

The greatest asset possessed by SMFG is its employees, and the growth of the Group is supported by the efforts of individual employees. SMFG makes active efforts to ensure that the invaluable individuality and unique abilities of each employee are optimally utilized. Hereunder, we explain the steps taken by SMBC in this field.

SMBC Human Resources (HR)

The primary goal of SMBC is to grow and prosper together with its four main stakeholder groups' — its customers, shareholders and employees. To achieve this goal, SMBC has established the following objectives for its HR system:

- Support the building of an even more powerful business base that can successfully compete on a global scale
- Cultivate staff with specialized skills who can provide customers with value-added services
- Motivate employees more strongly by respecting their individuality and encouraging them to seek personal fulfillment
- Foster a corporate culture that rewards a forward-looking and creative attitude

Nurturing Highly Specialized Human Resources

At SMBC, we nurture highly specialized and professional staff to achieve the goal of providing optimum added value to our customers. In view of the present trend of diversification in the types of business in which we engage, and specialization of banking staff in specific fields, as well as the growing diversity in values held by our staff, we are working to design a system of job categories to more effectively cope with these changing circumstances.

To enhance the effectiveness of our personnel system and reward highly specialized professional staff, we have set up "Master Courses" for the attainment of higher qualifications within each job category, and have created the new job description of "special expert" for those individuals who possess excellent market value in their own specialized fields.

● The Rising Rookie Program (RRP)

SMBC has a variety of basic education programs for newly hired employees, differing according to job category, to equip them with standard banking knowledge and skills. The newly introduced RRP is being offered as an introductory course for the corporate banking business. In their first six months, the new staff take a concentrated curriculum, which includes financial analysis and other practical in-class subjects, mixed with on-the-job training at our corporate offices. By dramatically accelerating their acquisition of basic knowledge and skills, which previously took several years, we aim to raise motivation among our entry-level employees.

After completion of the program, instructors follow up on the progress of their students as they work in corporate banking operations. Going one step further, SMBC launched the Senior

Director System in fiscal 2006. Workers with 15 to 20 years of experience assist new employees, providing general guidance and support, as well as instructing them on specific matters.

Also for the consumer banking business, SMBC has a number of highly specialized training programs tailored to different career tracks and business fields.

Support for Personal Career Designing

To develop into financial service professionals, it is vital for all our staff to carefully assess their own skills and aptitudes and to be given the opportunity to decide for themselves what future career development course they wish to pursue.

To support employees' personal efforts to develop their own careers, SMBC operates a hiring system with three entry channels: 1) entry to specific mid-management posts ("post entry"); 2) entry to specific specialist jobs ("job entry"); and 3) entry via career-related training courses ("training entry"). The content of the various jobs offered is revised every year, and in fiscal 2006 we offered openings in seven different posts and 133 job categories.

Training entry	A program designed to enable employees to apply for the training courses necessary for their career plans, including: on-the-job training abroad; sponsorship for graduate schools; and discussion forums held with companies in fields of business outside banking.
Job entry	A program designed to allow employees to pursue their own career goals. Employees can apply for jobs in specific business fields, such as corporate planning or investment banking.
Post entry	A program designed to give enthusiastic and talented employees a chance to apply for specific posts, such as branch manager or section head.

● The SMBC Job Forum

At the SMBC Job Forum held in January 2007, almost 100 SMBC departments seeking to recruit new employees through the “job entry” channel provided an overview of possible assignments. The forum raised interest among employees in cross-divisional career development by providing insights into the particular activities of many departments. Furthermore, the forum was intended to give employees a chance to think about their career goals and find a means for achieving those goals. Approximately 1,200 SMBC employees, who are interested in transferring to a new position, gathered from many parts of Japan.



Measures to Tap the Diversity of SMBC's Workforce

SMBC is committed to providing a workplace that can fully utilize the capabilities of all its staff, who have diverse priorities and lifestyles.

● Helping employees meet responsibilities at work and home

Since April 2005, SMBC has been operating an Employee Support Program to assist employees in maintaining the proper balance between their work and families. The program includes time off and reduced working hours to care for children as well as elderly relatives and others in need of care. We significantly expanded this program in January 2007 with the aim of giving employees even more flexibility. With this program, both male and female employees are better able to properly divide their time between their jobs and family responsibilities.

Programs to give employees a more flexible work environment

* Work relocations

Employees with job categories that do not normally provide for transfers can request reassignments to other locations due to marriage, relocation of one's spouse, or other reasons.

* Leave for taking care of sick children

Employees may take leave to care for sick pre-school children.

* Half-day vacation time

Employees can use their annual leave and other days off in half-day increments, thus providing the flexibility to attend school events and take care of other personal matters.

* System for rehiring former employees

Employees who have resigned due to marriage, childbirth, child raising or care of a parent can apply to be rehired within five years of their resignations.

* Parental leave

Employees may take parental leave until the child is 18 months old.

* Shorter working hours

SMBC offers the possibility of shorter working hours to employees who need to drop children off at a daycare facility and pick them up at the end of the day. There are two types of shortened work schedules: one that allows employees to specify a six-hour working period each day, and another that allows employees to designate one day each week as a holiday.

* Leave for taking care of elderly or disabled family members

Employees may take leave to care for a disabled or elderly family member.

Financial support for child rearing

* Child-care subsidies

SMBC reimburses employees for up to ¥50,000 in monthly after-school child care and babysitting expenses.

* Other programs

To reduce the economic burden on employees of child raising and other family requirements, SMBC offers reduced-fee child care, baby-sitting and other services provided by employee benefit service providers.

SMBC also has a program to help employees returning to the workplace following parental leave. Starting in April 2006, we have been holding monthly seminars for individuals using this leave. The seminars keep these people up-to-date on the recent events at SMBC.



Expanding employment opportunities for persons with disabilities

In line with new legislation to promote the employment of persons with disabilities, SMBC has established a subsidiary, SMBC Green Service Co., Ltd., as part of the bank's overall policy of actively seeking to increase the employment of persons with disabilities within the SMBC group.

In recognition of SMBC Green Service's significant contribution to expanding the employment of persons with disabilities, and providing conditions that enable them to stay at the same workplace for longer, in fiscal 2005 the Osaka Prefectural Government presented the company with an award under its "Compassionate Corporation Program."



● The SMBC Open Lounge

SMBC wants an even more diverse range of potential recruits to gain an understanding of banking operations and career opportunities. For this purpose, we conduct many activities that target university students. In fiscal 2005, we started a seminar called "Banking College for Women," a program aimed specifically at recruiting female university students. This program attracts a large number of participants every year. Activities like this helped raise the share of women to about 40% of all new graduates that we hired for the banking career track (including consumer service specialists) in April 2007.

In March 2007, SMBC sponsored a one-month event called "The SMBC Open Lounge." This event offered university students the chance to speak directly with younger staff members from various units, such as the Consumer Banking, Corporate Banking, International Banking, Investment Banking and Treasury units.



Developing employee awareness of individual rights

SMBC has laid down as principles to be observed by all its employees in the course of their work: 1) the requirement to respect the individual human dignity of customers and fellow staff members alike at all times; and 2) a prohibition against discrimination or prejudice of any kind against any person or class of persons.

To increase our employees' knowledge of the issues involved in respecting the rights of individuals, we have implemented the following measures:

(1) Group Seminars

The bank provides group seminars for the general managers of departments and branches who are responsible for overseeing their staff. The bank conducts similar seminars for employees newly promoted to management positions, junior staff, and newly-hired employees.

(2) On-the-job Training Sessions

These training sessions are held twice a year at each department and branch, and are presided over by the head of the department or the branch manager. A wide range of themes are addressed, including the treatment of persons with disabilities, sexual harassment, and discrimination on the basis of race or citizenship. These issues all form the subject of intensive discussions.

(3) Submission of Slogans

To raise the level of awareness of individual rights issues within the workplace, we invite our employees to think up slogans for display in the office or in manuals and so on concerning respect for individual rights. Staff at SMBC group companies, as well as temp staff and other non-regular employees are also urged to attend our study sessions and to submit slogans for consideration.

Staff Profile

March 31	2005	2006	2007
Number of employees*	21,020	20,322	19,723
Male	14,635	13,955	13,424
Female	6,385	6,367	6,299
Average age	39.0	39.0	39.0
Male	41.2	41.2	41.1
Female	33.7	34.0	34.4
Average years of service	16.9	16.7	16.6
Male	18.5	18.3	18.1
Female	13.2	13.3	13.5
Ratio of employees with disabilities (% of total)**	2.09%	1.99%	2.03%

* This figure is the number of full-time employees, including employees temporarily dispatched to other companies and organizations. The following have all been excluded from this total: executive officers, employees on short-term contracts, part-time employees, temp-staff employees, and local staff at overseas branches.

** As of March 1