

YBL/CS/2023-24/013

April 22, 2023

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/P/CIR/2021/613 dated August 10, 2021 pertaining to Green Infra Bonds issued by Securities Exchange Board of India ("SEBI Circular")

This is continuation to our submission of the audited Financial Results for quarter/financial year ended March 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 March 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: As above

DISCLOSURES UNDER GREEN INFRASTRUCTURE BONDS

Green bond issuances in India have steadily increased over the past few years since the first issuance by YES Bank in February 2015, making India among the top ten largest green bond markets globally, with extensive participation from many corporates and financial institutions. Post the successful first Green Bond of YES Bank which raised INR 1,000 Cr (equivalent to USD 160 million) in February 2015 and witnessed a strong demand from leading investors, YES Bank subsequently raised two other green bonds. In August 2015, the Bank raised INR 315 Cr (equivalent to USD 50 million) through the issue of Green Bonds to International Finance Corporation (IFC) on a private placement basis, the first investment by IFC in an Emerging Markets Green Bond issue in the world through the first offshore rupee denominated bond or "Green Masala Bond". Moving ahead with its conviction towards Climate Finance, YES Bank has raised INR 330 Cr (equivalent to USD 50 million) in December 2016, 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.

The amount raised through all 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 investment. The unutilized proceeds are invested in G-Secs. 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.

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. The unallocated proceeds, if any, are placed in liquid instruments
- **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 March 31, 2023 is provided below

Sr. No	Project Location	Description	Proceeds utilization against	Total Fund Based Utilization, INR Crs (as on 31st March, 2023)	Estimated* positive impacts - Emission Reduction (tCO ₂ / yr)	Known significant negative E&S Impacts
1	Telangana	42 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	107.05	65,117.29	None
2	Telangana	48 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	35.38	82,334.12	None
3	Delhi NCR	3.26 MW rooftop solar installation across 9 locations	Bond Issuance Size of INR 1,000 Cr (February 2015)	4.49	3,508.82	None
4	Maharashtra	10 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	13.93	12,804.56	None
5	Gujarat	8.75 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	20.62	9,833.82	None
6	Andhra Pradesh/ Rajasthan	105 MW and 50.4 MW wind energy project in Andhra Pradesh and Rajasthan respectively	Bond Issuance Size of INR 1,000 Cr (February 2015)	200.75	253,906.05	None
7	Maharashtra	50 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	173.84	88,490.09	None

8	Maharashtra	15.5 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	62.97	30,111.91	None
9	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	129.93	84,664.50	None
10	Rajasthan	300 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	251.04	704,903.12	None
			Bond Issuance Size of INR 330 Cr (December 2016)	266.28		None
11	Gujarat	30 MW wind energy project	Bond Issuance Size of INR 330 Cr (December 2016)	30.81	55,075.91	None
12	Gujarat	252 MW wind energy project	Bond Issuance Size of INR 330 Cr (December 2016)	32.91	823,334.67	None

* 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 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 issued by KPMG India is attached herewith.

For YES BANK LTD



Prashant Kumar

 Managing Director & CEO



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Independent Limited Assurance Statement

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

Introduction

KPMG Assurance and Consulting Services LLP was 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 continued compliance of the green bonds along with the accompanying report "Disclosures under Green Infrastructure Bonds" with the Green Bond Principles, 2021 for the period 01 January 2023 - 31 March 2023. The Statement is based on information and data covering the period from 01 January 2023 to 31 March 2023.

Assurance standards

We conducted our engagement in accordance with the requirements of 'Limited Assurance' as per the 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

Our scope of assurance included information on material aspects of the above-mentioned green bonds during 01 January 2023 to 31 March 2023 based on the requirements of the Green Bond Principles, 2021 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 assurance scope 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 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 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 objectives 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 during 01 January 2023 to 31 March 2023;
- Checked the list of projects to which bond proceeds have been allocated during 01 January 2023 to 31 March 2023 and their conformance with the criteria defined in the Green Bond Framework; and
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer

Conclusions

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, August 2015 and December 2016 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 January 2023 - 31 March 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 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 ISQM 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, 2021. 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 (Revised) 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. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our assurance statement is released to Yes Bank Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Apurba Mitra

Associate Partner

KPMG Assurance and Consulting Services LLP

12 April 2023