



Annual Report 2022



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.”

CONTENTS

- 03 Message from the President
- 06 Highlights of Fiscal 2021
- 07 About us
- 12 History of Labour Banks
- 14 Services of Labour Banks
- 16 Labour Bank Efforts to Protect Working People from Natural Disasters and Infectious Disease
- 17 Our Efforts for Realizing the Labour Bank's Vision
- 22 Labour Bank Actions for the SDGs
- 24 Cooperation with Domestic and International Cooperatives
- 25 Consolidated Balance Sheet for All Labour Banks
- 26 Consolidated Statements of Income for All Labour Banks
- 27 Status of Individual Labour Banks
- 28 Balance Sheet for the Rokinren Bank
- 29 Statements of Income for the Rokinren Bank
- 30 Officers of the National Association of Labour Banks

MESSAGE FROM THE PRESIDENT



Yasunori Nishida
President
National Association of Labour Banks

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essage for the Fiscal Year 2022

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 11,800,000 customers with a total deposit balance of 22.7 trillion yen and outstanding loans of 15.0 trillion yen.

In addition to the impacts of COVID-19, uncertainty is rising on a global scale due to the situation in Ukraine and other issues, while in Japan price increases associated with a sharp rise in resource prices are also having severe impacts on the economy and people’s daily lives.

To protect local society and the daily lives of working people, Labour Banks are striving to implement activities such as offering special loans to protect the daily lives of working people during the COVID-19 pandemic, developing financial services to assist working women and single parents, and providing support and loans for NPOs and other organizations that are making efforts to solve social issues, for example by supporting children and people who are facing difficulties in daily life.

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. From October 2019, it became possible use the “Rokin app” to check bank balances and account transactions conveniently with a smartphone, and the number of accounts registered to use the app exceeded one million by the end of March 2022. While endeavouring to improve convenience in this way, we also fully intend to continue to provide our warm and high-quality service for our customers—our characteristic Rokin “face-to-face human touch” that was introduced in an ILO report in 2019.

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, persons of 18 years of age or older may now conclude a variety of contracts without parental consent. At the same time, there is concern over the increase in problems concerning money among young people. 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.

We are now facing various problems, such as conflicts and human rights issues, and the problems of infection and climate change. The cycle of poverty, the widening of disparities, and the trend toward divisions and exclusions are seen everywhere in the world, and we are now standing at the juncture where we do not know if we are able to head toward a sustainable society. Whether or not

we can now choose the path of “solidarity” and “inclusion,” the path of “tolerance” – the mutual recognition of diversity –, is precisely to choose the path that leads to the SDGs. We must build the society aimed for by the SDGs, where “no one is left behind.”

To achieve this, the Labour Banks will establish a mode of use of the precious funds of working people as “money with significance” for the realization of the sustainable and inclusive society.

In the future, Labour Banks will, while making flexible responses to social changes, conduct activities in solidarity with all working people in order to fulfil our Labour Bank mission of supporting daily lives.

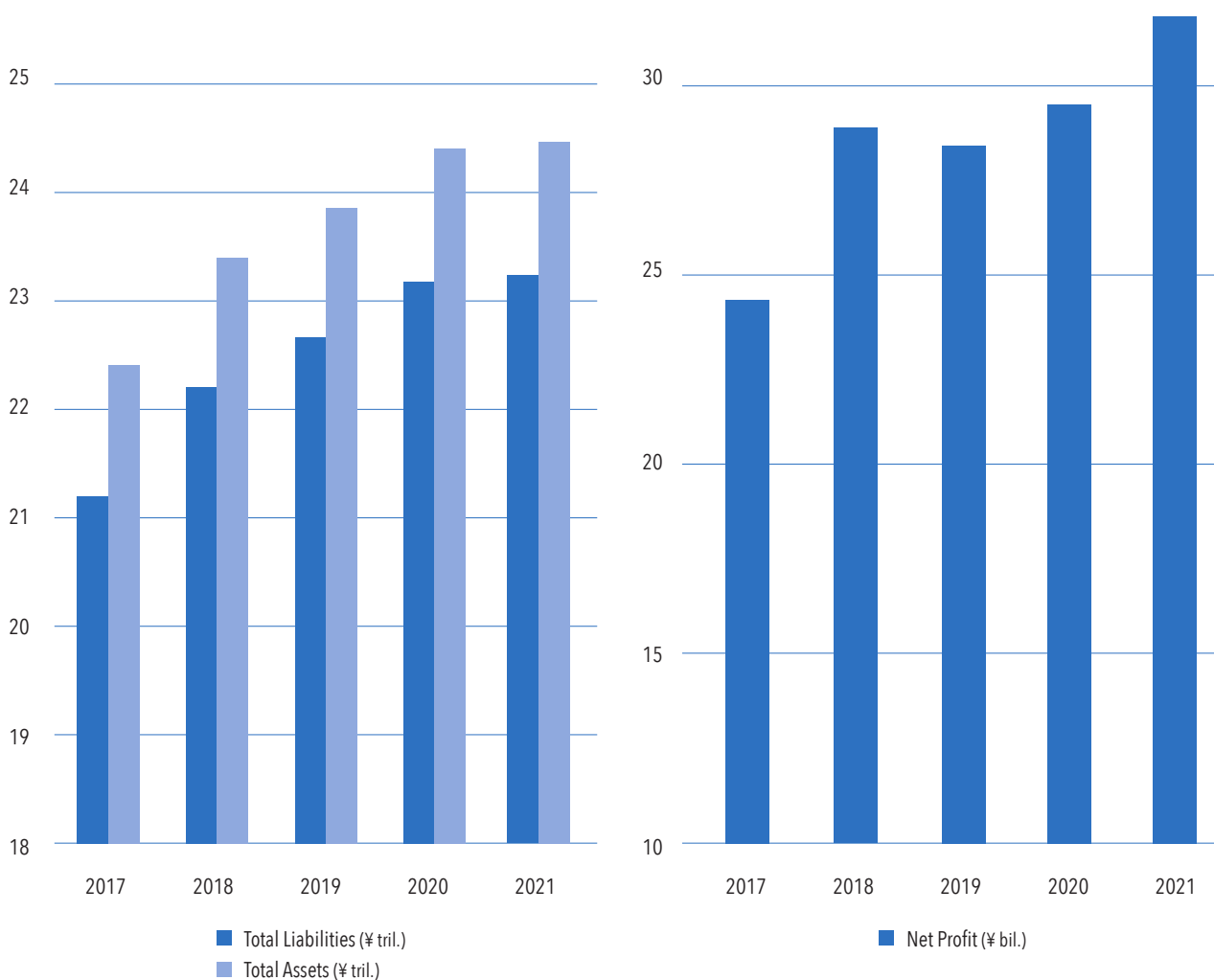


西田安範

HIGHLIGHTS OF FISCAL 2021

	2017	2018	2019	2020	(¥ mil.) 2021	(US\$ thous.) 2021
Total Assets	22,395,065	23,413,487	23,855,644	24,406,357	24,461,697	200,505,718
Total Liabilities	21,239,620	22,217,440	22,669,009	23,179,079	23,234,265	190,444,798
Ordinary Income	272,293	275,444	276,411	271,626	267,627	2,193,669
Operating Income	267,719	272,612	274,703	268,351	266,190	2,181,892
Net Profit	24,307	28,835	28,370	29,458	31,770	260,416

¥122.00=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.



Labour Banks

Cooperative

- Members (workers) are able to equally participate in the governance through the one member-one vote system
- Objective is not profit-making. The surpluses are paid back to members.

Financing for welfare

- Financing mainly to workers
- Meet the lifestyle and welfare needs of workers



Members Labour Banks

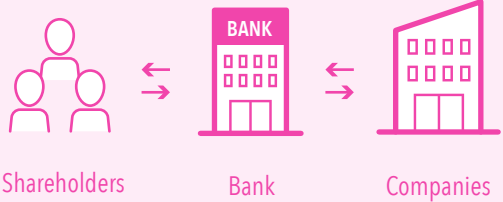
Commercial Banks

Stock corporation

- The number of shares held influences the governance through the one share-one vote system.
- Objective is profit-making. Shareholders are paid dividends out of profits according to number of shares.

Financing mainly for companies

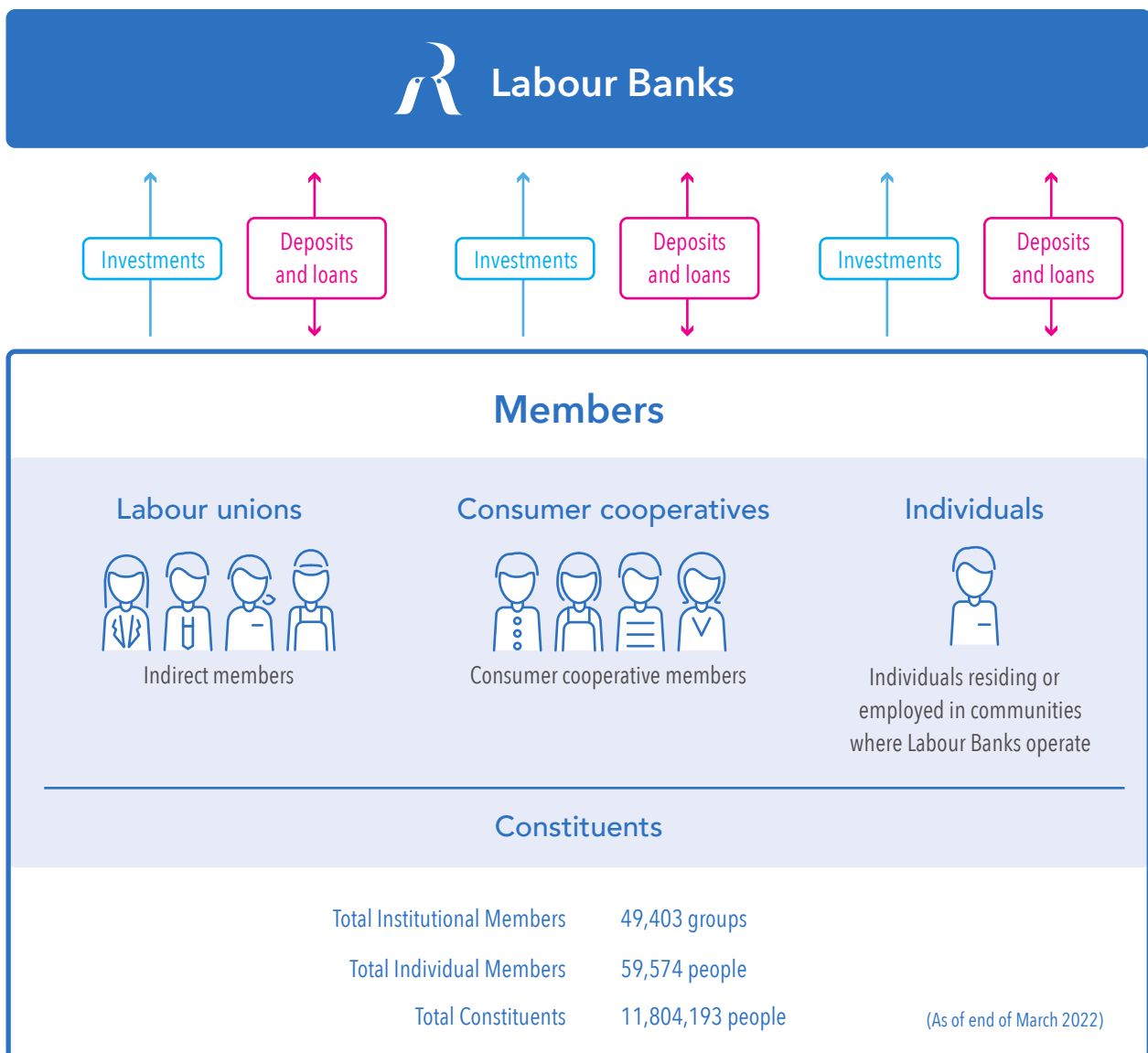
- Financing mainly to companies
- Meet financial needs of companies



Shareholders Bank Companies

4. Members

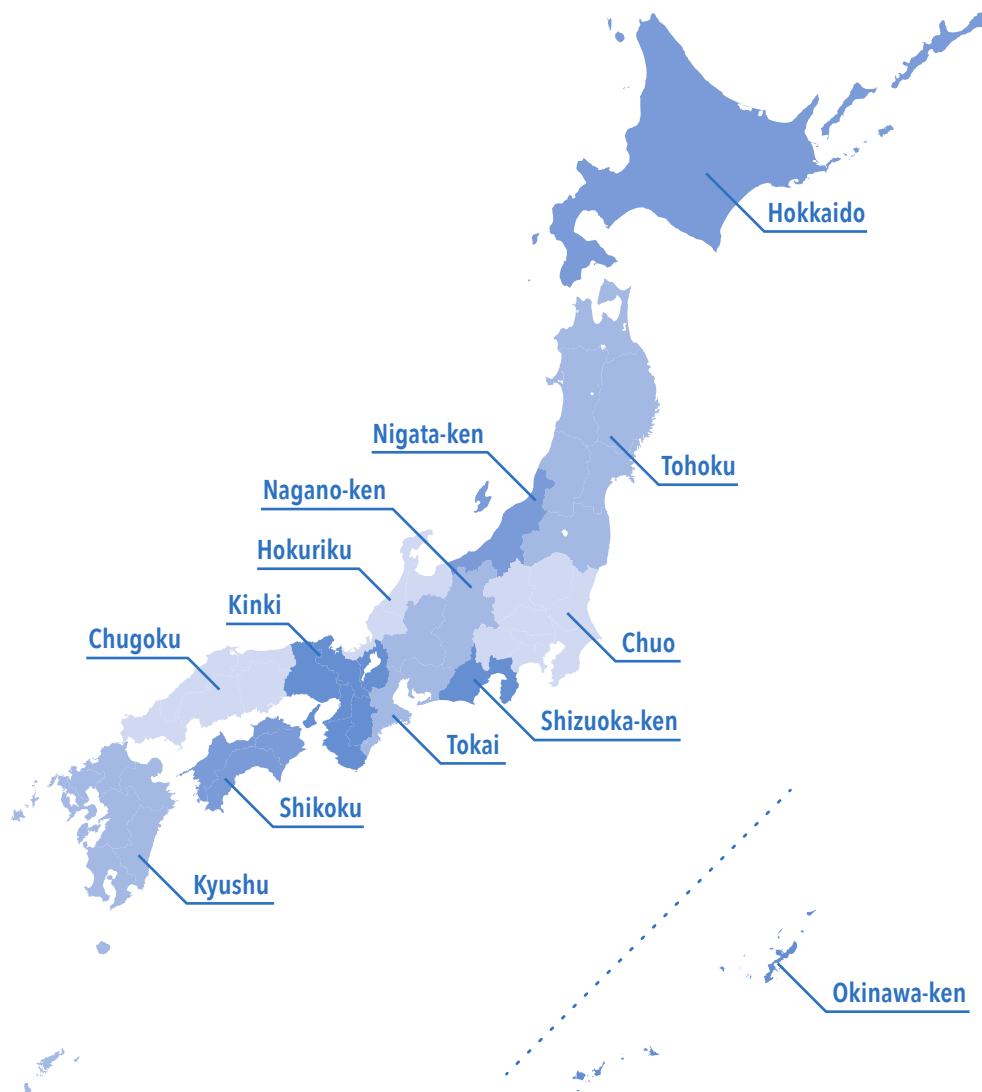
Labour Bank membership is composed mainly of institutions such as labour unions and consumer cooperatives that invest in the Labour Banks. Individual workers may, as constituents of the member organizations, use the services of Labour Banks. Moreover, individuals who do not have labour unions in their 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 “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 March 2022.

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 Rokinren Bank (the Federation of Labour Banks) 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.
"Zaikai" Deposit (property accumulation deposit)	Based on the laws for "Promoting Workers' Property Accumulation," which has three types of accounts: General Zaikai, Zaikai Annuity and Zaikai Housing. Of those accounts, a combined savings in Zaikai Annuity and Zaikai 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)	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 referential 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 March 2022, approximately 25,000 loans, representing a total value of around 32.2 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'S 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 cooperatively 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.

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.

**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**



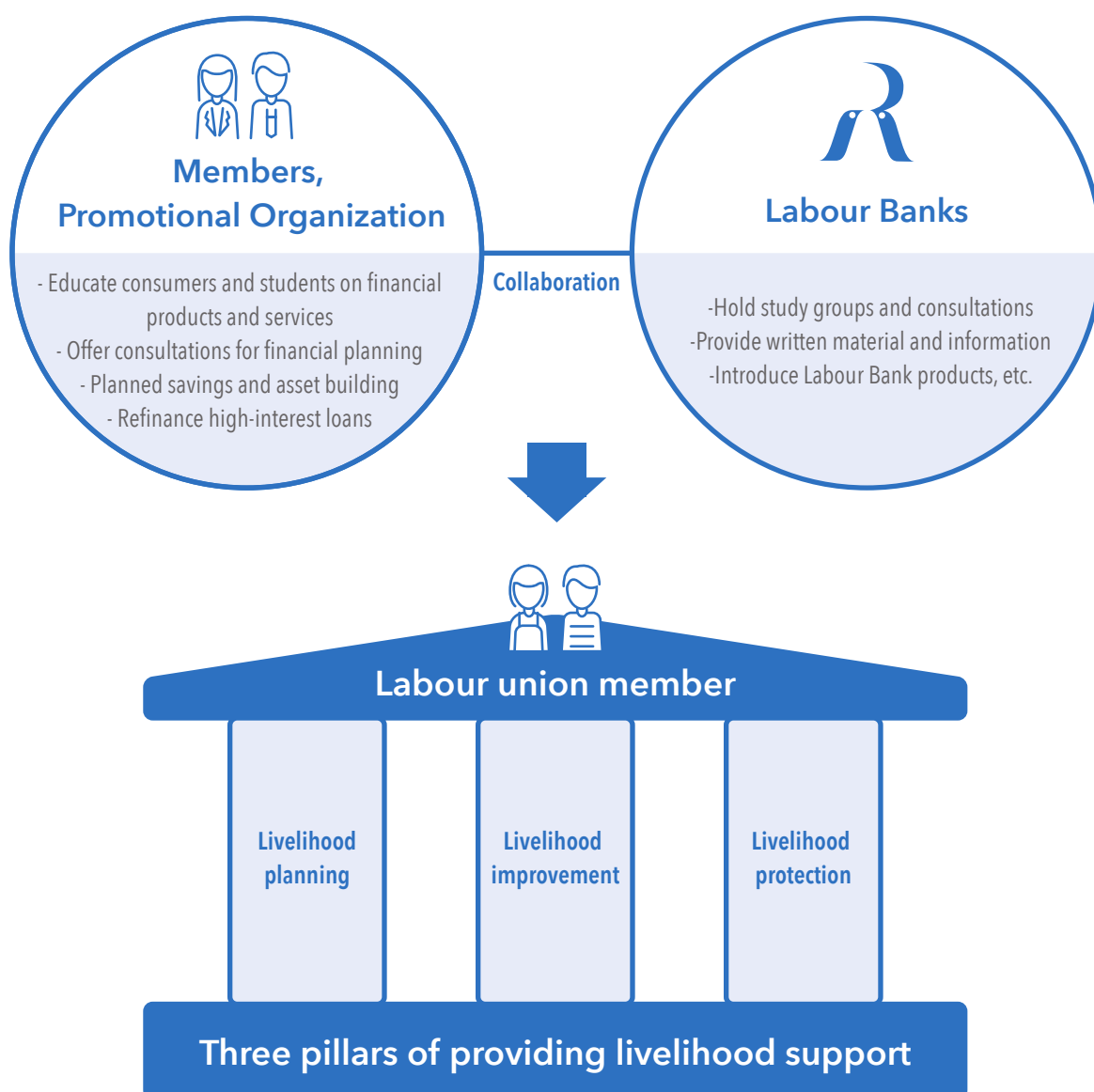
- Provide information to enable everyone to live with a sense of security and fulfilment within their communities

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 life-time, with three pillars of support provided: planning livelihoods, improving livelihoods, and protecting 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.

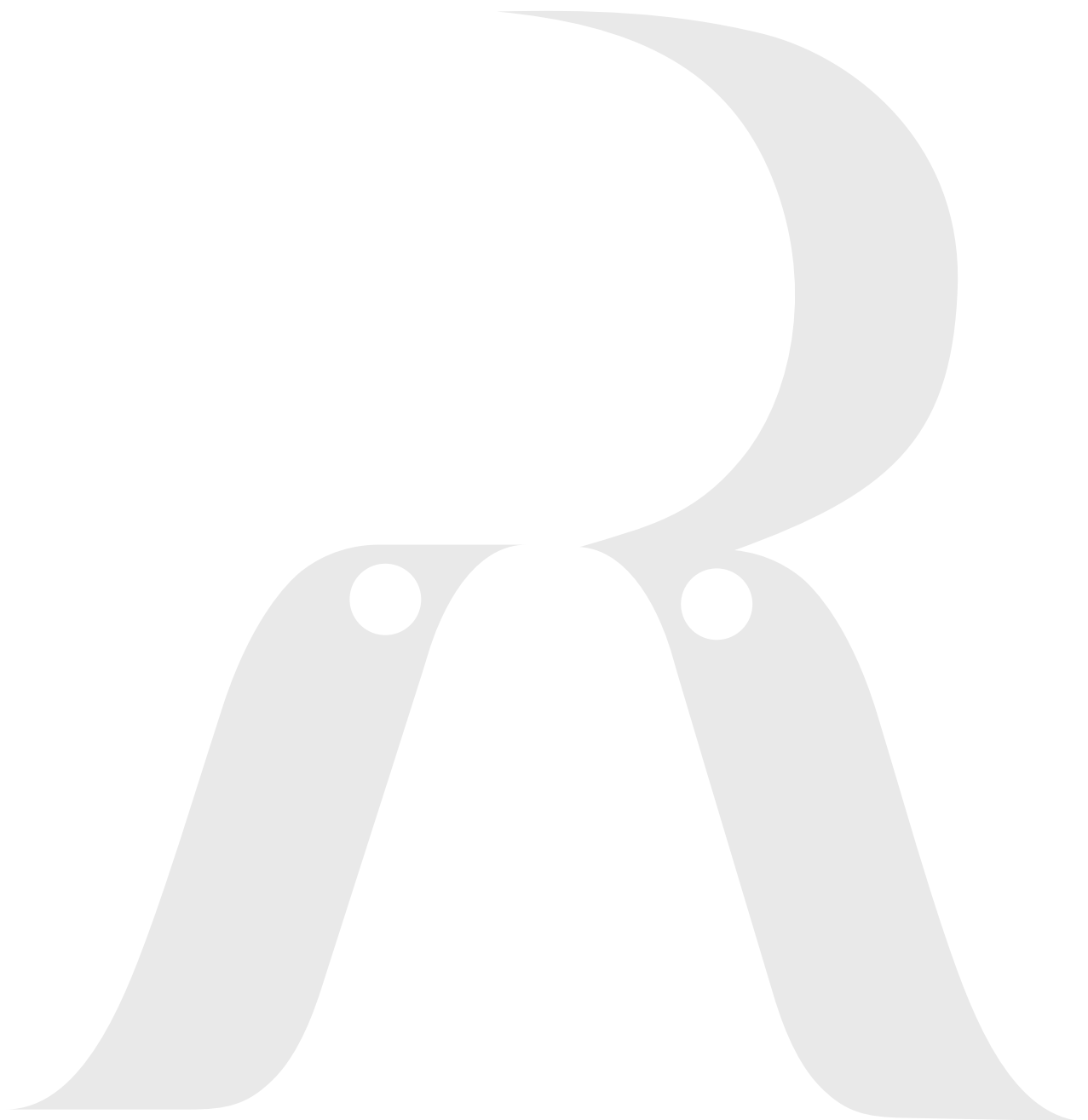
4. Our Efforts for Realizing the Labour Bank's Vision

[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 Rokinren Bank (the Federation of Labour Banks) 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 Re-

sponsible 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 SDGs 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 Bank SDGs Report 2022,” which summarizes the activities of nationwide Labour Banks in FY2021, was issued in May 2022. 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

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Cash	147,495	154,742	1,208,979
Due from banks	5,703,886	6,264,087	46,753,165
Call loans	-	-	-
Monetary claims purchased	9,596	8,713	78,663
Money in trusts	12,595	10,069	103,237
Securities	3,261,438	3,023,398	26,733,105
Loans	15,019,047	14,637,446	123,106,946
Others	164,626	165,564	1,349,396
Tangible fixed assets	143,105	145,217	1,172,995
Intangible fixed assets	2,731	2,577	22,385
Prepaid pension costs	3,910	2,374	32,055
Deferred tax assets	5,601	4,051	45,912
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	2,290	2,784	18,777
Allowance for loan losses	-14,628	-14,671	-119,903
Other allowances	-	-	-
Total assets	¥24,461,697	¥24,406,357	\$200,505,718

LIABILITIES

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Deposits (including NCDs)	22,623,883	21,902,618	185,441,669
Demand deposits	7,877,827	7,295,595	64,572,358
Time deposits	14,746,055	14,607,023	120,869,310
Borrowed money	441,265	1,055,153	3,616,932
Payables under securities lending transactions	50,501	91,352	413,943
Other liabilities	47,835	50,418	392,090
Reserve for bonus payments	5,405	5,354	44,308
Provision for employee retirement benefits	45,808	46,823	375,481
Provision for director retirement benefits	996	985	8,167
Other reserves	1,655	1,984	13,566
Reserves under the special laws	-	-	-
Deferred tax debt	11,625	18,606	95,293
Deferred tax debt related to revaluation	2,997	2,997	24,566
Guarantees	2,290	2,784	18,777
Total liabilities	¥23,234,265	¥23,179,079	\$190,444,798

MEMBERS' NET EQUITY

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Capital	97,222	97,284	796,907
Capital surplus	-	-	-
Earned surplus	1,058,832	1,033,206	8,678,955
Of which, unappropriated surplus for the term	47,487	44,898	389,238
Unappropriated share	-51	-29	-421
Unrealized gains and losses on other securities	67,337	93,349	551,943
Deferred hedge gains and losses	-716	-978	-5,875
Land revaluation excess	4,808	4,445	39,410
Members' net equity	1,227,432	1,227,277	10,060,920
Total liabilities and members' net equity	¥24,461,697	¥24,406,357	\$200,505,718

CONSOLIDATED STATEMENTS OF INCOME FOR ALL LABOUR BANKS



	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2021	2020	2021
Ordinary Income	267,627	271,626	2,193,669
Interest income	240,271	241,178	1,969,438
Interest on loans	187,334	188,435	1,535,530
Interest on deposits with other financial institutions	15,314	16,298	125,529
Interest on call loans	-	-	-
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	31,024	29,163	254,296
Interest on interest swaps	-	-	-
Other Interest	6,598	7,281	54,082
Fees and commissions	13,151	14,389	107,800
Other operating income	12,767	12,783	104,652
Other ordinary income	1,436	3,275	11,776
Special income	222	63	1,826
Total income	¥267,850	¥271,690	\$2,195,495

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
Ordinary expenses	224,122	230,857	1,837,073
Financing expenses	8,678	9,672	71,132
Interest on deposits (including NCDs)	8,331	9,233	68,291
Interest on borrowed money	2	3	20
Interest on payables under securities lending transactions	2	2	19
Interest on interest swaps	338	430	2,771
Other interest	3	2	29
Fees and commissions	45,867	46,033	375,961
Other operating expenses	2,067	1,909	16,944
General and administrative expenses	166,007	169,978	1,360,716
Other ordinary income	1,502	3,264	12,317
Special expenses	986	905	8,089
Total expenses	¥225,109	¥231,763	\$1,845,162
Net profit before tax	42,740	39,926	350,332
Corporate income, inhabitant, and business tax	9,967	10,133	81,701
Adjustment to income taxes and others	1,002	335	8,214
Total taxes	10,969	10,468	89,915
Net profit	¥31,770	¥29,458	\$260,416

STATUS OF INDIVIDUAL LABOUR BANKS

(¥ mil., %)

Bank Name	Deposits (including NCDs)	Annual Increase	Loans	Annual Increase	Ratio of Loans to Deposits
Hokkaido	1,081,180	2.50	784,491	3.27	72.55
Tohoku	2,245,081	2.69	1,300,981	1.71	57.94
Chuo	6,881,365	3.15	4,686,732	2.32	68.10
Niigata-ken	891,558	3.15	377,188	-0.29	42.30
Nagano-ken	749,096	3.36	392,883	0.67	52.44
Shizuoka-ken	1,220,180	3.76	931,556	3.63	76.34
Hokuriku	810,086	2.23	465,069	3.69	57.40
Tokai	2,046,440	5.26	1,598,323	2.56	78.10
Kinki	2,392,713	2.96	1,484,867	3.64	62.05
Chugoku	1,280,183	3.77	816,967	3.08	63.81
Shikoku	650,560	2.19	415,597	1.41	63.88
Kyushu	2,060,726	3.37	1,543,358	2.32	74.89
Okinawa-ken	314,709	4.27	221,031	9.87	70.23
Total	¥22,623,883	3.29	¥15,019,047	2.60	66.38

As of March 31, 2022

BALANCE SHEET FOR THE ROKINREN BANK



ASSETS

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Cash	-	-	-
Due from banks	3,220,785	3,797,988	26,399,881
Call loans	124,000	45,000	1,016,393
Monetary claims purchased	-	-	-
Money in trusts	4,999	5,000	40,978
Securities	4,666,000	4,668,421	38,245,902
Loans	1,302,215	1,966,247	10,673,900
Others	313,543	300,873	2,570,031
Tangible fixed assets	10,775	10,925	88,320
Intangible fixed assets	3,588	3,872	29,417
Prepaid pension costs	-	-	-
Deferred tax assets	-	-	-
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	-	-	-
Allowance for loan losses	-3	-4	-26
Other allowances	-	-	-
Total assets	¥9,645,905	¥10,798,325	\$79,064,798

LIABILITIES

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Deposits (including NCDs)	6,900,187	7,419,804	56,558,914
Demand deposits	437,883	592,152	3,589,212
Time deposits	6,462,303	6,827,651	52,969,702
Borrowed money	887,900	1,417,400	7,277,868
Call Money	-	420,000	-
Payables under securities lending transactions	1,434,152	1,062,932	11,755,347
Other liabilities	22,843	38,576	187,240
Reserve for bonus payments	219	224	1,795
Provision for employee retirement benefits	1,978	2,130	16,214
Provision for director retirement benefits	96	78	793
Other reserves	-	-	-
Reserves under the special laws	-	-	-
Deferred tax debt	25,174	36,484	206,345
Deferred tax debt related to revaluation	-	-	-
Guarantees	-	-	-
Total liabilities	¥9,272,551	¥10,397,631	\$76,004,519

MEMBERS' NET EQUITY

	(¥ mil.)		(US\$ thous.)
	2021	2020	2021
Capital	120,000	120,000	983,606
Capital surplus	-	-	-
Earned surplus	184,373	181,236	1,511,261
Of which, unappropriated surplus for the term	25,318	24,652	207,527
Unappropriated share	-	-	-
Unrealized gains and losses on other securities	68,979	99,466	565,405
Deferred hedge gains and losses	0	-8	5
Land revaluation excess	-	-	-
Members' net equity	373,353	400,694	3,060,278
Total liabilities and members' net equity	¥9,645,905	¥10,798,325	\$79,064,798

STATEMENTS OF INCOME FOR THE ROKINREN BANK



	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2021	2020	2021
Ordinary Income	61,628	62,002	505,148
Interest income	40,090	38,312	328,614
Interest on loans	318	352	2,608
Interest on deposits with other financial institutions	1,919	1,712	15,733
Interest on call loans	13	11	108
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	37,785	36,192	309,714
Interest on interest swaps	-	-	-
Other Interest	54	43	449
Fees and commissions	19,833	22,558	162,568
Other operating income	947	205	7,765
Other ordinary income	756	925	6,199
Special income	-	-	-
Total income	¥61,628	¥62,002	\$505,148

	(<i>¥ mil.</i>)		(<i>US\$ thous.</i>)
	2021	2020	2021
Ordinary expenses	50,196	49,282	411,443
Financing expenses	16,323	17,257	133,799
Interest on deposits (including NCDs)	16,184	17,150	132,656
Interest on borrowed money	0	0	0
Interest on payables under securities lending transactions	139	106	1,142
Interest on interest swaps	-	-	-
Other interest	0	0	0
Fees and commissions	879	908	7,209
Other operating expenses	6,836	2,008	56,040
General and administrative expenses	25,395	28,351	208,162
Other ordinary income	760	757	6,232
Special expenses	11	1	94
Total expenses	50,207	49,284	411,538
Net profit before tax	11,420	12,718	93,609
Corporate income, inhabitant, and business tax	1,733	2,582	14,212
Adjustment to income taxes and others	349	-331	2,864
Total taxes	2,083	2,250	17,077
Net profit	¥9,336	¥10,467	\$76,532

OFFICERS OF THE NATIONAL ASSOCIATION OF LABOUR BANKS

Directors

President

Yasunori Nishida

Deputy President

Takuo Matsusako

Executive Director

Yoshitaka Nishimura

Managing Director

Kazuhito Ashikawa

Managing Director

Hiroyuki Sugaya

Outside Director

Aya Abe

President of Hokkaido Labour Bank

Ryohei Demura

President of Tohoku Labour Bank

Hiroshi Ito

President of Chuo Labour Bank

Tatsuya Yamauchi

President of Niigata-ken Labour Bank

Toshiaki Saito

President of Nagano-ken Labour Bank

Masakazu Koike

President of Shizuoka-ken Labour Bank

Yasutaka Masuda

President of Hokuriku Labour Bank

Katsuji Yamagishi

President of Tokai Labour Bank

Kazunori Dohi

President of Kinki Labour Bank

Koichi Egawa

President of Chugoku Labour Bank

Manabu Tomori

President of Shikoku Labour Bank

Muneyuki Sugimoto

President of Kyushu Labour Bank

Yoshihiko Yamamoto

President of Okinawa-ken Labour Bank

Keiichi Takara

Auditors

Deputy President of Tokai Labour Bank

Hideji Yoshikawa

Outside Auditor

Yoshifumi Takashima

Outside Auditor

Takao Yasunaga

Advisor

President, Japanese Trade Union Confederation

Tomoko Yoshino

(As of June 29, 2022)



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