

2. Financial Position

SMFG's total assets as of September 30, 2010, were ¥131,409.2 billion, an increase of ¥8,249.7 billion compared with March 31, 2010 on a consolidated basis. Net assets were ¥7,198.6 billion, an increase of ¥197.8 billion. Stockholders' equity was ¥4,982.1 billion, an increase of ¥337.4 billion, due mainly to recording of net income.

Deposits decreased by ¥551.7 billion to ¥78,096.9 billion from March 31, 2010, mainly because the balance of deposits in overseas market after conversion to Japanese Yen decreased due to the stronger Yen while the balance of deposits in domestic market increased. Loans and bills discounted increased by ¥831.6 billion to ¥63,532.7 billion mainly because the balance of loans and bills discounted at SMBC on a non-consolidated basis increased in domestic market.

Problem assets (non-performing loans as defined under the Financial Reconstruction Law) increased by ¥35.9 billion from March 31, 2010 to ¥1,607.8 billion on a consolidated basis. Problem asset ratio remained at a low level of 2.25%.