

Limited Review Report

**Review Report to
The Board of Directors
The South Indian Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of The South Indian Bank Limited ('the Company') for the quarter ended September 30, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In the conduct of our review we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 106 branches. These review reports of the concurrent auditors' are estimated to cover 64% percent of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.
4. Without qualifying our conclusion, we draw attention to:
 - a. Note 5 to the statement, which describes deferment of pension and gratuity liability relating to existing employees of the Bank to the extent of Rs. 156.53 Crores and the unamortized liability of Rs 106.09 Crores as at September 30, 2011 pursuant to the exemption granted by the Reserve Bank of India to the Bank from application of the provisions of Revised Accounting Standard (AS) 15, Employee Benefits vide its letter dated 8 April 2011 to the Bank regarding Re-opening of Pension Option to Employees and Enhancement in Gratuity Limits - Prudential Regulatory Treatment.
 - b. Note 6 to the statement, regarding disputed income tax dues aggregating Rs 116.05 Crores which are pending before the Supreme Court of India. Pending final outcome of this matter, no adjustments have been made to the financial results in this regard.

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For THE SOUTH INDIAN BANK LTD.


K.S. KRISHNAN
CFO & COMPANY SECRETARY



S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

S.R. Batliboi & Associates
For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants
Firm registration number: 101049W

Anish
per Subramanian Suresh
Partner
Membership No.:083673

Place: Thrissur
Date: October 17, 2011



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For THE SOUTH INDIAN BANK LTD.

K.S. Krishnan
K.S. KRISHNAN
CFO & COMPANY SECRETARY

