

## **2. Financial Position**

On a consolidated basis, SMFG's total assets as of September 30, 2009 decreased ¥2,105.8 billion to ¥117,531.4 billion, compared with March 31, 2009. Net assets amounted to ¥6,103.0 billion, a year-on-year increase of ¥1,491.2 billion. Stockholders' equity increased ¥968.0 billion year on year to ¥3,567.2 billion as a result of the issuance of new common shares in June and July and a recording of net income.

Deposits increased ¥398.5 billion to ¥75,968.0 billion from March 31, 2009. Loans and bills discounted decreased ¥579.2 billion to ¥64,556.2 billion. Of this amount, SMBC, on a non-consolidated basis, accounted for ¥58,898.7 billion, a decrease of ¥1,342.6 billion. SMBC recorded a decrease in its overseas loan balance and this was mainly because of a conservative stance on asset operations overseas and the transfer of most of its branches in China to a newly established subsidiary.

On a consolidated basis, problem assets (non-performing loans as defined under the Financial Reconstruction Law) increased ¥69.4 billion to ¥1,722.6 billion from March 31, 2009. Problem asset ratio remained at a low level of 2.39%, an increase of 0.11% from March 31, 2009.