



Annual Report 2023



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 endeavour to keep faith with their members.”

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MESSAGE FROM THE PRESIDENT



Yasunori Nishida
President
National Association of Labour Banks

standing loans of 15.2 trillion yen.

M message for the Fiscal Year 2023

Since the Labour Banks were founded in 1950, following the principles of “cultivating the dreams and ideals of workers” and “contributing to the creation of an inclusive society” while constantly standing on the side of workers and in step with the changing of the times, we have met the diverse needs of workers, including loans for housing and education, asset formation, and others, in accordance with their life plans.

At present, the 13 banks nationwide operate 605 branches from Hokkaido to Okinawa, including outlying islands, serving 11,820,000 customers with a total deposit balance of 22.9 trillion yen and out-

standing loans of 15.2 trillion yen.

On May 8, 2023, COVID-19 was downgraded to a Category 5 infectious disease. Three years after the first outbreak, the COVID-19 infection has come to an end for the time being to a certain degree, and we can see from the revival of personal consumption and inbound demand that moves toward normalization have begun to progress in various aspects of society and the economy.

At the same time, turning our eyes to the world situation, crises regarding social sustainability, such as the invasion of Ukraine by Russia, the increasing severity of climate change, and the issue of disparities that are widening around the world, are occurring on a global scale. Domestically in Japan also, an unstable and uncertain social situation continues, with the frequent occurrence and growing enormity of damage from natural disasters such as earthquakes and large-scale typhoons, as well as the expansion of regional disparities due to the advance of poverty issues and depopulation.

In this situation, nationwide Labour Banks, are taking the initiative to create a flow where important loans to workers, as Money with Significance, are used to realize a sustainable and inclusive society in the form of special loans to protect the daily lives of workers facing reductions in income; loans to support the rebuilding of lives of people affected by natural and other disasters; and support for the social sector, which is making efforts for social problems such as dealing with multiple debt liability or support for children and people who are facing difficulties in daily life.

Along with our members, I would like to go forward in cooperation with our colleagues who share our philosophy, including organizations engaged in worker welfare and cooperative unions, by putting into practice the social virtuous circle that can arise from this Money with Significance.

I believe that the path to “the realization of a sustainable society” as described in the SDGs is precisely the promotion of initiatives to contribute to such a “realization of an inclusive society.”

Labour Banks will go forward by performing a trusted role within the circles of “relationships” in “valuing relationships between people and their communities.”

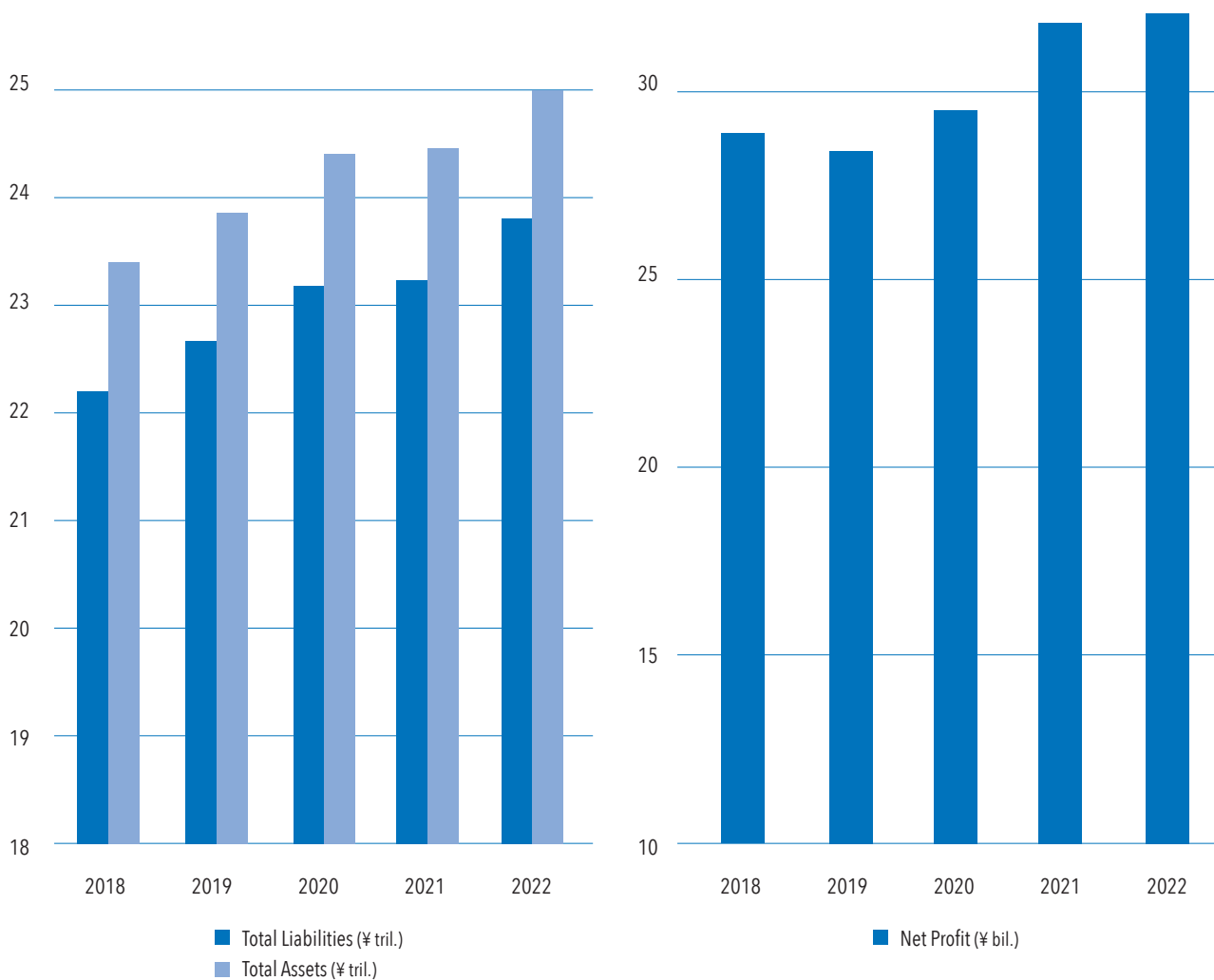
In the future, as in the past, Labour Banks will, while making flexible responses to social changes, conduct activities that stand “right by the side of you, the working person” to fulfil our mission as Labour Banks.

西田安範

HIGHLIGHTS OF FISCAL 2022

	2018	2019	2020	2021	(¥ mil.) 2022	(US\$ thous.) 2022
Total Assets	23,413,487	23,855,644	24,406,357	24,461,697	24,996,782	187,945,732
Total Liabilities	22,217,440	22,669,009	23,179,079	23,234,265	23,805,444	178,988,307
Ordinary Income	275,444	276,411	271,626	267,627	277,059	2,083,155
Operating Income	272,612	274,703	268,351	266,190	274,388	2,063,069
Net Profit	28,835	28,370	29,458	31,770	32,080	241,205

¥133.00=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 Act (enacted in 1953), with its business license issued by the Prime Minister and Minister of Health, Labour and Welfare.

The Labour Bank Act 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 Act.

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 workers 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 Act. 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 workers are used to finance homes, cars, education, and childcare of fellow workers and their families and serve to make the lives of workers 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 workers throughout their lifetimes in the three endeavours 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 workers.

3. Support of Labour Unions

We provide various products and services that support the life plans of union members, and are also providing support for the autonomous welfare activities of labour unions.

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

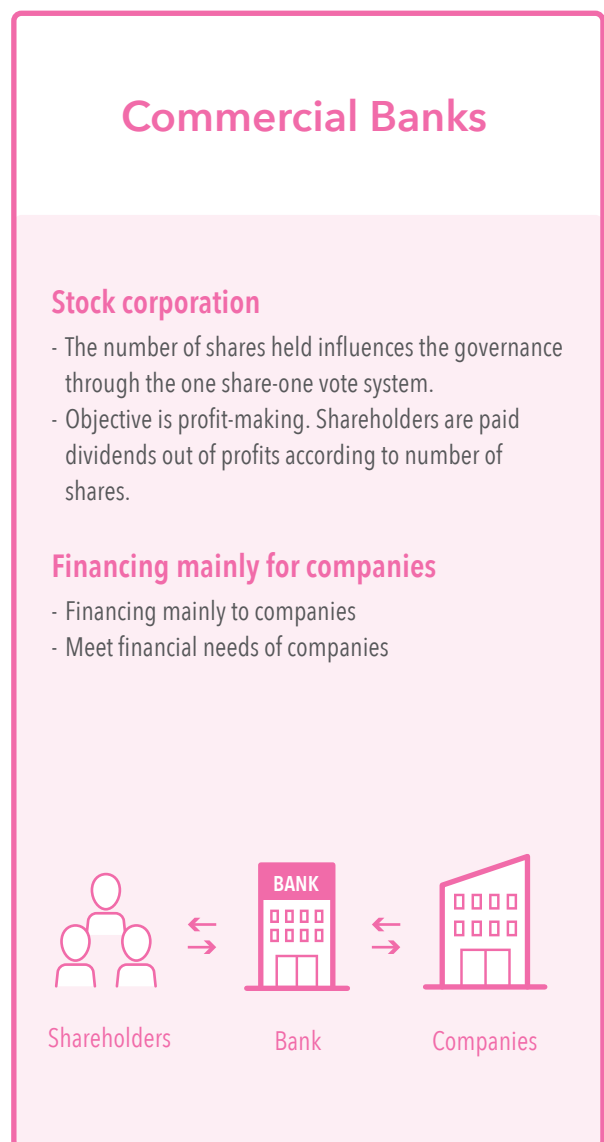
To improve zaikei savings programs, we are making efforts to build better asset formation systems by, for example, cooperating with labour welfare organizations to submit petitions to the central government .

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.

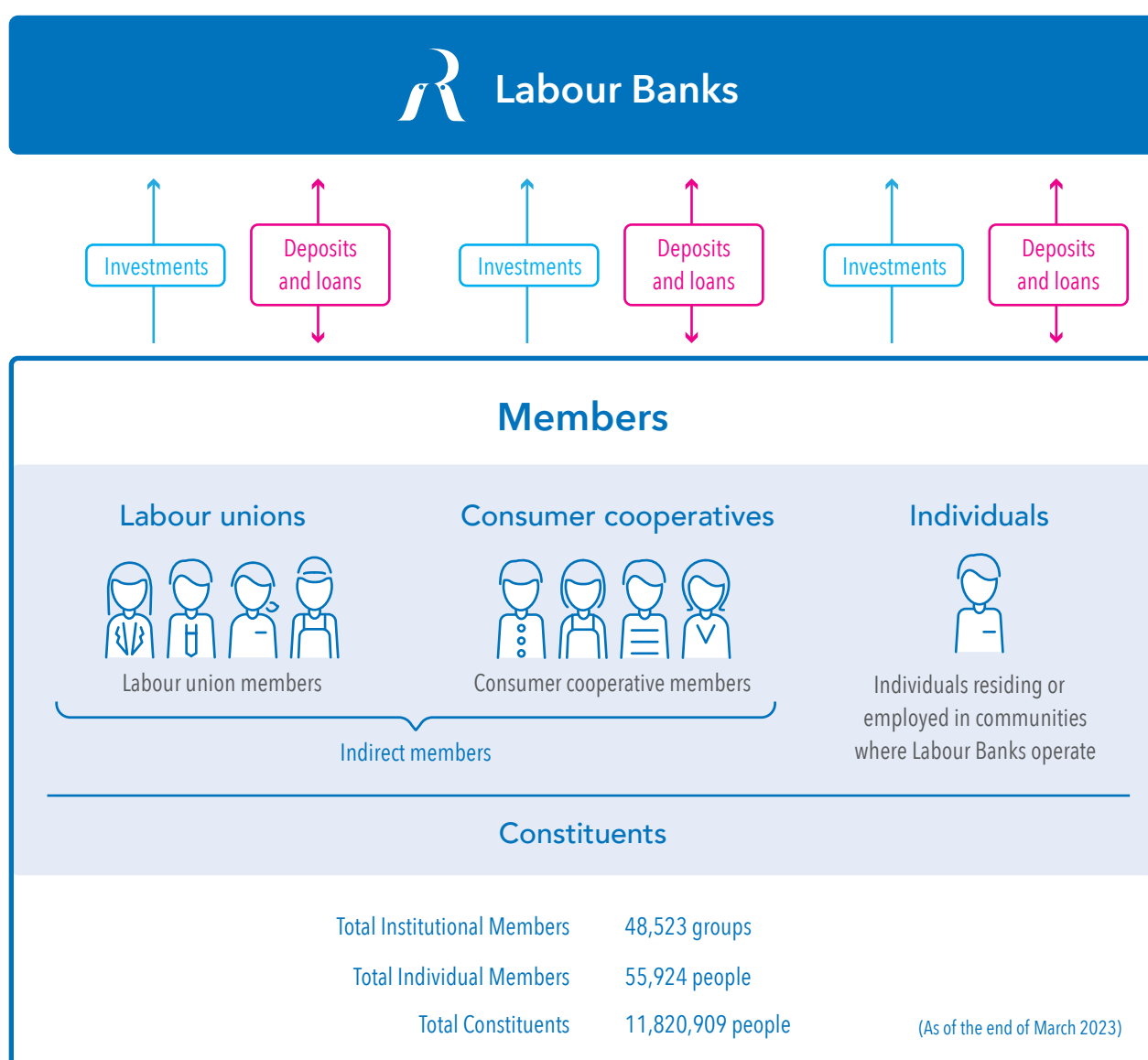
3. Organizational structure

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

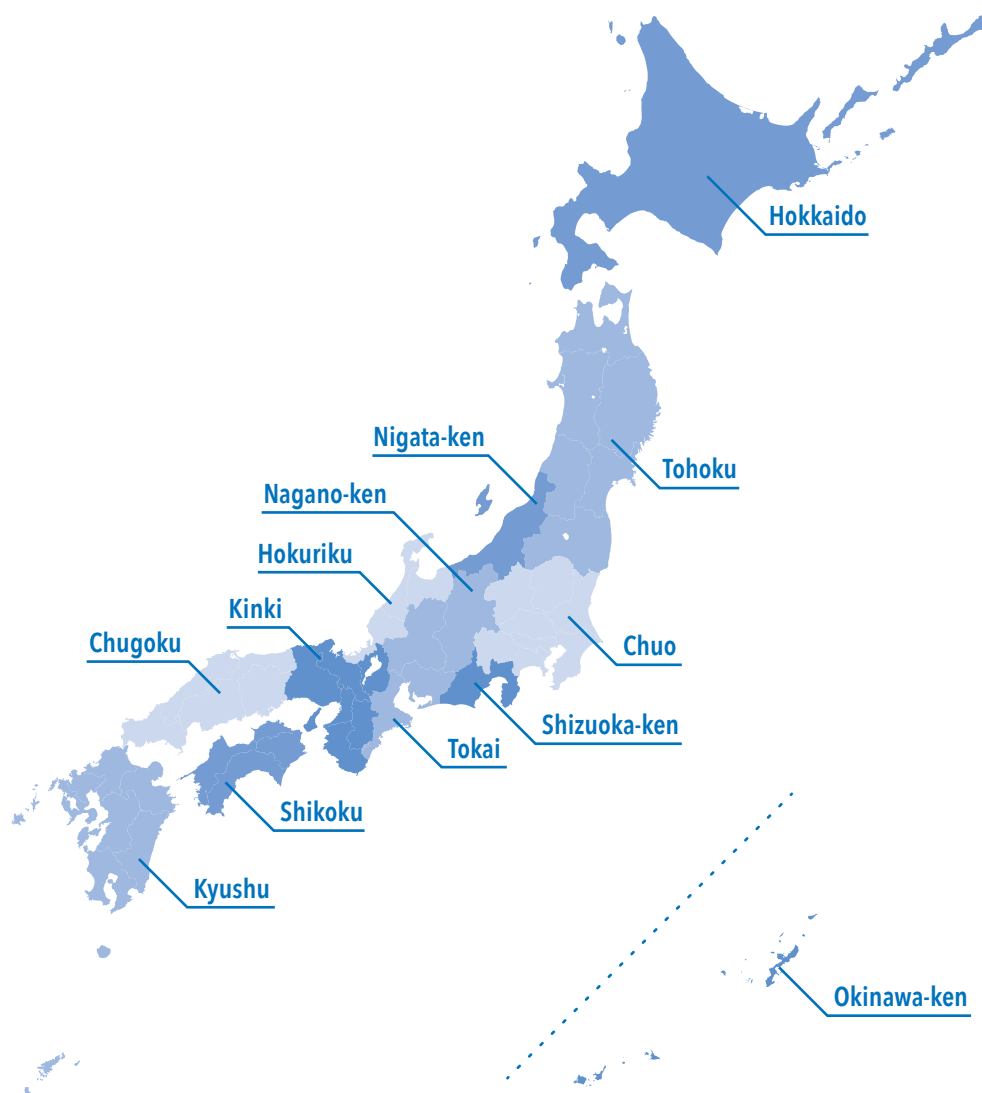
Labour Bank membership is composed mainly of institutions such as labour unions and consumer cooperatives that invest in the Labour Banks. Individual workers may, as constituents of the member organizations, use the services of Labour Banks. Moreover, individuals who do not have labour unions in their 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 Act 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 Act 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 605 branches as of the end of March 2023.

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.
"Zaikei" Deposit (property accumulation deposit)	Based on the Act for Promotion of Worker's 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.
Workers' Daily Life Support Special Loan System	A system for review of the repayment conditions of outstanding loans for workers who are facing difficulties when losing employment or when their income is reduced due to circumstances at their place of employment.
Disaster Support Loan	Low-interest loan for the support of people affected by natural disasters such as earthquakes, typhoons, heavy rainfall, etc.
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.

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.

NPO Project Support Loan

Loan System exclusively for NPOs with the goal of supporting the activities of NPOs aiming to improve community welfare.

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.
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.
Internet Banking (Rokin Direct)	Functions such as bank transfers and balance checking can be performed from a computer or smartphone that can access the internet.
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.
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. We are also handling NISA and Tsumitate NISA.
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.
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.
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 WORKERS FROM NATURAL DISASTERS AND INFECTIOUS DISEASE

1. Special Loan System to Support the Livelihoods of Workers 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

Nationwide Labour Banks have created a unified loan system and are making efforts to support the daily lives of workers who are facing anxieties due to the corona pandemic from the viewpoint of daily life support for member union members whose income has been reduced due to the impact of the spread of the COVID-19 infection.

The accumulated amount of new loans in the period from April 2020 to the end of March 2023 was approximately 35.3 billion yen and repayment conditions were relaxed for a total of outstanding 3,997 loans (including products handled by individual banks).

We are also taking steps to support the daily lives of all workers, for instance by handling partner loan systems in cooperation with local municipalities.

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 co-operatively organized welfare finance institution that is the most accessible and trusted by all workers, including the workers 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**



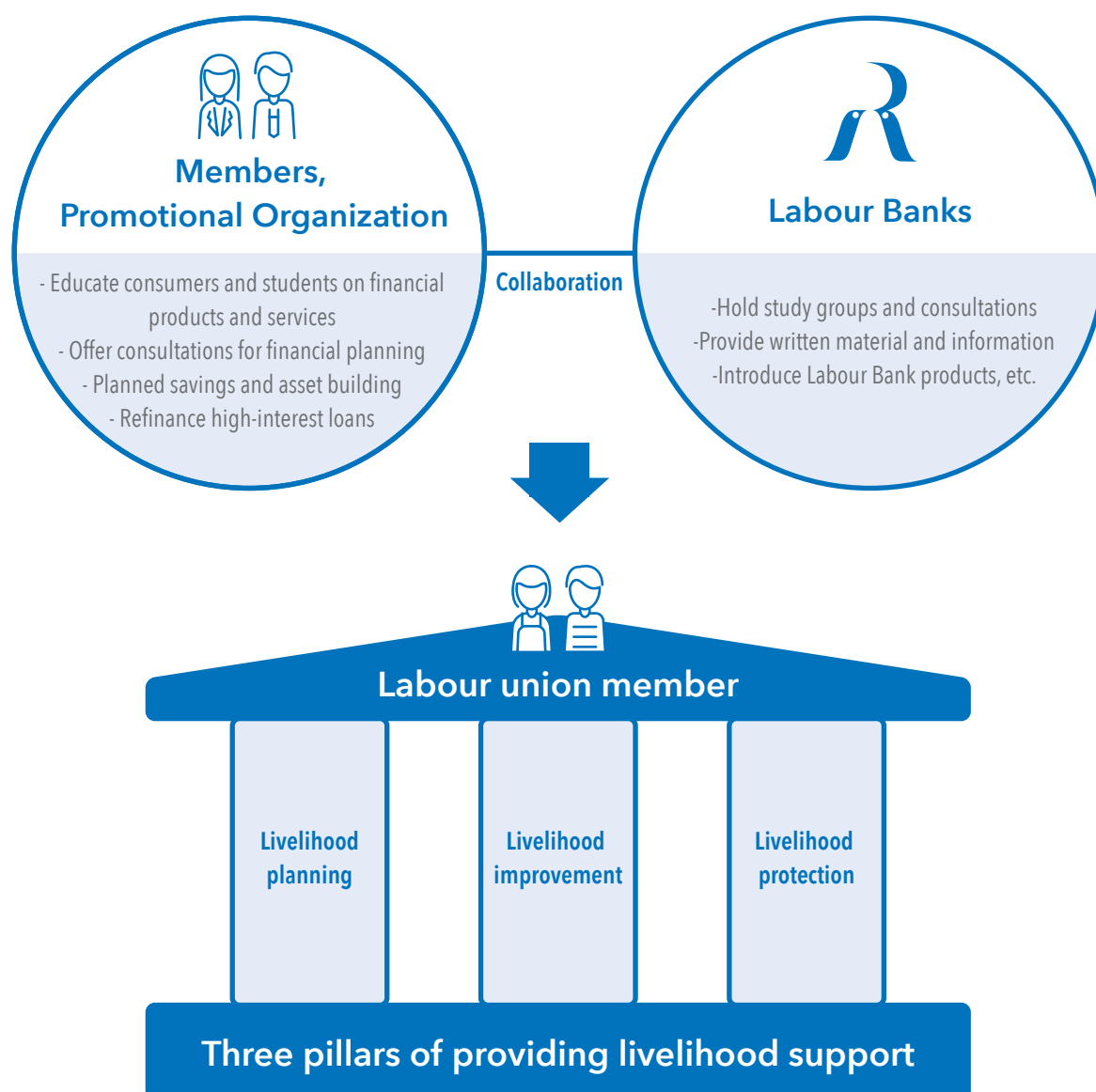
- Provide information to enable everyone to live with a sense of security and fulfilment within their communities

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 Loan to Support NPO Project 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.

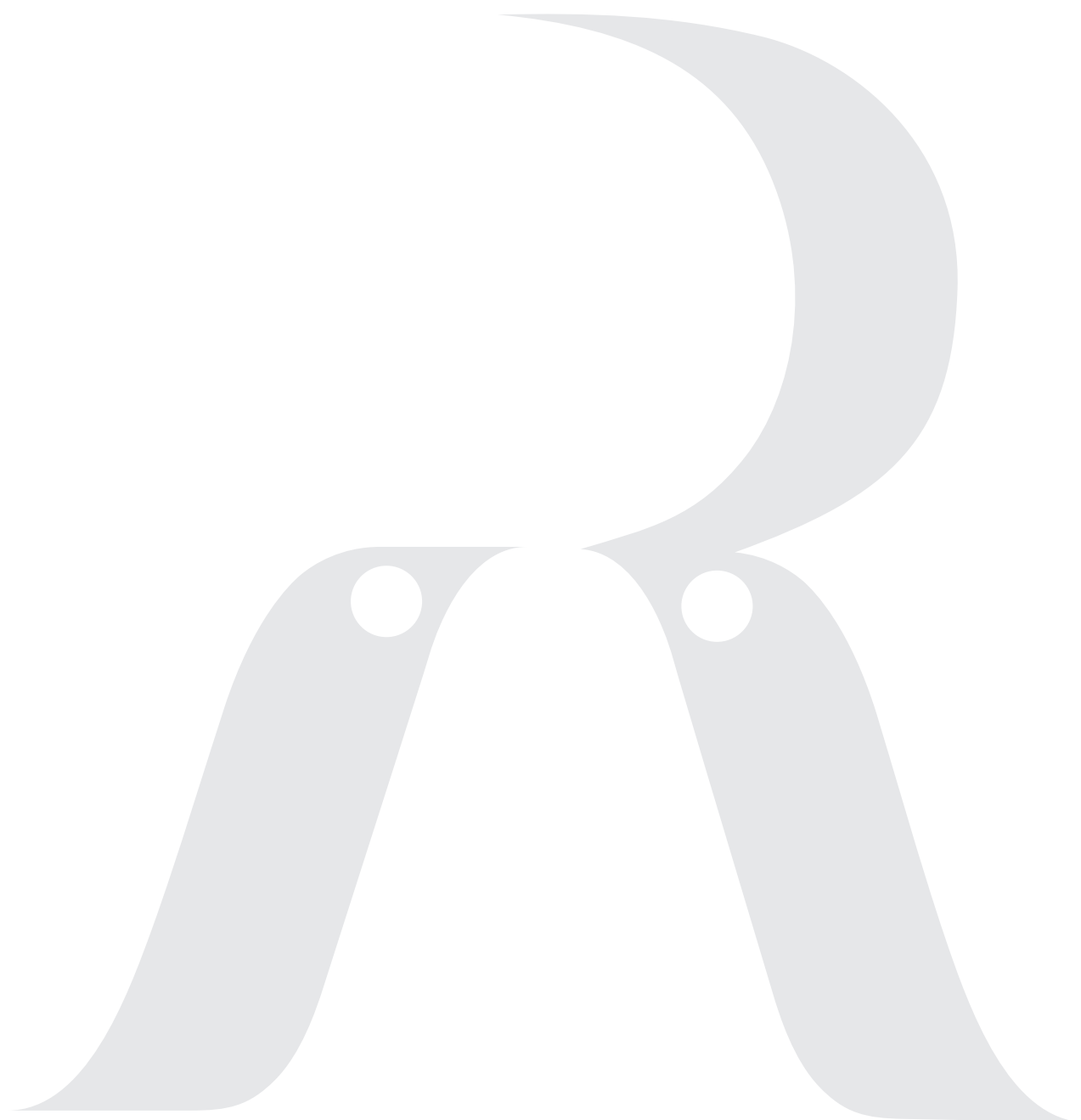
4. Our Efforts for Realizing the Labour Bank's Vision

[Creation of a Social Virtuous Cycle through Money with Significance]

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 Significance 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 workers 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 2023,” which summarizes the activities of nationwide Labour Banks in FY2022, was issued in May 2023. 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 workers, take on the task of support for improvements in the daily lives of workers 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 workers.
- Labour Banks will create a flow of money that contributes to the realization of a sustainable society by utilizing the valued funds of workers as, among others, financing for improvements in the daily lives of the workers 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 workers, 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.)
	2022	2021	2022
Cash	146,255	147,495	1,099,661
Due from banks	5,966,943	5,703,886	44,864,237
Call loans	-	-	-
Monetary claims purchased	8,840	9,596	66,467
Money in trusts	11,559	12,595	86,915
Securities	3,247,209	3,261,438	24,415,110
Loans	15,290,523	15,019,047	114,966,345
Others	165,956	164,626	1,247,793
Tangible fixed assets	144,158	143,105	1,083,899
Intangible fixed assets	2,698	2,731	20,292
Prepaid pension costs	5,963	3,910	44,838
Deferred tax assets	18,616	5,601	139,972
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	1,858	2,290	13,971
Allowance for loan losses	-13,801	-14,628	-103,773
Other allowances	-	-	-
Total assets	¥24,996,782	¥24,461,697	\$187,945,732

LIABILITIES

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Deposits (including NCDs)	22,959,777	22,623,883	172,629,907
Demand deposits	8,375,390	7,877,827	62,972,864
Time deposits	14,584,386	14,746,055	109,657,042
Borrowed money	580,671	441,265	4,365,953
Payables under securities lending transactions	157,463	50,501	1,183,937
Other liabilities	46,653	47,835	350,780
Reserve for bonus payments	5,438	5,405	40,892
Provision for employee retirement benefits	44,797	45,808	336,822
Provision for director retirement benefits	960	996	7,224
Other reserves	1,413	1,655	10,631
Reserves under the special laws	-	-	-
Deferred tax debt	3,416	11,625	25,689
Deferred tax debt related to revaluation	2,992	2,997	22,496
Guarantees	1,858	2,290	13,971
Total liabilities	¥23,805,444	¥23,234,265	\$178,988,307

MEMBERS' NET EQUITY

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Capital	96,945	97,222	728,915
Capital surplus	-	-	-
Earned surplus	1,084,330	1,058,832	8,152,863
Of which, unappropriated surplus for the term	47,611	47,487	357,981
Unappropriated share	-66	-51	-498
Unrealized gains and losses on other securities	5,833	67,337	43,863
Deferred hedge gains and losses	-546	-716	-4,112
Land revaluation excess	4,840	4,808	36,394
Members' net equity	1,191,337	1,227,432	8,957,425
Total liabilities and members' net equity	¥24,996,782	¥24,461,697	\$187,945,732

CONSOLIDATED STATEMENTS OF INCOME FOR ALL LABOUR BANKS



	(¥ mil.)	(US\$ thous.)
	2022	2021
Ordinary Income	277,059	267,627
Interest income	244,089	240,271
Interest on loans	185,951	187,334
Interest on deposits with other financial institutions	15,199	15,314
Interest on call loans	-	-
Interest on receivables under securities borrowing transactions	-	-
Interest and dividends on securities	34,103	31,024
Interest on interest swaps	-	-
Other interest	8,834	6,598
Fees and commissions	13,501	13,151
Other operating income	16,796	12,767
Other ordinary income	2,671	1,436
Special income	113	222
Total income	¥277,172	¥267,850
	(¥ mil.)	(US\$ thous.)
Ordinary expenses	232,843	224,122
Financing expenses	8,267	8,678
Interest on deposits (including NCDs)	7,964	8,331
Interest on borrowed money	1	2
Interest on payables under securities lending transactions	2	2
Interest on interest swaps	295	338
Other interest	3	3
Fees and commissions	47,367	45,867
Other operating expenses	13,832	2,067
General and administrative expenses	160,789	166,007
Other ordinary income	2,586	1,502
Special expenses	971	986
Total expenses	233,815	¥225,109
Net profit before tax	43,357	42,740
Corporate income, inhabitant, and business tax	10,005	9,967
Adjustment to income taxes and others	1,271	1,002
Total taxes	11,277	10,969
Net profit	¥32,080	¥31,770

STATUS OF INDIVIDUAL LABOUR BANKS

(¥ mil., %)

Bank Name	Deposits (including NCDs)	Annual Increase	Loans	Annual Increase	Ratio of Loans to Deposits
Hokkaido	1,093,673	1.15	811,939	3.49	74.23
Tohoku	2,301,467	2.51	1,359,236	4.47	59.05
Chuo	6,909,287	0.40	4,673,310	-0.28	67.63
Niigata-ken	901,333	1.09	377,158	-0.00	41.84
Nagano-ken	761,749	1.68	400,793	2.01	52.61
Shizuoka-ken	1,249,793	2.42	974,429	4.60	77.96
Hokuriku	818,546	1.04	477,990	2.77	58.39
Tokai	2,112,117	3.20	1,665,888	4.22	78.87
Kinki	2,440,718	2.00	1,523,130	2.57	62.40
Chugoku	1,304,328	1.88	829,910	1.58	63.62
Shikoku	657,746	1.10	416,630	0.24	63.34
Kyushu	2,091,986	1.51	1,538,995	-0.28	73.56
Okinawa-ken	317,028	0.73	241,109	9.08	76.05
Total	¥22,959,777	1.48	¥15,290,523	1.80	66.59

As of March 31, 2023

BALANCE SHEET FOR THE ROKINREN BANK



ASSETS

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Cash	-	-	-
Due from banks	2,761,630	3,220,785	20,764,141
Call loans	94,000	124,000	706,766
Monetary claims purchased	-	-	-
Money in trusts	4,978	4,999	37,435
Securities	4,620,379	4,666,000	34,739,698
Loans	1,676,976	1,302,215	12,608,848
Others	313,571	313,543	2,357,681
Tangible fixed assets	10,298	10,775	77,433
Intangible fixed assets	4,659	3,588	35,034
Prepaid pension costs	-	-	-
Deferred tax assets	-	-	-
Deferred tax assets for land revaluation	-	-	-
Customers' liabilities for guarantees	-	-	-
Allowance for loan losses	-4	-3	-37
Other allowances	-	-	-
Total assets	¥9,486,491	¥9,645,905	\$71,327,002

LIABILITIES

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Deposits (including NCDs)	7,239,548	6,900,187	54,432,693
Demand deposits	596,723	437,883	4,486,642
Time deposits	6,642,824	6,462,303	49,946,050
Borrowed money	520,600	887,900	3,914,285
Call Money	100,000	-	751,879
Payables under securities lending transactions	1,259,654	1,434,152	9,471,088
Other liabilities	34,863	22,843	262,134
Reserve for bonus payments	229	219	1,724
Provision for employee retirement benefits	1,891	1,978	14,220
Provision for director retirement benefits	42	96	323
Other reserves	-	-	-
Reserves under the special laws	-	-	-
Deferred tax debt	5,073	25,174	38,149
Deferred tax debt related to revaluation	-	-	-
Guarantees	-	-	-
Total liabilities	¥9,161,904	¥9,272,551	\$68,886,499

MEMBERS' NET EQUITY

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Capital	120,000	120,000	902,255
Capital surplus	-	-	-
Earned surplus	187,183	184,373	1,407,397
Of which, unappropriated surplus for the term	25,546	25,318	192,078
Unappropriated share	-	-	-
Unrealized gains and losses on other securities	17,403	68,979	130,850
Deferred hedge gains and losses	-	0	-
Land revaluation excess	-	-	-
Members' net equity	324,586	373,353	2,440,503
Total liabilities and members' net equity	¥9,486,491	¥9,645,905	\$71,327,002

STATEMENTS OF INCOME FOR THE ROKINREN BANK



	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Ordinary Income	89,145	61,628	670,267
Interest income	41,371	40,090	311,067
Interest on loans	283	318	2,134
Interest on deposits with other financial institutions	1,717	1,919	12,913
Interest on call loans	19	13	144
Interest on receivables under securities borrowing transactions	-	-	-
Interest and dividends on securities	39,332	37,785	295,730
Interest on interest swaps	-	-	-
Other interest	19	54	144
Fees and commissions	17,621	19,833	132,494
Other operating income	27,755	947	208,690
Other ordinary income	2,396	756	18,016
Special income	-	-	-
Total income	¥89,145	¥61,628	\$670,267

	(¥ mil.)		(US\$ thous.)
	2022	2021	2022
Ordinary expenses	78,797	50,196	592,458
Financing expenses	16,206	16,323	121,855
Interest on deposits (including NCDs)	16,083	16,184	120,927
Interest on borrowed money	0	0	0
Interest on payables under securities lending transactions	123	139	927
Interest on interest swaps	-	-	-
Other interest	0	0	0
Fees and commissions	890	879	6,695
Other operating expenses	38,621	6,836	290,389
General and administrative expenses	22,630	25,395	170,151
Other ordinary income	447	760	3,365
Special expenses	5	11	43
Total expenses	78,802	50,207	592,502

Net profit before tax	10,342	11,420	77,765
Corporate income, inhabitant, and business tax	1,795	1,733	13,502
Adjustment to income taxes and others	137	349	1,030
Total taxes	1,932	2,083	14,533
Net profit	¥8,409	¥9,336	\$63,232

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

Aya Abe

Ryohei Demura

Hiroshi Ito

Kenji Sugiura

Toshiaki Saito

Masakazu Koike

Yasutaka Masuda

Masamitsu Tsuji

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Yoshihiko Yamamoto

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(As of June 29, 2023)



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