

8. Employee Retirement Benefits

(1) Projected benefit obligation

| <SMBC Non-consolidated> | | (Millions of yen) | | |
|--|-------------|-------------------|-----------|---------------|
| | | Mar. 31, 2008 | | Mar. 31, 2007 |
| | | Change | | |
| Projected benefit obligation | (A) | 839,583 | (1,901) | 841,484 |
| <Discount rate> | | <2.5%> | < - > | <2.5%> |
| Fair value of plan assets | (B) | 938,244 | (211,779) | 1,150,023 |
| Reserve for employee retirement benefits | (C) | - | - | - |
| Prepaid pension cost | (D) | 209,071 | 33,227 | 175,844 |
| Unrecognized prior service cost (deductible from the obligation) | (E) | (36,831) | 11,084 | (47,915) |
| Unrecognized actuarial net gain (loss) | (A-B-C+D-E) | 147,241 | 232,020 | (84,779) |

| (Reference) <Consolidated> | | (Millions of yen) | | |
|--|-------------|-------------------|-----------|---------------|
| | | Mar. 31, 2008 | | Mar. 31, 2007 |
| | | Change | | |
| Projected benefit obligation | (A) | 919,082 | 8,943 | 910,139 |
| Fair value of plan assets | (B) | 975,920 | (210,140) | 1,186,060 |
| Reserve for employee retirement benefits | (C) | 38,701 | 4,277 | 34,424 |
| Prepaid pension cost | (D) | 212,370 | 34,188 | 178,182 |
| Unrecognized prior service cost (deductible from the obligation) | (E) | (37,118) | 11,139 | (48,257) |
| Unrecognized actuarial net gain (loss) | (A-B-C+D-E) | 153,949 | 237,854 | (83,905) |

(2) Cost for employee retirement benefits

| <SMBC Non-consolidated> | | (Millions of yen) | | |
|--|-------|-------------------|---------|----------|
| | | FY2007 | | FY2006 |
| | | Change | | |
| Cost for employee retirement benefits | (A) | (1,610) | (1,301) | (309) |
| Service cost | | 15,374 | (341) | 15,715 |
| Interest cost on projected benefit obligation | | 21,037 | (24) | 21,061 |
| Expected returns on plan assets | | (31,509) | (1,844) | (29,665) |
| Amortization of unrecognized prior service cost | | (11,084) | - | (11,084) |
| Amortization of unrecognized actuarial net gain (loss) | | 3,889 | 1,166 | 2,723 |
| Others | | 682 | (257) | 939 |
| Gains on return of securities from retirement benefits trust | (B) | - | 36,330 | (36,330) |
| Total | (A+B) | (1,610) | 35,029 | (36,639) |

| (Reference) <Consolidated> | | (Millions of yen) | | |
|--|-------|-------------------|---------|----------|
| | | FY2007 | | FY2006 |
| | | Change | | |
| Pension expenses | (A) | 5,863 | (1,744) | 7,607 |
| Gains on return of securities from retirement benefits trust | (B) | - | 36,330 | (36,330) |
| Total | (A+B) | 5,863 | 34,585 | (28,722) |