

## 7. Employee Retirement Benefits

## (1) Balance of the retirement benefit liability

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Mar. 31, 2004		Mar. 31, 2003
			Change	
Balance of the retirement benefit liability	(A)	827,806	(276,449)	1,104,255
	<Discount rate>	<2.5%>	<-0.5%>	<3.0%>
Fair value of plan assets	(B)	684,749	(21,753)	706,502
Reserve for employee retirement benefits	(C)	11,748	(61,068)	72,816
Prepaid pension cost	(D)	12,394	12,394	-
Unrecognized net obligation from change of accounting method	(E)	16,001	(24,334)	40,335
Unrecognized prior service cost (deductable from the obligation)	(F)	(77,479)	(24,778)	(52,701)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E-F)	205,180	(132,122)	337,302

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Mar. 31, 2004		Mar. 31, 2003
			Change	
Balance of the retirement benefit liability	(A)	892,421	(272,149)	1,164,570
Fair value of plan assets	(B)	709,353	(13,822)	723,175
Reserve for employee retirement benefits	(C)	40,842	(60,566)	101,408
Prepaid pension cost	(D)	13,049	13,049	-
Unrecognized net obligation from change of accounting method	(E)	17,876	(26,211)	44,087
Unrecognized prior service cost (deductable from the obligation)	(F)	(78,022)	(24,804)	(53,218)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E-F)	215,420	(133,698)	349,118

## (2) Cost for employee retirement benefits

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		FY2003		FY2002
			Change	
Cost for employee retirement benefits		82,216	16,968	65,248
Service cost		21,401	(381)	21,782
Interest cost		31,371	(1,023)	32,394
Expected returns on plan assets		(22,671)	8,385	(31,056)
Amortization of net obligation from change of accounting method (amortized using the straight-line method over 5 years)		19,473	(694)	20,167
Amortization of prior service cost		(6,508)	(114)	(6,394)
Amortization of actuarial net gain (loss)		34,978	12,024	22,954
Others		4,170	(1,230)	5,400
Gains on return of the entrusted portion of employee pension fund		59,095	59,095	-

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		FY2003		FY2002
			Change	
Cost for employee retirement benefits		93,442	13,792	79,650