



**EXTRACTS FROM THE
CONSOLIDATED US GAAP
FINANCIAL STATEMENTS OF
ICICI BANK LIMITED
AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2004**

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consolidated balance sheets



(in millions, except share data)

| at March 31, | 2003 | 2004 | 2004 |
|--|------------------|------------------|---|
| | Rs. | Rs. | Convenience translation into US\$ US\$ |
| Assets | | | |
| Cash and cash equivalents | 72,453 | 98,985 | 2,281 |
| Trading assets | 39,634 | 75,155 | 1,732 |
| Securities: | | | |
| Available for sale | 267,499 | 296,605 | 6,834 |
| Non-readily marketable equity securities | 9,418 | 8,621 | 199 |
| Venture capital investments | 3,704 | 5,142 | 118 |
| Investments in affiliates | 2,615 | 3,619 | 83 |
| Loans, net of allowance for loan losses, security deposits and unearned income | 630,421 | 728,520 | 16,786 |
| Customers' liability on acceptances | 43,252 | 65,142 | 1,501 |
| Property and equipment, net | 21,215 | 23,183 | 534 |
| Assets held for sale | 2,306 | 4,829 | 111 |
| Goodwill | 4,787 | 5,403 | 124 |
| Intangible assets, net | 5,118 | 4,513 | 104 |
| Deferred tax assets | 6,423 | 7,937 | 183 |
| Interest and fees receivable | 12,472 | 6,529 | 151 |
| Other assets | 58,946 | 74,948 | 1,727 |
| Total assets | <u>1,180,263</u> | <u>1,409,131</u> | <u>32,468</u> |
| Liabilities | | | |
| Interest bearing deposits | 456,051 | 611,178 | 14,081 |
| Non-interest bearing deposits | 35,239 | 73,777 | 1,700 |
| Trading liabilities | 26,086 | 26,079 | 601 |
| Short-term borrowings | 42,095 | 57,364 | 1,322 |
| Bank acceptances outstanding | 43,252 | 65,142 | 1,501 |
| Long-term debt | 400,812 | 373,449 | 8,605 |
| Redeemable preferred stock | 853 | 944 | 22 |
| Taxes and dividends payable | 16,880 | 20,180 | 465 |
| Deferred tax liabilities | 460 | 614 | 14 |
| Other liabilities | 66,198 | 84,829 | 1,955 |
| Total liabilities | <u>1,087,926</u> | <u>1,313,556</u> | <u>30,266</u> |
| Commitments and contingencies | | | |
| Minority interest | 124 | 1,050 | 24 |
| Stockholders' equity: | | | |
| Common stock at Rs. 10 par value: 800,000,000 and 1,550,000,000 shares authorized as of March 31, 2003 and 2004; Issued and outstanding 613,034,404 and 616,391,905 shares as of March 31, 2003 and 2004, respectively | 6,127 | 6,164 | 142 |
| Additional paid-in capital | 64,863 | 65,341 | 1,506 |
| Retained earnings | 18,246 | 18,279 | 421 |
| Accumulated other comprehensive income | 2,977 | 4,741 | 109 |
| Total stockholders' equity | <u>92,213</u> | <u>94,525</u> | <u>2,178</u> |
| Total liabilities and stockholders' equity | <u>1,180,263</u> | <u>1,409,131</u> | <u>32,468</u> |

consolidated statements of operations

(in millions, except share data)

| for the year ended March 31, | 2002 ⁽¹⁾ | 2003 | 2004 | 2004 |
|---|---------------------|-----------------|----------------|---|
| | | | | Convenience translation into US\$ |
| | Rs. | Rs. | Rs. | US\$ |
| Interest and dividend income | | | | |
| Interest and fees on loans | 75,237 | 75,080 | 69,221 | 1,596 |
| Interest and dividends on securities | 1,447 | 17,022 | 15,695 | 362 |
| Interest and dividends on trading assets | 1,715 | 2,754 | 3,232 | 74 |
| Interest on balances and deposits with banks | 368 | 1,151 | 1,148 | 26 |
| Other interest income | 100 | 2,096 | 1,823 | 42 |
| Total interest and dividend income | 78,867 | 98,103 | 91,119 | 2,100 |
| Interest expense | | | | |
| Interest on deposits | 744 | 26,033 | 30,680 | 707 |
| Interest on long-term debt | 59,798 | 48,163 | 38,412 | 885 |
| Interest on short-term borrowings | 7,717 | 3,829 | 1,374 | 32 |
| Interest on trading liabilities | 911 | 3,114 | 1,815 | 42 |
| Other interest expense | 350 | 2,069 | 94 | 2 |
| Total interest expense | 69,520 | 83,208 | 72,375 | 1,668 |
| Net interest income | 9,347 | 14,895 | 18,744 | 432 |
| Provision for loan losses | 9,743 | 19,649 | 20,055 | 462 |
| Net interest income/ (loss) after provision for loan losses | (396) | (4,754) | (1,311) | (30) |
| Non-interest income | | | | |
| Fees, commission and brokerage | 4,703 | 5,397 | 8,988 | 207 |
| Net gain on trading activities | 2,442 | 3,075 | 4,433 | 102 |
| Net gain/(loss) on venture capital investments | (316) | (1,278) | 357 | 8 |
| Net gain/(loss) on other securities | (3,256) | 956 | 12,443 | 287 |
| Net gain on sale of loans and credit substitutes | 1,979 | 3,120 | 4,687 | 108 |
| Foreign exchange income/(loss) | 78 | 92 | 2,061 | 47 |
| Software development and services | 1,493 | 1,062 | 903 | 21 |
| Gain on sale of stock of subsidiaries/affiliates | 165 | — | — | — |
| Gain/(loss) on sale of property and equipment | 29 | 16 | 345 | 8 |
| Rent | 310 | 117 | 131 | 3 |
| Transaction processing services | — | 696 | 1,756 | 40 |
| Other non-interest income | 521 | — | 574 | 13 |
| Total non-interest income | 8,148 | 13,253 | 36,678 | 844 |
| Non-interest expense | | | | |
| Salaries and employee benefits | 2,980 | 5,383 | 9,976 | 230 |
| General and administrative expenses | 4,616 | 12,581 | 16,440 | 378 |
| Amortization of intangible assets | — | 645 | 685 | 16 |
| Total non-interest expense | 7,596 | 18,609 | 27,101 | 624 |
| Income/(loss) before equity in earning/(loss) of affiliates, minority interest, income taxes and cumulative effect of accounting changes | 156 | (10,110) | 8,266 | 190 |
| Equity in earning/(loss) of affiliates | 294 | (958) | (1,437) | (33) |
| Minority interest | 83 | 24 | 28 | 1 |
| Income/(loss) before income taxes and cumulative effect of accounting changes | 533 | (11,044) | 6,857 | 158 |
| Income tax (expense)/benefit | (251) | 3,061 | (1,638) | (38) |
| Income/(loss) before cumulative effect of accounting changes | 282 | (7,983) | 5,219 | 120 |
| Cumulative effect of accounting changes, net of tax | 1,265 | — | — | — |
| Net income/(loss) | 1,547 | (7,983) | 5,219 | 120 |

consolidated statements of operations



Continued

(in millions, except share data)

| for the year ended March 31, | 2002 ⁽¹⁾ | 2003 | 2004 | 2004 |
|--|---------------------|---------|------|---|
| | Rs. | Rs. | Rs. | Convenience translation into US\$ US\$ |
| Earnings per equity share: Basic (Rs.) | | | | |
| Net income/ (loss) before cumulative effect of accounting changes | 0.72 | (14.18) | 8.50 | 0.20 |
| Cumulative effect of accounting changes | 3.22 | — | — | — |
| Net income/ (loss) | 3.94 | (14.18) | 8.50 | 0.20 |
| Earnings per equity share: Diluted (Rs.) | | | | |
| Net income/ (loss) before cumulative effect of accounting changes | 0.72 | (14.18) | 8.43 | 0.20 |
| Cumulative effect of accounting changes | 3.22 | — | — | — |
| Net income/(loss) | 3.94 | (14.18) | 8.43 | 0.20 |
| Weighted average number of equity shares used in computing earnings per equity share (millions) | | | | |
| Basic | 393 | 563 | 614 | |
| Diluted | 393 | 563 | 619 | |

1) Restated for reverse acquisition and adoption of SFAS No. 147.

consolidated statements of stockholders' equity and other comprehensive income

(in millions, except share data)

| | Common stock No. of Shares ⁽¹⁾ | Amount Rs. | Treasury Stock No. of Shares | Amount Rs. | Additional Paid-in Capital Rs. | Retained Earnings Rs. | Deferred Compensation Rs. | Accumulated Other Comprehensive Income, Net of Tax Rs. | Total Stock- holders Equity Rs. |
|---|---|---------------|------------------------------------|---------------|---|-----------------------------|---------------------------------|---|---|
| Balance as of March 31, 2001 | 392,672,024 | 3,922 | — | — | 42,036 | 34,196 | (33) | (4,199) | 75,922 |
| Common stock issued on exercise of stock options | 700 | — | — | — | — | — | — | — | — |
| Amortization of compensation... | — | — | — | — | — | — | 26 | — | 26 |
| Comprehensive income | | | | | | | | | |
| Net income | — | — | — | — | — | 1,547 | — | — | 1,547 |
| Net unrealized gain/(loss) on securities, net of realization (net of tax) | — | — | — | — | — | — | — | 3,283 | 3,283 |
| Translation adjustments (net of tax) | — | — | — | — | — | — | — | 84 | 84 |
| Comprehensive income/(loss) ... | | | | | | | | | 4,914 |
| Cash dividends declared (Rs. 11 per common share) | — | — | — | — | — | (9,514) | — | — | (9,514) |
| Balance as of March 31, 2002⁽²⁾ | 392,672,724 | 3,922 | — | — | 42,036 | 26,229 | (7) | (832) | 71,348 |
| Common stock issued on reverse acquisition | 118,962,731 | 1,190 | — | — | 10,838 | — | — | — | 12,028 |
| Fair value of stock options assumed on reverse acquisition | — | — | — | — | 409 | — | — | — | 409 |
| Treasury stock arising due to reverse acquisition | 101,395,949 | (101,395,949) | (8,204) | 8,204 | — | — | — | — | — |
| Sale of treasury stock | — | 1,015 | 101,395,949 | 8,204 | 3,336 | — | — | — | 12,555 |
| Common stock issued on exercise of stock options | 3,000 | — | — | — | — | — | — | — | — |
| Increase in carrying value on direct issuance of stock by subsidiary | — | — | — | — | 40 | — | — | — | 40 |
| Amortization of compensation... | — | — | — | — | — | — | 7 | — | 7 |
| Comprehensive income | — | — | — | — | — | — | — | — | — |
| Net income/ (loss) | — | — | — | — | — | (7,983) | — | — | (7,983) |
| Net unrealized gain/(loss) on securities, net of realization (net of tax) | — | — | — | — | — | — | — | 3,731 | 3,731 |
| Translation adjustments...(net of tax) | — | — | — | — | — | — | — | 78 | 78 |
| Comprehensive income/ (loss)... | — | — | — | — | — | — | — | — | (4,174) |
| Balance as of March 31, 2003 | 613,034,404 | 6,127 | — | — | 64,863 | 18,246 | — | 2,977 | 92,213 |
| Common stock issued on exercise of stock options | 3,370,604 | 34 | — | — | 478 | — | — | — | 512 |
| Receipt of calls in arrears | — | 3 | — | — | — | — | — | — | 3 |
| Amortization of compensation... | — | — | — | — | — | — | — | — | — |
| Comprehensive income | — | — | — | — | — | — | — | — | — |
| Net income/(loss) | — | — | — | — | — | 5,219 | — | — | 5,219 |
| Net unrealized gain/(loss) on securities, net of realization...(net of tax) | — | — | — | — | — | — | — | 1,858 | 1,858 |
| Translation adjustments...(net of tax) | — | — | — | — | — | — | — | (94) | (94) |
| Comprehensive income/ (loss)... | — | — | — | — | — | — | — | — | 6,983 |
| Cash dividends declared (Rs.7.5 per common share) | — | — | — | — | — | (5,186) | — | — | (5,186) |
| Balance as of March 31, 2004 | 616,405,008 | 6,164 | — | — | 65,341 | 18,279 | — | 4,741 | 94,525 |
| Balance as of March 31, 2004 (US\$) | 616,405,008 | 142 | | | 1,506 | 421 | | 109 | 2,178 |

1) Restated for reverse acquisition.

2) Restated for adoption of SFAS No. 147.

consolidated statements of cash flows



(in millions, except share data)

| for the year ended March 31, | 2002 ⁽¹⁾ | 2003 | 2004 | 2004 |
|--|---------------------|----------------|------------------|---|
| | Rs. | Rs. | Rs. | Convenience translation into US\$ US\$ |
| Operating activities | | | | |
| Net income/(loss) | 1,547 | (7,983) | 5,219 | 120 |
| Adjustments to reconcile net income to net cash (used in)/provided by operating activities: | | | | |
| Provision for loan and other credit losses | 10,532 | 19,649 | 20,055 | 462 |
| Depreciation | 786 | 2,438 | 2,791 | 64 |
| Amortization | 1,193 | 5,815 | (1,902) | (44) |
| Amortization of discounts and expenses on borrowings | 1,307 | 607 | 856 | 20 |
| Deferred income tax | (3,245) | (4,348) | (2,046) | (47) |
| Unrealized loss/(gain) on trading securities | (80) | (117) | 15 | — |
| Unrealized loss/(gain) on venture capital investments | 300 | 1,278 | (499) | (11) |
| Other than temporary decline in value of other securities | 3,480 | 2,098 | 944 | 22 |
| Unrealized gain on derivative transactions | 190 | (1,009) | (850) | (20) |
| Undistributed equity in (earning)/loss of affiliates | (9) | 958 | 1,631 | 38 |
| Minority interest | (83) | (24) | (28) | (1) |
| (Gain)/loss on sale of property and equipment, net | (29) | (16) | (345) | (8) |
| (Gain)/loss on sale of securities available for sale | (349) | (956) | (12,443) | (287) |
| Gain on sale of subsidiary's stock | (165) | — | — | — |
| Gain on sale of loans | (1,979) | (2,795) | (4,687) | (108) |
| Cumulative effect of accounting changes, net of tax | (1,265) | — | — | — |
| Change in assets and liabilities | | | | |
| Trading account assets | (23,421) | 29,944 | (34,686) | (799) |
| Interest and fees receivable | 3,583 | (2,990) | 5,943 | 137 |
| Other assets | (12,783) | (34,295) | (18,535) | (427) |
| Trading account liabilities | 4,352 | (13,656) | (7) | — |
| Taxes payable | 552 | 5,830 | 3,300 | 76 |
| Other liabilities | 14,422 | 4,663 | 18,750 | 432 |
| Net cash (used in)/provided by operating activities | (1,164) | 5,091 | (16,524) | (381) |
| Investing activities | | | | |
| Purchase of available for sale securities | (68,043) | (717,765) | (270,405) | (6,231) |
| Purchase of venture capital investments | (504) | (1,268) | (3,097) | (72) |
| Purchase of non-readily marketable equity securities | (2,015) | (1,150) | (561) | (13) |
| Proceeds from sale of held to maturity securities | 640 | — | — | — |
| Proceeds from sale of available for sale securities | 28,512 | 684,769 | 255,316 | 5,883 |
| Proceeds from sale of venture capital investments | 53 | 207 | 2,157 | 50 |
| Proceeds from sale of non-readily marketable equity securities | 183 | — | 1,358 | 31 |
| Proceeds from sale of subsidiary's stock | 302 | — | — | — |
| Origination of loans, net | 28,624 | (108,023) | (237,709) | (5,477) |
| Proceeds from sale of loans | 40,815 | 51,780 | 128,269 | 2,956 |
| Purchase of property and equipment | (1,701) | (6,943) | (5,740) | (132) |
| Proceeds from sale of property and equipment | 128 | 504 | 1,305 | 30 |
| Investments in affiliates | (1,159) | (1,691) | (2,635) | (61) |
| Payment for business acquisition, net of cash acquired | (143) | 98,487 | (1,322) | (30) |
| Net cash (used in)/provided by investing activities | 25,692 | (1,093) | (133,064) | (3,066) |

consolidated statements of cash flows

Continued

(in millions, except share data)

| for the year ended March 31, | 2002 ⁽¹⁾ | 2003 | 2004 | 2004 |
|---|---------------------|---------------|----------------|---|
| | Rs. | Rs. | Rs. | Convenience translation into US\$ US\$ |
| Financing activities | | | | |
| Increase in deposits, net | 1,308 | 158,290 | 193,741 | 4,464 |
| Proceeds/ Repayment from short-term borrowings, net | (28,852) | (30,118) | 15,269 | 352 |
| Proceeds from other borrowings | 5,787 | — | — | — |
| Proceeds from issuances of long-term debt | 158,905 | 10,631 | 114,712 | 2,643 |
| Repayment of long-term debt | (142,019) | (124,979) | (142,931) | (3,293) |
| Proceeds from issuance of common stock | — | 13,155 | 515 | 12 |
| Proceeds from issuance of common stock by subsidiary | 390 | — | — | — |
| Cash dividends paid | (9,514) | — | (5,186) | (119) |
| Net cash provided by/(used in) financing activities | (13,995) | 26,979 | 176,120 | 4,059 |
| Effect of exchange rate on cash and cash equivalents | (14) | — | — | — |
| Net increase/(decrease) in cash and cash equivalents | 10,519 | 30,977 | 26,532 | 612 |
| Cash and cash equivalents at the beginning of the year | 30,957 | 41,476 | 72,453 | 1,669 |
| Cash and cash equivalents at the end of the year | 41,476 | 72,453 | 98,985 | 2,281 |
| Supplementary information: | | | | |
| Cash paid for: | | | | |
| Taxes | 4,505 | 1,027 | 3,313 | 76 |
| Non-cash items: | | | | |
| Foreclosed assets | 1,188 | 673 | 1,087 | 25 |
| Conversion of loan to equity shares | 1,586 | 4,495 | 1,162 | 27 |
| Transfer of securities from held to maturity category to available for sale category | 866 | — | — | — |
| Change in unrealized gain/(loss) on securities available for sale, net | 3,283 | 5,205 | 2,507 | 58 |
| Acquisitions | | | | |
| Fair value of net assets acquired, excluding cash and cash equivalents | | (37,948) | 642 | 15 |
| Shares issued | 118,965,731 | | 3,370,604 | 77,664 |
| Treasury stock | | 8,204 | — | — |

¹⁾ Restated for reverse acquisition and adoption of SFAS No. 147



REGISTERED OFFICE

Landmark
Race Course Circle, Vadodara 390 007

CORPORATE OFFICE

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Chartered Accountants
Express Towers, 6th Floor,
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REGISTRAR AND TRANSFER AGENTS

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