

April 26, 2019

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051
Tel.: 2659 8235/36 8458
NSE Symbol: YESBANK

BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai - 400 001
Tel.: 2272 8013/15/58/8307
BSE Scrip Code: 532648

Dear Sirs,

Sub.: Disclosure made in pursuance of Circular No. CIR/IMD/DF/51/2017 dated May 30, 2017 pertaining to Green Infra Bonds issued by Securities Exchange Board of India ("SEBI Circular")

This is in continuation to our submission of the yearly financial results. In terms of para 2.3(a) of the aforesaid SEBI Circular, an issuer who has listed its Green Debt Securities shall provide disclosure pertaining to utilisation of the proceeds of the issue and the allocation of funds towards the project(s) from the proceeds of Green Debt Securities; and the details of unutilized proceeds.

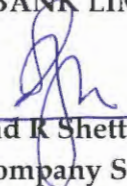
In this regard, please find enclosed herewith the disclosure on Green Debt Securities for the year ended March 31, 2019.

Further, additional disclosures as prescribed under para 2.3(b) of the SEBI Circular will form part of the Annual Report of the Bank for FY 2018-19.

You are requested to take note of the above.

Thanking you,

Yours faithfully,
For YES BANK LIMITED


Shivanand K Shettigar
Group Company Secretary



Encl: As above

DISCLOSURES UNDER GREEN INFRASTRUCTURE BONDS FY 2018-19

Since the maiden issuance by YES BANK in 2015, green bonds have emerged as an innovative instrument for financing climate action in India. Over the past few years, the Green Bonds market has witnessed a steady growth and is currently pegged at over USD 7 billion. Green Bonds are playing a pivotal role towards the realization of ambitious climate targets that India pledged during Paris Accord in 2015. Driven by its commitment of mobilizing USD 5 billion towards climate action by 2020, as taken during Paris Accord, YES BANK has issued three green bonds:

- **February 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of INR 10 billion. This 10 year tenor bond witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds
- **August 2015:** YES BANK raised INR 3.15 billion through the issue of Green Infrastructure Bonds to International Finance Corporation on a private placement basis which is the first investment by IFC in an Emerging Markets Green Bond issue in the world. The bonds are for a tenor of 10 years. IFC paid for the placement using the proceeds from the first Green Masala Bond program, that aimed at raising capital in the offshore rupee market
- **December 2016:** YES BANK has raised INR 3.30 billion, through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's 1st investment in a Green Bond issued by a bank in India. FMO has paid for the placement using the proceeds from their sustainability bonds issued in 2015

The amount raised is used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that are in adherence to the Green Bond Principles (GBP). For FY 2018-19, KPMG, India has provided limited assurance on conformity of the use of proceeds, process for evaluation and selection of projects, management of proceeds and reporting of these green bonds to GBP 2018.

The GBP are voluntary guidelines, developed by the International Capital Markets Association, for broad use by the market that recommend transparency and disclosure, and promote





integrity in the development of the Green Bond market. They have the following four key components and the bank showcases its adoption below:

- **Use of Proceeds:** The proceeds raised by the bank are used in eligible project categories and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including Wind, Solar, Biomass, Hydropower and other such projects
- **Process for Evaluation and Selection of Eligible Projects:** The bank's process starts with interactions with potential borrowers to understand the overall aspects of the project and a preliminary confirmation against the eligibility criteria. The evaluation moves to risk assessment for confirmation of the eligibility, post which further documentation is sought as per the Bank's policies and GBP
- **Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the bank through an MIS based asset tagging system on a quarterly basis. The unallocated proceeds, if any, are placed in liquid instruments (Government Securities) on a quarterly basis
- **Reporting:** The bank's communication to investors through an annual update includes:
 - List of projects to which proceeds have been allocated to, with brief description including amounts disbursed, installed capacity
 - Summary of Environment and Social (E&S) impacts associated with projects, if any
 - Information on investment of unallocated proceeds in liquid instruments

Impacts

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO₂, SO₂, NO_x and other air pollutants associated with fossil fuel based energy generation. Estimated CO₂ emission reductions are shared along with project details.



List of projects against which green bonds proceeds have been allocated as on 31st March 2019 is provided below:

Proceeds Utilization* Against Bond Issuance Size of INR 1,000 Cr (February 2015)					
Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO2 Emission Reduction (tCO2e / yr)	Known significant negative E&S Impacts
1	Maharashtra	31.5 MW wind energy project	121.32	45,756.09	None
2	Andhra Pradesh	10 MW solar energy project	18.61	18,183.66	None
3	Madhya Pradesh	12 MW wind energy project	38.48	28,595.27	None
4	Karnataka	50 MW solar energy project	94.44	92,588.38	None
5	Telangana	15 MW solar energy project	9.29	20,945.42	None
6	Telangana	143 MW solar energy project	189.74	2,90,199.61	None
7	Telangana	15 MW solar energy project	9.29	11,731.39	None
8	Telangana	42 MW solar energy project	11.42	73,189.22	None
9	Rajasthan & Andhra Pradesh	155.4 MW wind energy project	231.20	2,55,734.57	None
10	Karnataka	40 MW solar energy project	174.92	83,390.64	None
11	Karnataka	21 MW wind energy project	56.57	48,758.60	None
12	Karnataka	32 MW solar energy project	48.25	63,870.91	None

Proceeds Utilization* Against Bond Issuance Size of INR 315 Cr (August 2015)					
Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO2 Emission Reduction (tCO2e / yr)	Known significant negative E&S Impacts
1	Andhra Pradesh	100 MW wind energy project	141.92	2,83,508.64	None
2	Telangana	30 MW solar energy project	89.72	52,278.02	None
3	Telangana	5 MW solar energy project	22.63	9,625.44	None

Proceeds Utilization* Against Bond Issuance Size of INR 330 Cr (December 2016)					
Sr. No	Project Location	Description	Total Fund Based Utilization, INR Cr	Estimated** positive E&S impacts - CO2 Emission Reduction (tCO2 / yr)	Known significant negative E&S Impacts
1	Gujarat	30 MW wind energy project	40.87	68,677.52	None
2	Telangana	50 MW solar energy project	6.32	89,207.46	None
3	Karnataka	40 MW solar energy project	188.60	85,215.53	None
4	Rajasthan	300 MW solar energy project	111.85	4,52,391.80	None

* For the Green bonds which have been fully utilized, the cumulative lending to the projects which received the proceeds may exceed the issuance size. The temporary unallocated proceeds (INR 60.73 Cr of INR 315 Cr bond issued in August 2015) have been invested in Government Securities and will be allocated back to eligible projects, when available.





** The total CO₂ emission reduction for individual projects have been calculated based on the methodology outlined in the document 'CO₂ Baseline Database for the Indian Power Sector User Guide Version 14.0 dated December 2018' (published by the Central Electricity Authority of India) along with other relevant factors such as project PLF/CUF estimates, installed project capacity, resultant annual unit generation etc.

The assurance statement issued by KPMG India is attached herewith.

For YES BANK Limited

A handwritten signature in black ink, appearing to read "Ravneet Gill", written over a horizontal line.

Ravneet Gill
Managing Director & CEO





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Independent Assurance Statement

To the management of Yes Bank Limited, Nehru Centre, 9th floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai – 400 018, Maharashtra, India.

Introduction

We were engaged by Yes Bank Limited ('Issuer') to undertake an independent review of the following green bonds:

- Green bonds for INR 1,000 crores issued on 24 February 2015
- Green bonds for INR 315 crores issued on 05 August 2015
- Green bonds for INR 330 crores issued on 29 December 2016

Our responsibility was to provide "limited assurance" on conformance of the aforementioned green bonds and the accompanying report "Disclosures under Green Infrastructure Bonds for FY 2018-19" with the Green Bond Principles, 2018 during the Financial Year (FY) 2018-19.

Assurance Standards

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

Assurance scope and level of assurance

Our scope of assurance included information on material aspects of the green bond during FY 2018-19 based on the requirements of the Green Bond Principles, 2018 as listed below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer



Work undertaken

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Checked the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented in the financial year;
- Checked the list of projects to which bond proceeds have been allocated in the financial year and their conformance with the criteria defined in the Green Bond Framework;
- Confirmed the amount of bond proceeds allocated to projects at the end of each quarter in the financial year through examination of a sample set of statements of accounts;
- Confirmed the allocation of unallocated bond proceeds to government securities at the end of each quarter in the financial year through examination of statements from Financial Management team of the Issuer; and
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer.

Conclusions

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the green bonds issued in February 2015, August 2015 and December 2016 by the Issuer and the accompanying report "Disclosures under Green Infrastructure Bonds for FY 2018-19" are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2018, during FY 2018-19.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have systems and processes in place to monitor



compliance with the Code and to prevent conflicts regarding independence. We apply ISQC 1 and comply with the applicable independence and other ethical requirements of the IESBA code.

Management's responsibility

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Green Bond Principles, 2018. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

Our responsibility

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached.

Manpreet Singh
Director
KPMG India
10 April 2019