

YBL/CS/2023-24/152

January 27, 2024

BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai - 400 001
BSE Scrip Code: 532648

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

Dear Sirs/Madam,

Sub.: Disclosure made in pursuance of SEBI Operational Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 ("SEBI Circular") pertaining to Green Infra Bonds

This is in continuation to our submission of the un-audited Financial Results for quarter and nine months ended December 31, 2023. In terms of chapter IX para 2.1 of the aforesaid SEBI Circular, an issuer who has listed its Green Debt Securities shall provide disclosure pertaining to utilization of the proceeds of the issue and the allocation of funds towards the project(s) and/or assets 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 quarter ended December 31, 2023.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **YES BANK LIMITED**

Shivanand R Shettigar
Company Secretary

Encl: Disclosure under Green Infrastructure Bonds

DISCLOSURES UNDER GREEN INFRASTRUCTURE BONDS

Green Bonds have emerged as a mainstream financing mechanism for providing structured finances to vital clean energy and are playing a pivotal role in realization of India's renewable energy potential. Since the maiden issuance by YES BANK, the Green Bonds market has witnessed a steady growth. Out of the three Green Bonds issued by the Bank so far, the following two Green Bonds are outstanding as on Dec 31, 2023.

- **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. The bonds are for a tenor of 10 years.

The amount raised through these issuances, are used to finance Green Infrastructure Projects, in whole, or in part, as per 'Eligible Projects' outlined in the Bank's internal guidelines for adherence to Green Bond Principles. The proceeds are managed through MIS-based asset tagging which tracks green bonds investments. The unutilized proceeds are invested in Government Securities. 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 2021.

List of projects against which outstanding green bond proceeds have been allocated as on Dec 31, 2023 is provided below:

Sr. No	Project Location	Description	Proceeds utilization against	Total Fund Based Utilization, INR Cr (as on 31st December 2023)	Attributed Estimated* positive E&S impacts - CO2 Emission Avoided (tCO2/yr)
1	Maharashtra	10 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	5.70	1,338.08
2	Gujarat	8.75 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	6.83	432.54
3	Andhra Pradesh/ Rajasthan	105 MW wind energy project in Andhra Pradesh and 50.4 MW in Rajasthan	Bond Issuance Size of INR 1,000 Cr (February 2015)	202.48	42,934.72

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CIN: L65190MH2003PLC143249

YES TOUCH PhoneBanking Number:

1800 1200 (Toll Free for Mobile & Landlines in India)

+91 22 5079 5101 (When calling from Outside India)

Toll Free number from USA: **18333800149**

Canada: **18334910559** | UK: **8000489153** | UAE: **800035702510**

4	Maharashtra	15.5 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	61.24	14,274.17
5	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	155.20	48,889.13
6	Rajasthan	4.8 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	29.38	1,641.83
7	Gujarat	5 MW solar energy project and 4.4 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	50.47	15,289.21
8	Gujarat	6.67 MW solar energy project and 6.60 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	71.83	23,488.92
9	Rajasthan	300 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	416.86	162,825.66

* The attributed CO2 emission avoidance for individual projects have been calculated based on the methodology outlined in the document 'PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition' and 'CO2 Baseline Database for the Indian Power Sector User Guide Version 18.0 dated December 2022' (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 temporary unallocated proceeds (INR 315 Cr of INR 315 Cr bond issued in August 2015) are allocated in Government Securities and will be allocated back to eligible projects, when available.

The assurance statement for Q3 FY 23-24 is attached along with this disclosure.

For YES BANK LTD



Prashant Kumar



Managing Director & CEO

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YES TOUCH PhoneBanking Number:

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Independent Limited Assurance Statement to YES Bank Limited on the Disclosures under Green Infrastructure Bonds for the period 01 October 2023 - 31 December 2023

To the management of:

YES Bank Limited, YES BANK House, Off Western Express Highway, Santacruz (East), Mumbai - 400055, Maharashtra, India.

Introduction

We ('KPMG Assurance and Consulting Services LLP') have been engaged by Yes Bank Limited ('the Issuer') for the purpose of providing an independent limited assurance 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

Our responsibility is to provide limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention to suggest that the green bonds issued in February 2015 and August 2015 by the Issuer and the accompanying report "**Disclosures under Green Infrastructure Bonds**" are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2021, during the period 01 October 2023 - 31 December 2023.

Issuer's Responsibilities

The management at the Issuer is responsible for preparing the report 'Disclosures under Green Infrastructure Bonds' that is free from material misstatement in accordance with the reporting criteria (Green Bond Principles, 2021) and for the information contained therein. 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 Responsibilities

Our responsibility is to examine the report 'Disclosures under Green Infrastructure Bonds' prepared by the Issuer and to report thereon on selected non-financial disclosures in the form of an independent limited



assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the report complies with Green Bond Principles, 2021 in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the report "Disclosures under Green Infrastructure Bonds" and other engagement circumstances, we have considered the process used to prepare the report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Issuer's process or internal control over the preparation and presentation of the report.

Our engagement also included: assessing the appropriateness of the report 'Disclosures under Green Infrastructure Bonds', the suitability of the criteria used by the Issuer in preparing the report 'Disclosures under Green Infrastructure Bonds' in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the report 'Disclosures under Green Infrastructure Bonds' and the reasonableness of estimates made by Issuer.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the financial disclosures nor of the underlying records or other sources from which the financial statements and information was extracted.

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

We planned and performed our work to obtain selected evidences, 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 evidences 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 Bonds Internal guidelines & processes V8.1 (January 2023) 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 objectives of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Held discussions and sought clarifications from management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Issuer's Green Bonds Internal guidelines & processes V8.1 (January 2023), have been implemented during 01 October 2023 to 31 December 2023;
- Checked utilization of proceeds from Loan Account Statements shared by Issuer (i.e, disbursement of loans towards specified/ eligible projects) to verify the internal tracking method and the allocation of funds towards the project(s) and/or asset(s), from the proceeds of green debt securities
- Checked the list of projects to which bond proceeds have been allocated as at 31st December 2023 and their conformance with the criteria defined in the Issuer's Green Bonds Internal guidelines & processes V8.1 (January 2023); also verified the outstanding amount as at 31st December 2023 from the Loan Account Statements shared by the Issuer
- Checked the balance of unallocated proceeds basis the statement of unallocated proceeds of submitted by the Issuer
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer such as Plant Load factor from Credit Approval Memorandum and Emission factor from CEA Version 18 database.

Scope, Boundary, Characteristics and Limitations

Our scope of assurance included information on material aspects of the green bond based on the requirements set out in the Green Bond Principles, 2021 as listed below:

- Use of Proceeds

- Proceeds for Evaluation and Selection
- Management of Proceeds
- Reporting

Limitations

The assurance scope excludes following:

- Data related to Issuer's financial performance.
- Data and information outside the defined Reporting Period
- Data outside the operations mentioned in the Assurance Boundary above unless and otherwise specifically mentioned in this report.
- The Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Issuer and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances.
- The earmarking of the unallocated proceeds is limited to the statement of unallocated proceeds submitted by the Issuer vis-à-vis the verification of the same has been excluded from the current scope

We will not, pursuant to this letter, perform any management function for you nor make any decision relating to the services provided by us in the terms of this letter. You are responsible for making management decisions, including accepting responsibility for the results of our services.

Additionally, management of the Issuer is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.

Our scope and associated responsibility exclude for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we express no opinion thereon. We have also not verified any likelihood, timing or effect of possible future oriented information and commercial risks associated with the Report, nor comment upon the possibility of any financial projections being achieved. We have relied on the data furnished by the Issuer and have not independently verified the information or efficacy and reliability of the Issuer's information technology systems, technology tools / platform or data management systems.

Conclusion

Based on the limited assurance procedures performed by us, nothing has come to our attention to suggest that the green bonds issued in February 2015 and August 2015 by the Issuer and the accompanying report “Disclosures under Green Infrastructure Bonds” are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2021, during the period 01 October 2023 - 31 December 2023.”

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social, and economic information in as per requirements of ISAE 3000 (Revised).

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) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC-1, and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Issuer for any purpose or in any context. Any party other than the Issuer who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than the Issuer for our work, for this independent limited assurance statement, or for the conclusions we have reached.

Our report is released to the Issuer on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Issuer’s own internal purposes) or in part, without our prior written consent.



Apurba Mitra

Partner

KPMG Assurance and Consulting Services LLP

18 January 2023