

Stock Options**1. Amount of stock options to be expensed in the fiscal year**

General and administrative expenses ¥29 million

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	1,116
Vested	–
Exercised	35
Forfeited	–
Exercisable	1,081

Price information (Yen)

Date of resolution	June 27, 2002
Exercise price	¥669,775
Average exercise price	¥1,188,285
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	June 29, 2005
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004	July 29, 2005
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	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	June 30, 2007 to June 29, 2015

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007
Title and number of grantees	Directors 9	Officers not doubling as directors 14 Employees 46	Directors 10	Officers not doubling as directors 14 Employees 48
Number of stock options	Common shares 162,000	Common shares 115,000	Common shares 174,000	Common shares 112,000
Grant date	July 31, 2006	July 31, 2006	July 31, 2007	July 31, 2007
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 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017

(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	June 29, 2005
Before vested					
Previous fiscal year-end	–	–	–	–	464,000
Granted	–	–	–	–	–
Forfeited	–	–	–	–	–
Vested	–	–	–	–	464,000
Outstanding	–	–	–	–	–
After vested					
Previous fiscal year-end	174,000	174,000	256,000	363,000	–
Vested	–	–	–	–	464,000
Exercised	52,000	16,000	26,000	33,000	13,000
Forfeited	–	–	–	–	–
Exercisable	122,000	158,000	230,000	330,000	451,000

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007
Before vested				
Previous fiscal year-end	162,000	115,000	–	–
Granted	–	–	174,000	112,000
Forfeited	–	–	–	–
Vested	–	–	–	–
Outstanding	162,000	115,000	174,000	112,000
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	June 29, 2005
Exercise price	¥155	¥131	¥179	¥202	¥313
Average exercise price	¥415	¥358	¥360	¥380	¥335
Fair value at the grant date	–	–	–	–	–

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007
Exercise price	¥490	¥490	¥461	¥461
Average exercise price	–	–	–	–
Fair value at the grant date	¥138	¥138	¥96	¥96

(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 28, 2007
Expected volatility (*1)	36.91%
Average expected life (*2)	5 years
Expected dividends (*3)	¥5 per share
Risk-free interest rate (*4)	1.39%

(*1) 1. Calculated based on the actual stock prices during the five years from June 2002 to June 2007.

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, 2007.

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.