

## Stock Options

### 1. Amount of stock options to be expensed in the fiscal year

General and administrative expenses 14 million yen

### 2. Outline of stock options and changes

#### (1) SMFG

##### (a) Outline of stock options

Date of resolution	June 27, 2002
Title and number of grantees	Directors and employees of SMFG and SMBC 677
Number of stock options	Common shares 1,620
Grant date	August 30, 2002
Condition for vesting	N.A.
Requisite service period	N.A.
Exercise period	June 28, 2004 to June 27, 2012

##### (b) Stock options granted and changes

##### Number of stock options

Date of resolution	June 27, 2002
Before vested	
Previous fiscal year-end	—
Granted	—
Forfeited	—
Vested	—
Outstanding	—
After vested	
Previous fiscal year-end	1,215
Vested	—
Exercised	99
Forfeited	—
Exercisable	1,116

##### Price information (Yen)

Date of resolution	June 27, 2002
Exercise price	¥669,775
Average exercise price	¥1,188,686
Fair value at the grant date	—

#### (2) A consolidated subsidiary, Kansai Urban Banking Corporation

##### (a) Outline of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004
Condition for vesting	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.
Exercise period	June 29, 2003 to June 28, 2011	June 28, 2004 to June 27, 2012	June 28, 2005 to June 27, 2013	June 30, 2006 to June 29, 2014

Date of resolution	June 29, 2005	June 29, 2006	June 29, 2006
Title and number of grantees	Directors and employees 183	Directors 9	Officers not doubling as directors 14 Employees 46
Number of stock options	Common shares 464,000	Common shares 162,000	Common shares 115,000
Grant date	July 29, 2005	July 31, 2006	July 31, 2006
Condition for vesting	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.
Exercise period	June 30, 2007 to June 29, 2015	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016

## (b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004
Before vested				
Previous fiscal year-end	—	—	—	399,000
Granted	—	—	—	—
Forfeited	—	—	—	—
Vested	—	—	—	399,000
Outstanding	—	—	—	—
After vested				
Previous fiscal year-end	220,000	204,000	282,000	—
Vested	—	—	—	399,000
Exercised	46,000	30,000	26,000	36,000
Forfeited	—	—	—	—
Exercisable	174,000	174,000	256,000	363,000

Date of resolution	June 29, 2005	June 29, 2006	June 29, 2006
Before vested			
Previous fiscal year-end	464,000	—	—
Granted	—	162,000	115,000
Forfeited	—	—	—
Vested	—	—	—
Outstanding	464,000	162,000	115,000
After vested			
Previous fiscal year-end	—	—	—
Vested	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	—	—	—

Price information

(Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004
Exercise price	¥155	¥131	¥179	¥202
Average exercise price	¥488	¥489	¥486	¥487
Fair value at the grant date	—	—	—	—

Date of resolution	June 29, 2005	June 29, 2006	June 29, 2006
Exercise price	¥313	¥490	¥490
Average exercise price	—	—	—
Fair value at the grant date	—	¥138	¥138

## (c) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year were valuated using the following valuation technique.

(i) Valuation technique: Black-Scholes option-pricing model

(ii) Principal parameters used in the option-pricing model

Date of resolution	June 29, 2006
Expected volatility (*1)	38.84%
Average expected life (*2)	5 years
Expected dividends (*3)	4 yen per share
Risk-free interest rate (*4)	1.40%

(\*) 1. Calculated based on the actual stock prices during the five years from June 2001 to June 2006.

2. The average expected life could not be estimated rationally due to insufficient amount of data.

Therefore, it was estimated assuming that the options were exercised at the mid point of the exercise period.

3. The actual dividends on common stock for the fiscal year ended March 31, 2006.

4. Japanese government bond yield corresponding to the average expected life.

## (d) Method of estimating number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.