



Annual Report 2021



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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MESSAGE FROM THE PRESIDENT



Kimito Nakae

President

National Association of Labour Banks

MessagE for the Fiscal Year 2021

Labour Banks were founded around 70 years ago as financial institutions for and by working people. Since that time, following the principles of “cultivating the dreams and ideals of working people and contributing to the creation of an inclusive society” while constantly standing on the side of working people and in step with the changing of the times, we have met the diverse needs of working people, including loans for housing and education, asset formation, and others, in accordance with the life plans of working people.

At present, the 13 banks nationwide operate 606 branches from Hokkaido to Okinawa, including outlying islands, serving 11,700,000 customers with a total deposit balance of 22.8 trillion yen and outstanding loans of 14.9 trillion yen.

The recent spread of infection of the new coronavirus has severely affected Japan’s economy and the daily lives of the people.

Labour Banks are making efforts to protect the lives of working people whose incomes have been reduced by the spread of infection of the new coronavirus by providing low-interest loans for daily life funds and by, for example, reviewing repayment conditions, responding to consultations, and providing tie-up loans with municipalities for customers who have already taken out Labour Bank loans.

Based on the coming of the era of the 100-year lifespan, Labour Banks have upheld the “Declaration to Fulfil Roles Related to the Asset Formation of Working People,” and are supporting the long-term life plans and asset formation of working people by utilization of systems such as “Zaikei” Deposit, iDeCo and Tsumitate (accumulation) NISA. A total of 240,000 customers have now taken out

iDeCo contracts, accounting for roughly 10% of our total contracts.

Additionally, in response to accelerating digitalization, we are pushing forward with non-face-to-face transactions and paperless systems in our efforts to raise the convenience of customer services and work rationalization. Launched in October 2019, downloads of the “Rokin App,” which makes it possible to check one’s balance and transactions quickly and easily using a smartphone, exceeded 1,350,000 by the end of December 2021. At the same time, we are working to provide the characteristic warm Labour Bank face-to-face services, including a range of consultations on loans, in a more sensitive and meticulous manner.

The number of deposits and withdrawals using the Labour Bank cash card at convenience stores nationwide has reached approximately an annual 55 million transactions, which calculates out at around 150,000 transactions per day. Labour Banks throughout Japan are performing a cash-back service, which returns the commission for the use of the ATM when withdrawing cash, and we will be continuing to make efforts to further increase convenience for our customers in the future.

Labour Banks have thus far made efforts to resolve multiple debt liability, and as a part of our support for our member customers’ livelihoods we are currently taking action to increase disposable income by promoting the refinancing of high-interest card loans.

Furthermore, based on the lowering of the age of adulthood to 18 years of age from April 2022, we have produced an animation intended to prevent the occurrence of money-related problems among the younger generation. The animation may also be viewed on smartphones.

In March 2019, the Labour Banks formulated the “Labour Bank SDGs Action Guidelines,” and all our Labour Banks are now making efforts toward the attainment of the SDGs (Sustainable Development Goals). The basic principle of the SDGs to “leave no one behind” and the philosophy of “financial inclusion,” which aims at a situation where all people are able to gain access to and make use of necessary financial services, is precisely matched with the past development, principles and vision of Labour Banks.

Today, the society surrounding working people is fraught with a myriad of difficulties, such as climate change, the cycle of poverty and the expansion of disparities, and social isolation. In the

midst of this situation, the construction of safety nets that support peace of mind in work and daily life are being demanded throughout the whole of society.

For this reason, Labour Banks, while making good use of their mutual assistance network and financial functions, will move forward by creating a flow that uses working people's precious funds as "money with a will" to realize the sustainable and inclusive society.

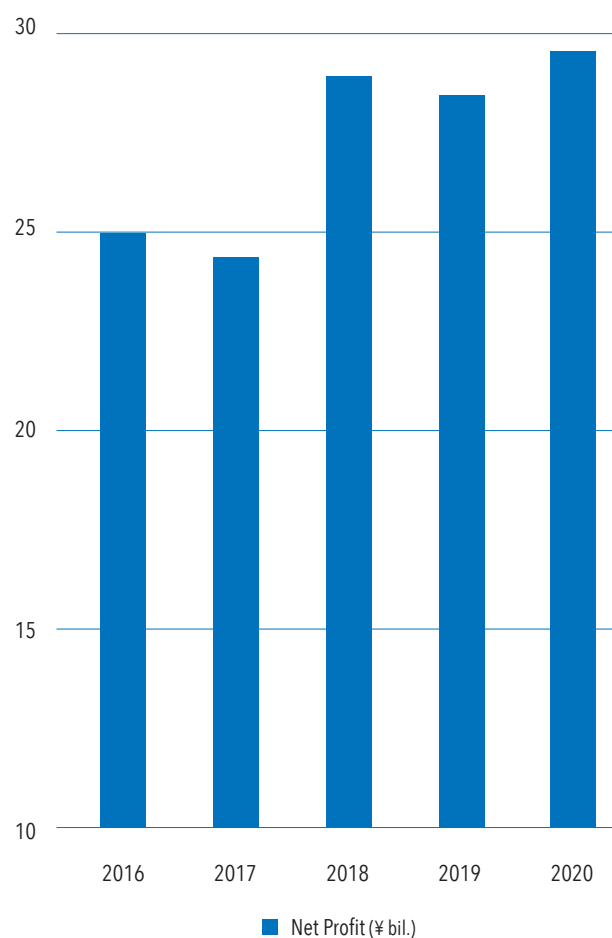
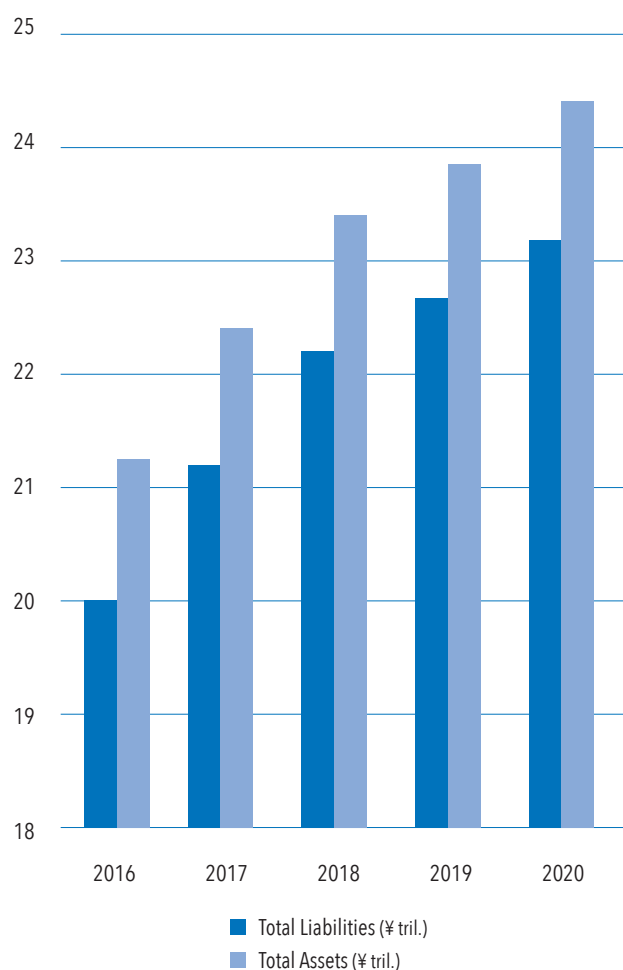
From now on, as in the past, while responding flexibly to changes in the state of society and the economy in the "with COVID-19/after COVID-19 era," the Labour Banks will develop activities that maintain a close stance with working people to fulfil the Labour Banks' mission of protecting and supporting the daily lives of working people.

中江公人

HIGHLIGHTS OF FISCAL 2020

					(¥ mil.)	(US\$ thous.)
	2016	2017	2018	2019	2020	2020
Total Assets	21,229,990	22,395,065	23,413,487	23,855,644	24,406,357	221,875,974
Total Liabilities	20,091,897	21,239,620	22,217,440	22,669,009	23,179,079	210,718,904
Ordinary Income	278,031	272,293	275,444	276,411	271,626	2,469,333
Operating Income	274,687	267,719	272,612	274,703	268,351	2,439,559
Net Profit	24,905	24,307	28,835	28,370	29,458	267,800

¥110.00=US\$1
Fiscal year ended March 31.



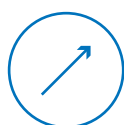
ABOUT US

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 Prime Minister and Minister of Health, Labour and Welfare.

The Labour Bank Law stipulates the principles for the operation of our business: (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 contribute to the improvement of the economic status of workers, as stipulated in Article 1 of the Labour Bank Law.

1. Basic Stance



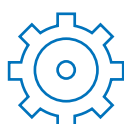
Objectives

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 the unique form of governance of Labour Banks is expanding throughout Japan. Labour Banks are used widely by the roughly 11 million constituents belonging to group members such as 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

The Labour Banks constantly consider the social role they should perform as welfare financial institutions organized as cooperatives. For instance, with regard to providing support for workers' livelihoods, we are supporting the daily lives of people who are using Labour Banks, such as members of labour unions and consumer cooperatives, through the three actions of planning livelihoods, protecting livelihoods and improving livelihoods. In addition, Labour Banks also make efforts to build and improve various kinds of systems in cooperation with social welfare organizations, the central government and local municipalities.

1. Providing support for workers' livelihoods

To resolve anxieties about money, we support the daily lives of working people throughout their lifetimes in the three endeavors of planning livelihoods, protecting livelihoods and improving livelihoods.

2. Displaying the Functions of the Welfare Financial Institution

We are providing such services as low-interest welfare loans in cooperation with the government and municipalities to support working people.

3. Support of Labour Unions

We are providing backup for labour unions' autonomous welfare activities by offering various products and services that support the life plans of union members.

4. Offer of Low-Interest Loan Products

Displaying our uniqueness as non-profit welfare financial institutions, we offer low-interest loan products in fields such as credit cards, cars, housing and education.

5. Expansion of Users

We are making efforts to enable access by people working at non-unionized workplaces or people doing part-time work, fixed-term contract work, or who are dispatched workers or retired persons.

6. Aid for Welfare Organizations

We perform the role of a financial centre for welfare organizations, providing business loans to consumer cooperatives, NPOs and others.

7. Prevention of Multiple Debt Liabilities

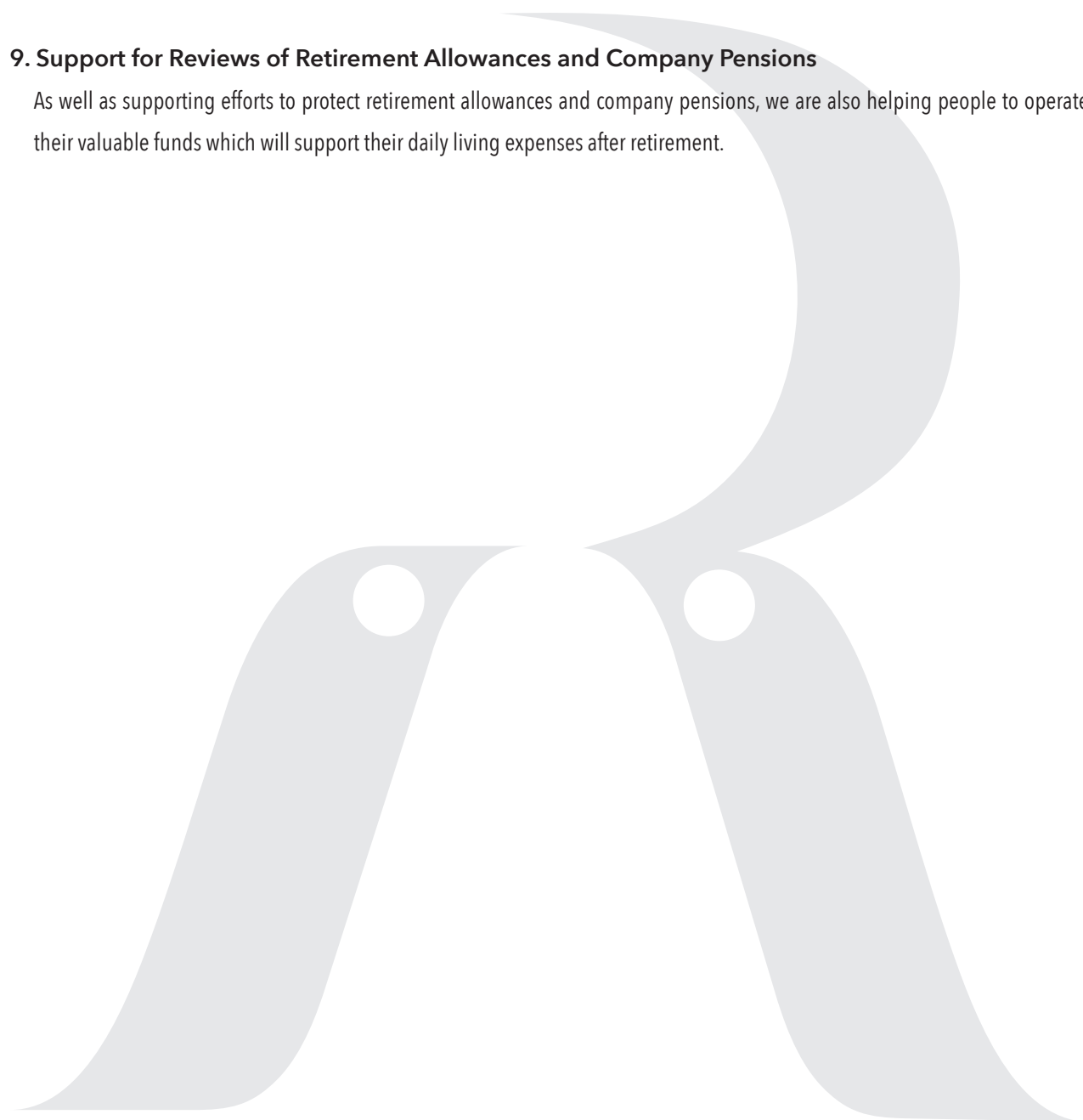
To prevent an increase in multiple debtors, we are disseminating information on cautions regarding card loans and credit card use, and are responding to consultations and refinancing on a nationwide basis.

8. Improvements in Zaikei (Asset Formation) Savings Programs

To improve zaikei savings programs, we are making efforts to build better asset formation systems by, for example, cooperating with labor welfare organizations to submit petitions to the central government .

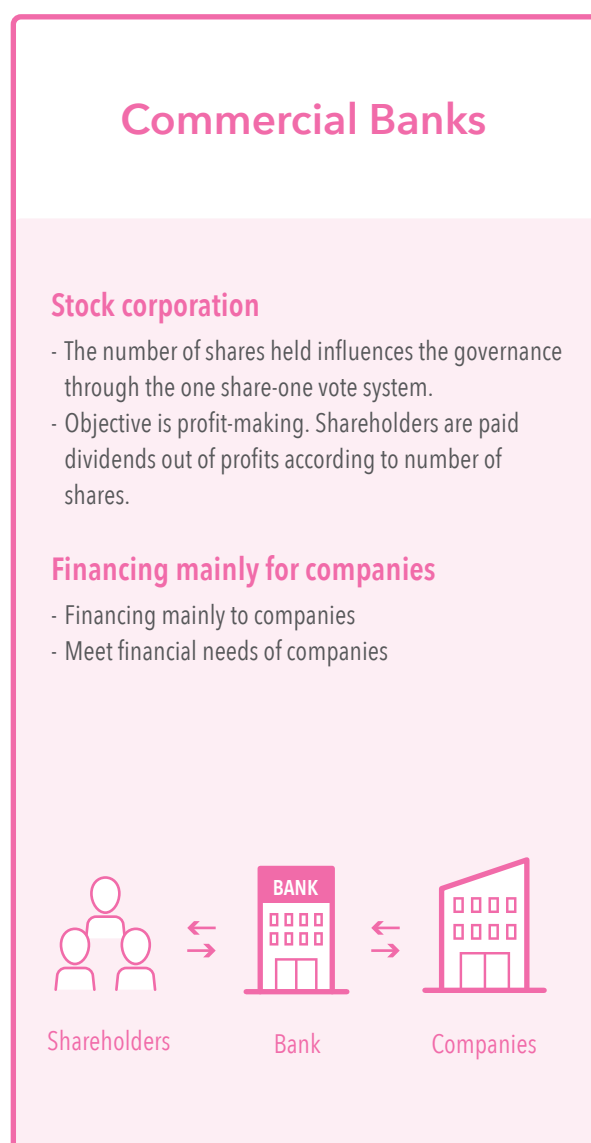
9. Support for Reviews of Retirement Allowances and Company Pensions

As well as supporting efforts to protect retirement allowances and company pensions, we are also helping people to operate their valuable funds which will support their daily living expenses after retirement.



3. Organizational structure

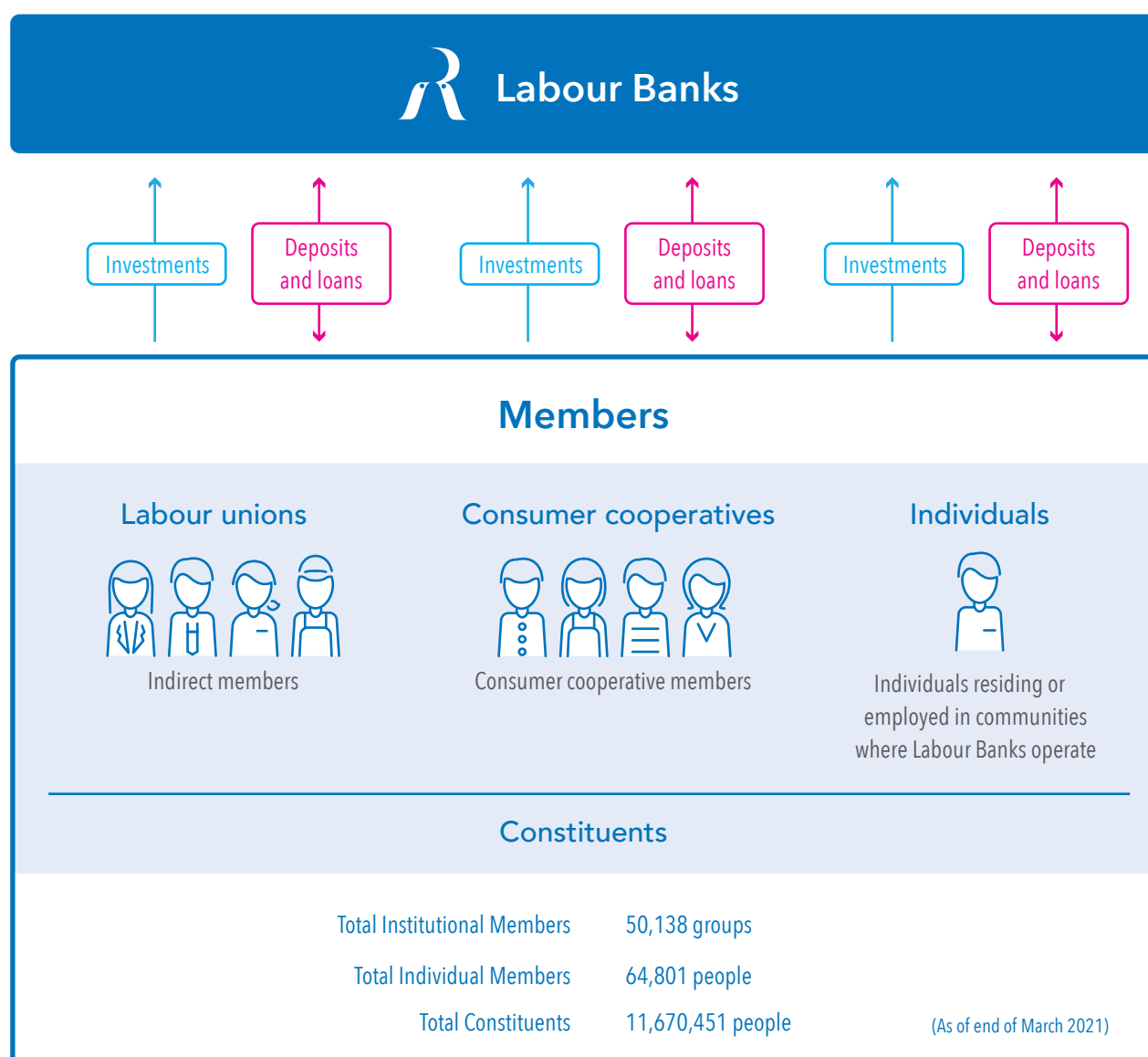
Labour Banks are financial institutions organized as cooperatives, which are not managed for profit-making. Unlike conventional commercial banks which seek profit, Labour Banks value relationships between people and their communities. As such, Labour Banks work together with members to expand welfare-related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



4. Members

Labour Bank membership is composed mainly of institutions such as labour unions and consumer cooperatives that invest in the Labour Banks.

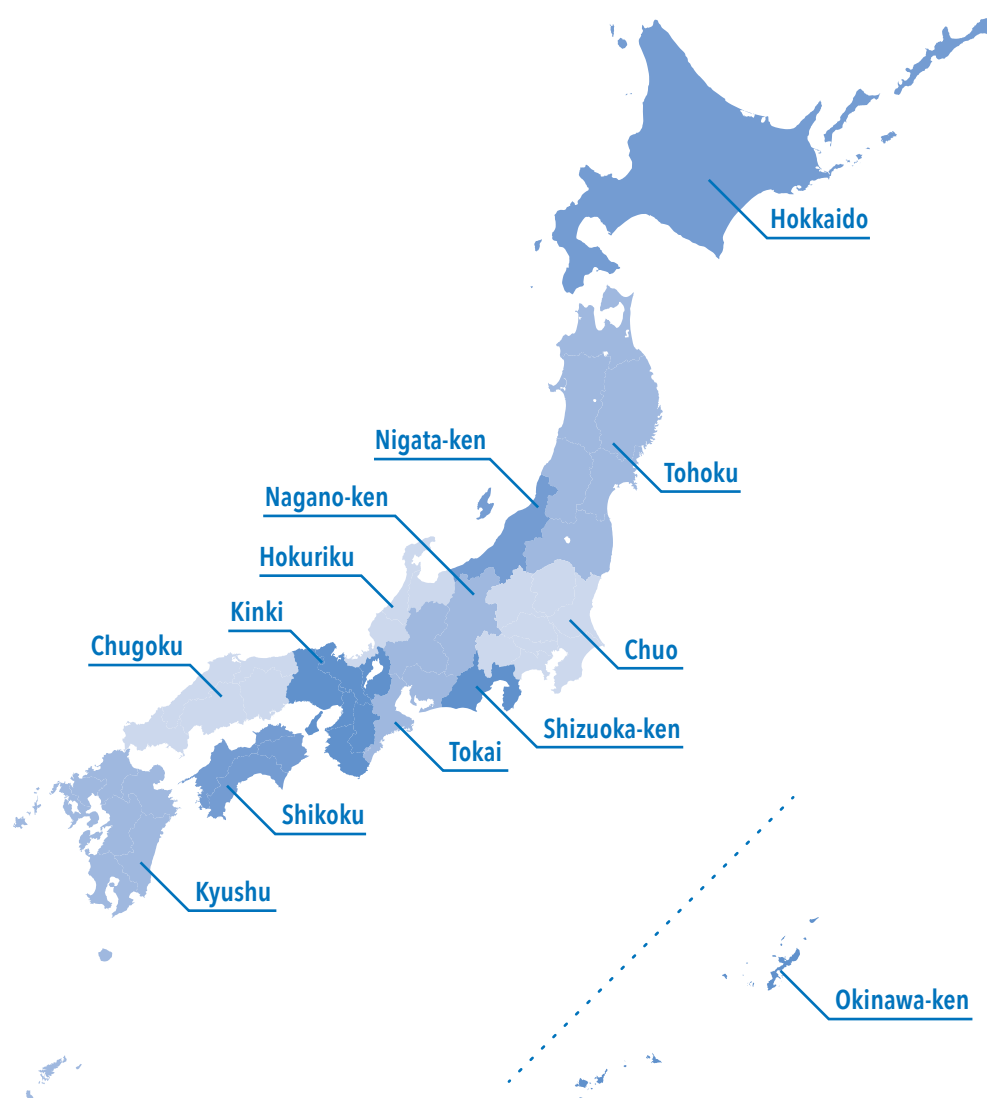
Moreover, individuals who do not have labour unions in their workplaces or have not joined consumer cooperatives, are also able to use the services of Labour Banks by making individual investments in Labour Banks or by joining the “Tomo no Kai” workers’ groups.



HISTORY OF LABOUR BANKS

1. Overview

The history of foundation of Labour Banks 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, rarely being 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 606 branches as of the end of September 2021.

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.

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 main role of the National Association of Labour Banks, founded in 1951, is to develop the overall policies and positions of Labour Banks' business as well as to provide management guidance to and communicate with all 13 Labour Banks. Additionally, it engages in strengthening ties with other cooperatives both domestically and internationally.

The Rokinren Bank, founded in 1955, is a central organization whose 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. Used for receiving wages and automatic payment of utility charges, etc.
Current Deposit	Deposit for check payments: used as fund settling accounts of group members, etc.
Saving Deposit	Deposit that combines the freedom of deposits and withdrawals of ordinary deposits and the advantage of interest rates stepped in accordance with the deposited balance.
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 substantial 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 for organizations 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.
Adult Guardianship System Support Savings	This is a savings account for people who are using the adult guardianship system for separate management of a customer's money that is not being used on a daily basis. The Labour Bank will open an account and carry out transactions such as deposits based on a directive issued by the family court, thus protecting the customer's valuable assets.

Loans

Item	Service
Card Loan	
My Plan	Loan and repayment can be made by ATM and Rokin Direct (Internet banking). Useful for sudden, unforeseen expenditures.
Car Loan	Can be used not only for car purchase but also for motorcycle purchase and costs for obtaining a driver's license, etc.
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.
NPO Project Support Loan	Loan System exclusively for NPOs with the goal of supporting the activities of NPOs aiming to improve community welfare.
Disaster Support Loan	Low-interest loan for the support of people affected by natural disasters such as earthquakes, typhoons, heavy rainfall, etc.
Entrance Fee Loan System for Japan Student Services Organization Scholarship Students	Loan system for persons who have applied for the Scholarship with Specially Increased Loan Amount for University Entrance who require funds at the time of university entrance until the Increased Amount Scholarship is issued. The loan covers only an amount up to the Increased Amount Scholarship to be issued.

Working People's Daily Life Support Special Loan System

System to review the repayment conditions of current loans for working people who are in difficulties due to leaving work or reduced income, etc. caused by circumstances at their workplace. People who require daily life loans, etc. due to loss of work or reduced income brought about by the spread of the new coronavirus infection may also use this system.

Loan System for Funds to Support Job Seekers

System established as a further support measure in cases where money for daily life expenses, etc. is lacking during vocational training due to vocational training benefits from the government's "Support System for Job Seekers" alone being insufficient for daily life.

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 in the designated deposit account.
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 an ATM installed at any Labour Bank, as well as from financial institutions and convenience stores across the country.
Credit Cards	The "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.
Rokin Direct (Internet Banking or Telephone Banking)	Transfer of funds and balance inquiries are possible via computers, smartphones, mobile phones, and other devices.
Rokin App	Application that combines various functions, making it easy to check balances and the details of account activity, and to use the Smartphone camera function to pay taxes, etc.
iDeCo	Private pension system operated under the Defined Contribution Pension Act. Self-funded and self-operated. Makes use of the system's preferential tax treatment where management gains are tax exempt, etc.
OTC Sales of Mutual Assistance & Insurance	Fire insurance, fire mutual assistance, medical insurance and life insurance exclusive to persons who have taken out Labour Bank housing loans are also handled.

LABOUR BANK EFFORTS TO PROTECT WORKING PEOPLE FROM NATURAL DISASTERS AND INFECTIOUS DISEASE

1. Special Loan System to Support the Livelihoods of Working People at Times of Natural Disasters

Nationwide Labour Banks, from the viewpoint of implementing support that precisely fulfils the mission of Labour Banks for people affected by frequent natural disasters, as well as handling (both secured and unsecured) Disaster Support Loans that can be used as daily life funds needed for disaster recovery or recovery construction expenditures for repairs and improvements to disaster-affected housing, etc., we have also established a measure for the exemption of transfer fees related to cash transfers to natural disaster relief donation accounts operated by member organizations and others.

2. Responses to the Spread of the New Coronavirus Infection

The “Working People’s Daily Life Support Special Loan System,” the existing support system for working people who have suffered a reduction in income or lost their jobs due to circumstances at their place of work, has been restructured as a system for people who have been affected by the new coronavirus infection. The 13 nationwide Labour Banks are now handling applications. As of the end of September 2021, approximately 8,700 loans, representing a total value of around 12.9 billion yen, had been taken out.

In addition, this system is designed not only for new loans, but also enables an alteration of loan conditions for people who have previously taken out a Labour Bank loan. This makes it possible to reschedule repayments to fit individual circumstances by, for example, extending the repayment period to ease repayment amounts, postponing the repayment of the principal by a maximum of five years, or repaying interest only for a fixed period.

OUR EFFORTS FOR REALIZING THE LABOUR BANK VISION

1. What is the Rokin Vision?

Japan is now in transition to a decreasing birth rate, aging population and population decline society, which has never been experienced before. In this change in the social environment, Labour Banks will further strengthen cooperation with our members and will display the true value of a co-operatively organized welfare finance institution that is the most accessible and trusted by all working people, including the working people themselves and their families, retirees, job seekers, etc. This vision describes the image Labour Banks aim for in the ten years after 2015, as Japanese society undergoes great changes. The 13 Labour Banks nationwide, the Association and Federation share this vision as the vision of the whole, and will gather together to take action toward realization of the vision with the total power of the Labour Banks.

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

Further Development of the Movement and Business through Participation of the Members

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 people working in non-regular employment increase and wage gaps widen, the situation surrounding workers 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.

2. Our efforts for realizing the Labour Bank's Vision

[Providing support for workers' livelihoods]

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

**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**

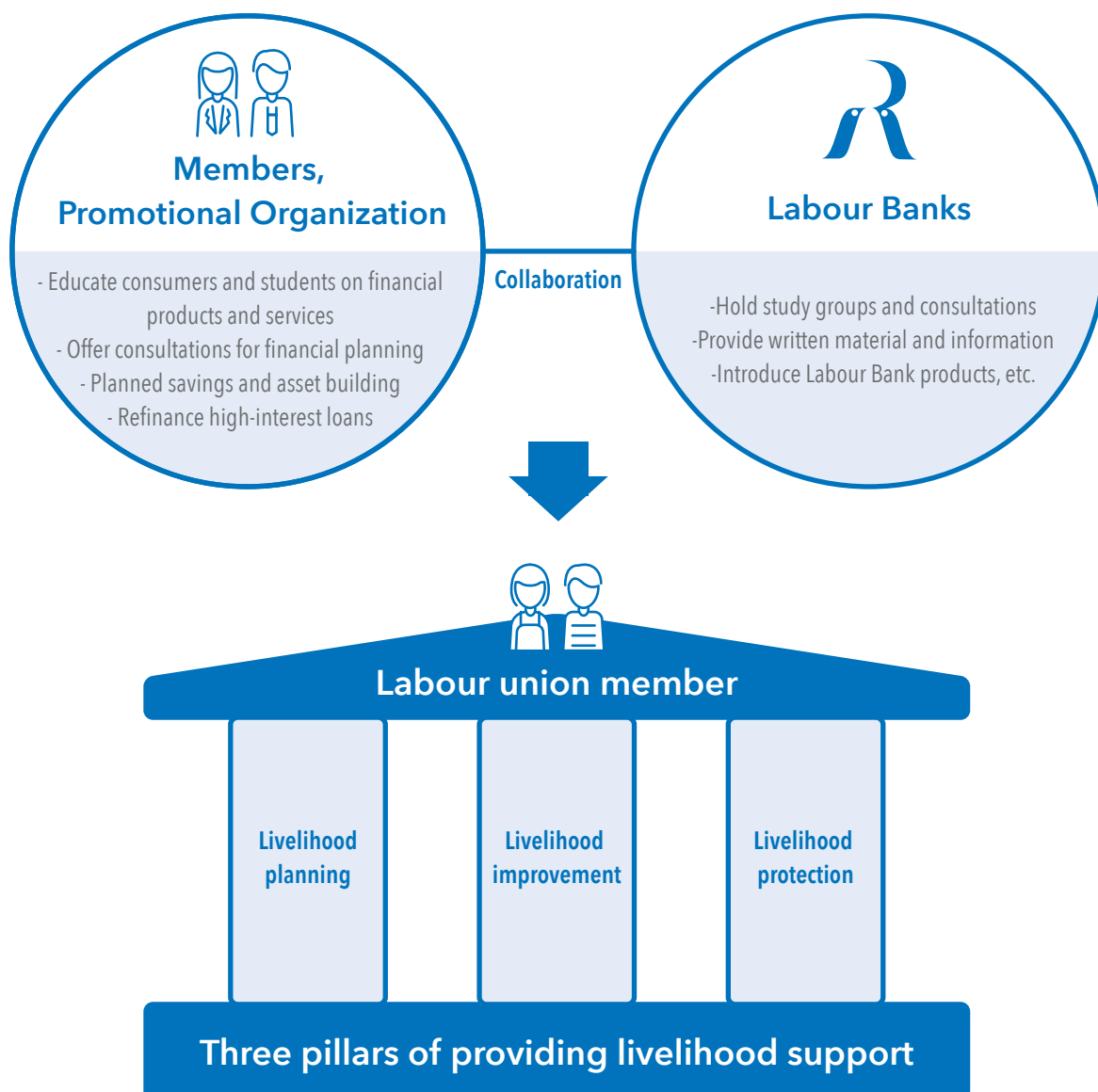


Provide information to enable everyone to live with a sense of security and fulfilment within their communities

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.

3. Our efforts for realizing the Labour Bank's Vision

[Cooperation with the non-profit and cooperative sector]

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 financial cooperatives 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.

4. Our efforts for realizing the Labour Bank's Vision

[Creation of a social virtuous cycle through money with a will]

Labour Banks put to use the funds we accept as deposits from our members and constituents to provide loans, such as housing loans, educational loans, and car loans, that are "money with a will" in line with the Labour Banks' principles and vision.

While concentrating and making efficient use of surplus funds available for investment other than loans, the Federation of Labour Banks (Rokinren Bank) practices ESG investment that takes into consideration the efforts toward ESG (E: environment, S: society, G: corporate governance) issues by investee companies. On behalf of all Labour Banks, we are also a signatory to the Principles for Responsible Investment (PRI) proposed by the United Nations. In addition, nationwide Labour Banks have signed the "Principles for Financial Action for the 21st Century" (Principles for Financial Action Towards a Sustainable Society), which were formulated as an action guideline for financial institutions.

LABOUR BANK ACTIONS FOR THE SDGS

1. Labour Bank SDGs Action Plan

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, principles and vision that Labour Banks are founded on. In accordance with this awareness, the Labour Banks, based on the "Labour Bank SDGs Action Plan" formulated in March 2019, and through diligent pursuit of the Labour Banks' mission of facilitating improvements in the daily lives of working people through the Labour Bank movement, we will go forward with our efforts to perform our role and attain the SDGs in a manner that is expected of Labour Banks as cooperative financial institutions.

2. Labour Bank SDGs Report Issued

Based on the "Labour Bank SDGs Action Guidelines" formulated in March 2019, the "Labour Banks SDGs Report 2021" was issued in May 2021 to report on activities implemented by the 13 Labour Banks nationwide mainly in FY2020. The report introduces the characteristic activities rooted in the communities that are practiced by the Labour Banks in cooperation with labour unions, consumer cooperatives, organizations related to worker welfare, NPOs, municipalities and others.

3. Guidelines Prohibiting All Forms of Harassment in the 13 Labour Banks

To secure a working environment in which all officers and employees can work with peace of mind free from all forms of harassment, Labour Banks have formulated the "Guidelines Prohibiting All Forms of Harassment in the 13 Labour Banks," which are unified guidelines that apply to all 13 Labour Banks. The guidelines have broadly incorporated the content of the International Labour Organization (ILO) Convention No. 190, and the 13 Labour Banks nationwide, with their central organization and related organizations, and with labour and management acting in unity, will take action toward the realization of the "elimination of all forms of harassment" based on these guidelines.

In addition, these guidelines have been featured in the ILO Convention No. 190 guidebook (Violence and harassment in the world of work: A guide on Convention No. 190), prepared by the ILO Headquarters, and on the ILO website social finance newsletter.

Labour Banks aim to "eliminate all forms of harassment" by ensuring that each and every official and employee understands and acts upon the spirit of these "Guidelines."

What are the SDGs?



The Sustainable Development Goals (SDGs) are international goals for the period 2016 to 2030 that were laid down in the 2030 Agenda for Sustainable Development adopted by the United Nations Summit in September 2015. The SDGs consist of 17 goals, such as “end poverty” and “end hunger,” and a total of 169 targets (individual goals) that have been set for all the goals. The importance of the SDGs has been recognized globally and Japan is also expected to actively promote the attainment of the SDGs.

SUSTAINABLE DEVELOPMENT GOALS



The Labour Bank SDGs Action Guidelines

– March 2019 –

- Labour Banks, as non-profit cooperative financial institutions for working people, take on the task of support for improvements in the daily lives of working people throughout their lifetimes based on the “Labour Bank Principles” and the “Labour Bank Vision” for the realization of these principles. Labour Banks will aim toward the attainment of the SDGs through a further strengthening and thoroughgoing implementation of these activities, striving to resolve the various social issues surrounding working people.
- Labour Banks will create a flow of money that contributes to the realization of a sustainable society by utilizing the valued funds of working people as, among others, financing for improvements in the daily lives of the working people themselves and in environmental, social and governance (ESG) investment, which has consideration for society and the environment.
- Labour Banks will strengthen their network with the members of trade unions and consumer cooperatives; non-profit, cooperative sector organizations related to worker welfare, such as collectives, NPOs, and social welfare corporations; associations and foundations; municipalities, and others, and will cooperate with these organizations in the work toward the resolution of social issues such as community welfare, education, environment, natural disasters and other issues.
- Labour Banks will publicize the achievements of various efforts toward attainment of the SDGs and will expand the circle of sympathy with the attainment of the SDGs by informing the broader society, including members and working people, that using Labour Banks will lead to advances toward the SDGs.

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.



Affiliation with the Japan Co-operative Alliance (JCA)

Continuing on from the inter-cooperative union cooperation and international cooperative union movement pursued by the former Japan Joint Committee of Co-operatives (JJC)*, JCA is an organization launched on April 1, 2018 with the goal of elevating the shared value of cooperatives in communities. The National Association of Labour Banks was affiliated to JJC in 2010, continues this affiliation with JCA and is tackling various community issues while cooperating with Japan's cooperative unions.



* The JJC was established in 1956 to strengthen cooperation among the ICA member organizations for domestic and international cooperative activities. JJC had been conducting collaborative projects related to the international activities of cooperatives, such as participation in the ICA General Assembly. JJC rebranded 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 fulfil its role and potential in realizing sustainable societies.

CONSOLIDATED BALANCE SHEET FOR ALL LABOUR BANKS



ASSETS

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2020	2019	2020
Cash	154,742	152,332	1,473,735
Due from banks	6,264,087	6,384,637	59,657,974
Call loans	-	-	-
Monetary claims purchased	8,713	8,933	82,986
Money in trusts	10,069	10,899	95,903
Securities	3,023,398	2,772,364	28,794,275
Loans	14,637,446	14,201,131	139,404,249
Others	165,564	177,508	1,576,807
Tangible fixed assets	145,217	146,026	1,383,026
Intangible fixed assets	2,577	2,258	24,549
Prepaid pension costs	2,374	3,421	22,611
Deferred tax assets	4,051	6,073	38,587
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	2,784	3,469	26,521
Allowance for loan losses	-14,671	-13,411	-139,731
Other allowances	-	-	-
Total assets	¥24,406,357	¥23,855,644	\$232,441,497

LIABILITIES

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2020	2019	2020
Deposits (including NCDs)	21,902,618	20,877,546	208,596,367
Demand deposits	7,295,595	6,507,166	69,481,859
Time deposits	14,607,023	14,370,380	139,114,507
Borrowed money	1,055,153	1,592,931	10,049,085
Payables under securities lending transactions	91,352	53,071	870,025
Other liabilities	50,418	65,357	480,173
Reserve for bonus payments	5,354	5,378	50,994
Provision for employee retirement benefits	46,823	49,940	445,937
Provision for director retirement benefits	985	1,025	9,388
Other reserves	1,984	2,490	18,898
Reserves under the special laws	-	-	-
Deferred tax debt	18,606	14,765	177,201
Deferred tax debt related to revaluation	2,997	3,031	28,544
Guarantees	2,784	3,469	26,521
Total liabilities	¥23,179,079	¥22,669,009	\$220,753,138

MEMBERS' NET EQUITY

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2020	2019	2020
Capital	97,284	96,335	926,514
Capital surplus	-	-	-
Earned surplus	1,033,206	1,009,565	9,840,059
Of which, unappropriated surplus for the term	44,898	41,156	427,601
Unappropriated share	-29	-13	-280
Unrealized gains and losses on other securities	93,349	77,514	889,045
Deferred hedge gains and losses	-978	-1,252	-9,319
Land revaluation excess	4,445	4,486	42,339
Members' net equity	1,227,277	1,186,635	11,688,359
Total liabilities and members' net equity	¥24,406,357	¥23,855,644	\$232,441,497

CONSOLIDATED STATEMENTS OF INCOME FOR ALL LABOUR BANKS



	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Ordinary Income	271,626	276,411	2,586,921
Interest income	241,178	243,129	2,296,935
Interest on loans	188,435	189,503	1,794,627
Interest on deposits with other financial institutions	16,298	17,685	155,219
Interest on call loans	-	-	-
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	29,163	29,291	277,743
Interest on interest swaps	-	-	-
Other Interest	7,281	6,648	69,345
Fees and commissions	14,389	14,440	137,046
Other operating income	12,783	17,133	121,746
Other ordinary income	3,275	1,707	31,191
Special income	63	2,769	603
Total income	¥271,690	¥279,181	\$2,587,524

	(¥ mil.)		(US\$ thous.)
Ordinary expenses	230,857	238,759	2,198,647
Financing expenses	9,672	10,680	92,117
Interest on deposits (including NCDs)	9,233	10,082	87,937
Interest on borrowed money	3	5	31
Interest on payables under securities lending transactions	2	2	25
Interest on interest swaps	430	588	4,102
Other interest	2	2	19
Fees and commissions	46,033	45,919	438,412
Other operating expenses	1,909	6,181	18,181
General and administrative expenses	169,978	172,124	1,618,847
Other ordinary income	3,264	3,852	31,087
Special expenses	905	1,799	8,620
Total expenses	¥231,763	¥240,559	\$2,207,268

Net profit before tax	39,926	38,621	380,255
Corporate income, inhabitant, and business tax	10,133	8,897	96,504
Adjustment to income taxes and others	335	1,353	3,198
Total taxes	10,468	10,251	99,703
Net profit	¥29,458	¥28,370	\$280,552

STATUS OF INDIVIDUAL LABOUR BANKS

(¥ mil., %)

Bank Name	Deposits (including NCDs)	Annual Increase	Loans	Annual Increase	Ratio of Loans to Deposits
Hokkaido	1,054,731	4.84	759,648	2.14	72.02
Tohoku	2,186,150	4.46	1,279,023	2.77	58.50
Chuo	6,671,163	4.65	4,580,130	2.82	68.65
Niigata-ken	864,315	4.70	378,319	-1.54	43.77
Nagano-ken	724,742	4.26	390,245	2.85	53.84
Shizuoka-ken	1,175,922	4.92	898,842	4.88	76.43
Hokuriku	792,367	3.23	448,505	3.11	56.60
Tokai	1,944,001	7.14	1,558,341	2.40	80.16
Kinki	2,323,714	3.85	1,432,643	3.83	61.65
Chugoku	1,233,621	5.04	792,518	4.82	64.24
Shikoku	636,616	4.35	409,815	1.34	64.37
Kyushu	1,993,463	5.52	1,508,241	3.31	75.65
Okinawa-ken	301,808	11.60	201,170	10.91	66.65
Total	¥21,902,618	4.90	¥14,637,446	3.07	66.82

As of March 31, 2021

BALANCE SHEET FOR THE ROKINREN BANK



ASSETS

	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Cash	-	-	-
Due from banks	3,797,988	3,017,379	36,171,322
Call loans	45,000	75,000	428,571
Monetary claims purchased	-	-	-
Money in trusts	5,000	4,964	47,619
Securities	4,668,421	4,772,696	44,461,161
Loans	1,966,247	2,546,338	18,726,167
Others	300,873	297,551	2,865,461
Tangible fixed assets	10,925	10,763	104,050
Intangible fixed assets	3,872	4,725	36,882
Deferred tax assets	-	-	-
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	-	-	-
Allowance for loan losses	-4	-5	-38
Other allowances	-	-	-
Total assets	¥10,798,325	¥10,729,415	\$102,841,198

LIABILITIES

	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Deposits (including NCDs)	7,419,804	7,496,861	70,664,800
Demand deposits	592,176	580,140	5,639,774
Time deposits	6,827,627	6,916,721	65,025,025
Borrowed money	1,417,400	1,544,000	13,499,047
Call Money	420,000	-	4,000,000
Payables under securities lending transactions	1,062,932	1,087,065	10,123,163
Other liabilities	38,576	191,695	367,396
Reserve for bonus payments	224	239	2,141
Provision for employee retirement benefits	2,130	1,991	20,290
Provision for director retirement benefits	78	74	744
Other reserves	-	-	-
Reserves under the special laws	-	-	-
Deferred tax debt	36,484	29,449	347,473
Deferred tax debt related to revaluation	-	-	-
Guarantees	-	-	-
Total liabilities	¥10,397,631	¥10,351,377	\$99,025,058

MEMBERS' NET EQUITY

	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Capital	120,000	120,000	1,142,857
Capital surplus	-	-	-
Earned surplus	181,236	177,969	1,726,066
Of which, unappropriated surplus for the term	24,652	23,738	234,781
Unappropriated share	-	-	-
Unrealized gains and losses on other securities	99,466	80,065	947,299
Deferred hedge gains and losses	-8	2	-83
Land revaluation excess	-	-	-
Members' net equity	400,694	378,037	3,816,140
Total liabilities and members' net equity	¥10,798,325	¥10,729,415	\$102,841,198

STATEMENTS OF INCOME FOR THE ROKINREN BANK



	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Ordinary Income	62,002	64,389	590,499
Interest income	38,312	40,104	364,883
Interest on loans	352	410	3,352
Interest on deposits with other financial institutions	1,712	1,513	16,312
Interest on call loans	11	1	113
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	36,192	38,145	344,690
Interest on interest swaps	-	-	-
Other Interest	43	33	414
Fees and commissions	22,558	22,913	214,845
Other operating income	205	1,302	1,954
Other ordinary income	925	69	8,816
Special income	-	98	-
Total income	¥62,002	¥64,488	\$590,499

	(¥ mil.)		(US\$ thous.)
	2020	2019	2020
Ordinary expenses	49,282	49,964	469,361
Financing expenses	17,257	18,573	164,355
Interest on deposits (including NCDs)	17,150	18,469	163,337
Interest on borrowed money	0	0	0
Interest on payables under securities lending transactions	106	104	1,018
Interest on interest swaps	-	-	-
Other interest	0	0	0
Fees and commissions	908	781	8,652
Other operating expenses	2,008	1,705	19,126
General and administrative expenses	28,351	28,085	270,014
Other ordinary income	757	818	7,211
Special expenses	1	14	13
Total expenses	49,284	49,979	469,374

Net profit before tax	12,718	14,508	121,125
Corporate income, inhabitant, and business tax	2,582	2,335	24,590
Adjustment to income taxes and others	-331	63	-3,152
Total taxes	2,250	2,398	21,437
Net profit	¥10,467	¥12,110	\$99,688

OFFICERS OF THE NATIONAL ASSOCIATION OF LABOUR BANKS

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Kimito Nakae

Deputy President

Seiichi Takahashi

Managing Director

Norihito Sato

Managing Director

Mitsuru Fukui

Outside Director

Aya Abe

President of Hokkaido Labour Bank

Ryohei Demura

President of Tohoku Labour Bank

Yoshiaki Isago

President of Chuo Labour Bank

Takuo Matsusako

President of Niigata-ken Labour Bank

Toshiaki Saito

President of Nagano-ken Labour Bank

Masakazu Koike

President of Shizuoka-ken Labour Bank

Masaaki Furukawa

President of Hokuriku Labour Bank

Katsuji Yamagishi

President of Tokai Labour Bank

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President of Kinki Labour Bank

Ryuji Ishimura

President of Chugoku Labour Bank

Manabu Tomori

President of Shikoku Labour Bank

Muneyuki Sugimoto

President of Kyushu Labour Bank

Kazuyoshi Takahashi

President of Okinawa-ken Labour Bank

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(As of November 1, 2021)



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