL LABOUR BANKS



	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Ordinary Income	278,031	293,798	2,550,744
Interest income	253,409	263,213	2,324,860
Interest on loans	193,279	202,411	1,773,203
Interest on deposits with other financial institutions	20,886	22,830	191,615
Interest on call loans	-	10	-
Interest on receivables under securities borrowing transactions	0	0	7
Interest and dividends on securities	27,343	27,141	250,858
Interest on interest swaps	-	-	-
Other Interest	11,900	10,817	109,175
Fees and commissions	10,984	10,753	100,774
Other operating income	10,293	15,708	94,433
Other ordinary income	3,343	4,123	30,674
Special income	532	303	4,888
Total income	¥278,564	¥294,101	\$2,555,633

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Ordinary expenses	242,836	245,585	2,077,536
Financing expenses	16,270	18,786	158,921
Interest on deposits (including NCDs)	13,883	16,249	137,461
Interest on borrowed money	52	96	816
Interest on payables under securities lending transactions	113	223	1,890
Interest on interest swaps	2,219	2,123	17,959
Other interest	1	93	793
Fees and commissions	38,327	37,204	314,731
Other operating expenses	3,352	2,979	25,209
General and administrative expenses	183,831	183,507	1,552,383
Other ordinary income	1,054	3,107	26,290
Special expenses	1,362	3,548	30,017
Total expenses	¥244,198	¥249,134	2,107,554
Net profit before tax	34,365	44,967	315,276
Corporate income, inhabitant, and business tax	9,573	11,806	87,830
Adjustment to income taxes and others	-113	923	-1,041
Total taxes	9,460	12,729	86,789
Net profit	¥24,905	¥32,237	\$228,487

STATUS OF INDIVIDUAL LABOUR BANKS

(¥ mil., %)

Bank Name	Deposits (including NCDs)	Annual Increase	Loans	Annual Increase	Ratio of Loans to Deposits
Hokkaido	960,767	2.63	655,807	-2.20	68.25
Tohoku	1,886,107	4.94	1,120,111	1.10	59.38
Chuo	5,886,141	2.89	3,781,150	3.08	64.23
Niigata-ken	782,084	2.25	378,315	-0.48	48.37
Nagano-ken	631,532	3.75	327,299	4.06	51.82
Shizuoka-ken	1,018,026	0.83	700,753	6.02	68.83
Hokuriku	734,303	2.52	401,666	-0.21	54.70
Tokai	1,567,188	2.30	1,302,447	7.21	83.10
Kinki	2,092,146	1.21	1,245,316	0.14	59.52
Chugoku	1,104,219	2.66	625,538	-0.42	56.64
Shikoku	586,588	1.16	366,661	-0.65	62.50
Kyushu	1,755,901	0.25	1,184,011	1.25	67.43
Okinawa-ken	240,683	3.65	135,778	5.89	56.41
Total	¥19,245,691	2.41	¥12,224,856	2.23	63.51

As of March 31, 2016

BALANCE SHEET FOR THE ROKINREN BANK



ASSETS

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Cash	0	0	0
Due from banks	2,982,718	1,806,011	27,364,393
Call loans	140,000	150,000	1,284,403
Monetary claims purchased	-	-	-
Money in trusts	4,987	9,965	45,758
Securities	4,479,647	4,724,057	41,097,679
Loans	894,430	427,540	8,205,785
Others	93,759	40,600	860,182
Tangible fixed assets	11,523	10,682	105,717
Intangible fixed assets	14,477	20,840	132,825
Deferred tax assets	-	-	-
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	-	-	-
Allowance for loan losses	-6	-12	-60
Other allowances	-	-	-
Total assets	¥8,621,538	¥7,189,685	\$79,096,686

LIABILITIES

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Deposits (including NCDs)	6,754,399	6,183,466	61,966,970
Demand deposits	434,963	444,091	3,990,495
Time deposits	6,319,435	5,739,375	57,976,475
Borrowed money	567,400	184,300	5,205,504
Payables under securities lending transactions	812,937	296,955	7,458,144
Other liabilities	24,761	30,197	227,171
Reserve for bonus payments	249	260	2,290
Provision for employee retirement benefits	2,421	2,365	22,212
Provision for director retirement benefits	55	41	509
Other reserves	-	-	-
Reserves under the special laws	-	-	-
Deferred tax debt	46,883	57,507	430,123
Deferred tax debt related to revaluation	-	-	-
Guarantees	-	-	-
Total liabilities	¥8,209,109	¥6,755,095	\$75,312,927

MEMBERS' NET EQUITY

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Capital	120,000	120,000	1,100,917
Capital surplus	-	-	-
Earned surplus	165,735	160,214	1,520,513
Of which, unappropriated surplus for the term	26,867	24,124	246,494
Unappropriated share	-	-	-
Unrealized gains and losses on other securities	126,674	154,374	1,162,153
Deferred hedge gains and losses	19	1	174
Land revaluation excess	-	-	-
Members' net equity	412,429	434,590	3,783,759
Total liabilities and members' net equity	¥8,621,538	¥7,189,685	\$79,096,686

STATEMENTS OF INCOME FOR THE ROKINREN BANK



	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Ordinary Income	77,571	83,966	711,667
Interest income	48,763	53,155	447,373
Interest on loans	608	698	5,583
Interest on deposits with other financial institutions	1,417	1,636	13,001
Interest on call loans	22	251	209
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	46,715	50,568	428,578
Interest on interest swaps	-	-	-
Other Interest	-	-	-
Fees and commissions	28,763	29,283	263,887
Other operating income	38	1,352	353
Other ordinary income	5	174	53
Special income	-	-	-
Total income	¥77,571	¥83,966	\$711,667

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2016	2015	2016
Ordinary expenses	57,300	59,959	525,691
Financing expenses	22,044	24,397	202,245
Interest on deposits (including NCDs)	21,964	24,149	201,506
Interest on borrowed money	51	106	470
Interest on payables under securities lending transactions	29	141	266
Interest on interest swaps	-	-	-
Other interest	0	0	1
Fees and commissions	556	736	5,103
Other operating expenses	13	57	121
General and administrative expenses	34,507	34,393	316,579
Other ordinary income	178	375	1,642
Special expenses	63	9	579
Total expenses	¥57,363	¥59,968	526,271
Net profit before tax	20,208	23,997	185,396
Corporate income, inhabitant, and business tax	3,476	4,119	31,891
Adjustment to income taxes and others	10	-113	92
Total taxes	3,486	4,006	31,984
Net profit	¥16,721	¥19,991	\$153,412

OFFICERS OF THE NATIONAL ASSOCIATION OF LABOUR BANKS

Board of Directors

President

Kimito Nakae

Deputy President

Masakazu Yoshida

Executive Director

Yukihiro Kato

Managing Director

Eiji Ando

Managing Director

Mitsuyoshi Yoshida

Outside Director

Takamitsu Sawa

President of Hokkaido Labour Bank

Kazuo Kudo

President of Tohoku Labour Bank

Michiyuki Kageyama

President of Chuo Labour Bank

Takuo Matsusako

President of Niigata-ken Labour Bank

Kazuro Ebana

President of Nagano-ken Labour Bank

Seiichi Takahashi

President of Shizuoka-ken Labour Bank

Masaaki Furukawa

President of Hoku-riku Labour Bank

Fujio Morimoto

President of Tokai Labour Bank

Akihito Watarai

President of Kinki Labour Bank

Hiroshi Yamashita

President of Chugoku Labour Bank

Kazukiyo Ishii

President of Shikoku Labour Bank

Takashi Ogawa

President of Kyushu Labour Bank

Katsutoshi Muneyasu

President of Okinawa-ken Labour Bank

Keiichi Takara

Auditors

Deputy President of Kinki Labour Bank

Tadayoshi Wakayama

Outside Auditor

Yoshifumi Takashima

Outside Auditor

Hiroshi Kimura

Advisors

President, Japanese Trade Union Confederation

Rikio Kozu

(As of June 29, 2017)



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