

SMFG and the Group companies strive to create a workplace for their human resources where each and every employee can take pride in and be highly motivated about his or her work. In the following pages, we would like to introduce some of SMBC's initiatives in the human resources area.

Four Goals of SMBC's Human Resource Management

The primary goal of SMBC is to develop together with its four primary stakeholder groups: its customers, shareholders and market, society and environment, and employees. To achieve this goal, SMBC has established four objectives for its human resource management system.

- To promote the creation of an even more powerful business culture and practices that will enable SMBC to compete in global markets
- Develop staff with specialized professional skills who can provide customers with value-added services
- Motivate employees even more strongly by respecting their individuality and encouraging them to seek personal fulfillment
- Foster a corporate culture that encourages a forward-looking and creative attitude

Creating a Corporate Culture that Derives Strength from Diversity

● Employing a Diversity of Human Resources

SMBC is implementing initiatives to create a workplace where gender, nationality, and other superficial characteristics are not an issue and where a diversity of personnel can make active contributions. The ratio of women newly hired for the year beginning in April 2008 for generalist and consumer services positions exceeded 40%, and the number of women holding managerial positions has increased substantially. In April 2007, we appointed two non-Japanese officers as executive directors to strengthen our investment banking services in Europe and the Americas, and, in Japan, we are also actively hiring individuals of foreign nationality.

In fiscal 2008, the current fiscal year, we will establish a Diversity and Inclusion Department within our Human Resources Dept. and implement other initiatives for creating a corporate culture that derives strength from diversity.

● Employing Physically Challenged Persons

We have established a special corporation, SMBC Green Service Co., Ltd., that promotes the employment of persons with disabilities. We make arrangements for many physically challenged persons and representatives from other companies with an interest in employing persons with disabilities to visit SMBC and participate in practical training. As a result, we have received awards from many sources for our significant contributions to the employment of the physically challenged. In addition, we encourage our personnel to participate actively in skill competitions for the disabled that are sponsored by city and local governments in Japan. In the past, we have sent a number of our physically challenged employees to participate in the National Skill Competition for the Disabled (known as the "Abilinpic"). Please note that, as of March 2008, 2.05% of our employees had physical disabilities, which is well above the 1.8% required under relevant legal provisions.

● Providing Support for a Good Work-Life Balance

In fiscal 2007, SMBC established its Child-Care Subsidy Fund, which reimburses employees for up to ¥50,000 for monthly after-school child-care and babysitting expenses. In addition, we have created a new system for the reimbursement of transportation expenses for going to and from care centers and other child facilities. Also, in June 2008, we increased the number of days that employees can take off for taking care of a sick family member, and also lengthened the periods for shorter working hours, time off for taking care of a sick child, and the provision of a child-care subsidy to the third year of primary school. We are listening to the needs of our employees and working to create more enhanced systems to achieve a good balance between work and household requirements. For example, to date, more than 20 male employees have made use of our system for allowing husbands to take short periods of about two weeks off to assist with child rearing. In addition, our monthly lectures to provide support for employees planning to return to work after time off for child rearing have entered their third year, and more than 450 persons have attended these sessions. Also, to promote communication between employees and their families, we sponsor our SMBC Children's Visitation Program, which allows children to visit their mothers or fathers at work. These visits also provide an opportunity for educating family members about the work of SMBC and about finance and economics.

<Systems for a More Flexible Work Environment>

- **Work relocations**
To enable employees with job categories that do not normally provide for relocation transfers to 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 leaves to care for sick children who are in their third year of primary school or younger. (Leaves are up to 5 days a year for one child and 10 days a year for two or more children.)
- **Half-day vacation time**
Employees can use their annual allotment of vacation days in half-day increments, to give them 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 rearing, or caring for a parent can apply to be rehired within five years of their resignations.
- **Parental leave**
Employees are allowed to take parental leave until the child is 24 months old.
- **Shorter working hours**
For employees with children in school up to the end of the third year of primary school, SMBC has two types of systems that employees may choose from to give them time to drop off children at a daycare center and pick them up at the end of the day. One system enables them to shorten their working day, and the other makes it possible to designate one day each week as a day off.
- **Leave for caring for senior or disabled family members**
Employees may take leaves of absence to take care of a disabled or elderly family member.

<Systems to Provide Financial Support for Child Rearing>

- Child-care subsidies

For employees with children up to the end of the third year of primary school, SMBC offers subsidies up to a monthly limit of ¥50,000 to pay for after-school care and babysitting.

- Subsidies for transportation to and from child-care centers

To help pay for transportation costs to and from child-care centers and other such transportation expenses, SMBC offers a system that pays the cost of having parents take a detour to the care center, etc., from their regular commuting route.

- Child-care support system

To lighten the economic burden of child rearing for employees, we provide child-care center and babysitting services through an employee benefit services outsourcing company at a discount.



A session of SMBC Children's Visitation Program

Training Staff with Specialized Professional Skills

- Training for Younger Employees

To provide a high level of motivation for growth and development among younger personnel, SMBC has instituted its Rising Rookie Program and the SMBC Retail Banking College. Instruction in business knowledge and skills, which formerly was conducted over several years, has now been concentrated into a period of six months and is conducted efficiently by combining on-the-job training and classroom courses. In addition, we have built new training facilities in Nagoya, Tokyo, and Osaka to meet the growing need for training courses.

- Training at Overseas Offices

We are also devoting resources to the training of international staff. In fiscal 2007, we newly formed the Asia Pacific Training Department within our Planning Dept., International Banking Unit, and established a training room in Singapore. For employees in the Asian and Oceanian regions, we conduct various types of training programs, focused on business training and development of capabilities and skills. Through these activities we are taking the initiative in developing our human resources on a global scale.



Local staff participating in a training session in Singapore

Personnel Systems

- Expanding In-House Recruitment Systems

To raise the level of specialized knowledge as financial professionals among all employees, it is indispensable to provide systems for employees to gain a grasp of their aptitudes and skills and make their own decisions on the fields where they will show and take full advantage of their capabilities. One of the systems that SMBC has created to support employees in designing their own careers on their own initiative is the in-house recruitment system, which has three entry points: namely, the training entry point, the job entry point, and the post-entry point.

In the case of the job entry point, SMBC holds its SMBC Job Forum, which is an in-house seminar where 50 or more departments introduce their work and appeal to other employees to join them. This forum not only increases interest in the in-house recruitment system but also improves understanding among staff about a wide range of jobs within the bank, thus providing employees with the opportunity to think about their career design. In fiscal 2007, a total of more than 1,000 young to mid-career employees, in eastern and western Japan together, attended these seminars.



Employees attending the SMBC Job Forum to learn about in-house job opportunities

- Establishing a New Business Career Path

Beginning in fiscal 2008, we will realign our existing support staff career track by establishing the Business Career Path, which will expand the range of work activities and raise interest among employees in different career opportunities. Among job types, we will introduce a "corporate course" and an "operation course" among work and career paths. We will also create managerial levels and, valuing the lifestyles and career views of motivated employees, open up fields where they can make even greater contributions. In addition, from among temporary and contract employees working at our branches, we will hire about 2,000 of these staff as regular employees to go on the Business Career Path.

Heightening Awareness of Individual Rights

At SMBC, we have included in our principles of action the concepts that "we will respect the individual human dignity of our customers and employees" and "we will not permit discrimination of any kind." We are implementing the following initiatives to heighten the awareness of all employees regarding individual rights.

- Conducting training meetings for manager level staff (once a year), and personnel newly appointed to management positions and staff who have recently joined the bank
- Holding study meetings to discuss individual rights issues, with manager level personnel leading these sessions (twice a year)
- Soliciting slogans promoting individual rights from management and staff (once a year)

Also, in fiscal 2007, SMBC began to participate in the United Nations Global Compact, thereby agreeing to embrace, support and enact 10 principles in the areas of human rights, labor standards, the environment, and anti-corruption.

● SMBC Among the Best 25 Companies in Japan as "A Great Place to Work"

In January 2008, SMBC was selected as one of the best companies in Japan as a place to work in the survey conducted by Great Place to Work® Institute Japan.

* Great Place to Work® Institute, Inc., a U.S. company, is a survey organization that supplies data for the annual list of the "100 Best Places to Work®" published by Fortune magazine. The survey has two major components, a survey of the internal systems and corporate culture of respondent companies and a questionnaire survey of the employees of these companies. The results of the survey of employees receive a weighting of two-thirds in determining the final results.



- SMBC Receives Award for Promotion of Gender Equality and Work-Home Compatibility from Japan's Ministry of Health, Labour and Welfare. SMBC received an award for excellence in the gender equality promotion section of the award given by the Tokyo Labor Department as part of the fiscal 2007 corporate awards for gender equality and work-home compatibility sponsored by the Ministry of Health, Labour and Welfare. We received this award as "a company taking active initiatives to draw fully on the abilities of female employees." SMBC was cited for having "a wide range of departments that promote the employment of women" and "having support systems for attaining a balance between work and home responsibilities."

Staff Profile

| March 31 | 2006 | 2007 | 2008 |
|-----------------------------------------------------|--------|--------|--------|
| Number of employees* | 20,322 | 19,723 | 20,273 |
| Male | 13,955 | 13,424 | 13,457 |
| Female | 6,367 | 6,299 | 6,816 |
| Average age | 39.0 | 39.0 | 38.7 |
| Male | 41.3 | 41.2 | 40.10 |
| Female | 34.0 | 34.5 | 34.2 |
| Average years of service | 16.9 | 16.8 | 15.11 |
| Male | 18.4 | 18.2 | 17.5 |
| Female | 13.4 | 13.7 | 12.11 |
| Ratio of employees with disabilities (% of total)** | 1.99% | 2.03% | 2.05% |

* 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, temporary staff employees, and local staff at overseas branches.

** As of March 1 of the respective years

| April 1 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------------------------------|------|------|------|------|------|
| Number of newly employed female graduates*** | 143 | 208 | 252 | 380 | 518 |
| Ratio of newly employed females to total new employees | 36.2 | 38.1 | 36.3 | 40.0 | 41.3 |

*** Includes key employees, which includes generalist staff and consumer service staff. General office employees are excluded.

| Fiscal | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------------|------|------|------|------|------|
| Number of women in managerial positions**** | 167 | 193 | 235 | 280 | 354 |
| Number taking leave for child rearing | 61 | 70 | 89 | 126 | 163 |
| Men taking such leaves | — | — | — | 6 | 22 |
| Number of career hires | 7 | 88 | 181 | 156 | 500 |

**** As of the end of the fiscal year