

YBL/CS/2024-25/17

April 27, 2024

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/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 Audited Standalone and Consolidated Financial Results of the Bank for the Quarter (Q4) and Year ended on March 31, 2024. 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, 2024.

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. Driven by its commitment on mainstreaming green finance, YES BANK has issued three green bonds, out of which two green bonds are outstanding as of March 31, 2024:

- **February 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of INR 1000 crore (bearing ISIN INE528G08279). 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 315 crore through the issue of Green Infrastructure Bonds (bearing ISIN INE528G08295) to International Finance Corporation on a private placement basis. The bonds are for a tenor of 10 years.
- **December 2016:** YES BANK raised INR 330 crore, through an issue of a 7-year Green Infrastructure Bonds (bearing ISIN INE528G08360) to FMO, the Dutch Development Bank, on a private placement basis. The green infrastructure bonds have been redeemed upon maturity in December 2023.

The proceeds of the outstanding green infrastructure bonds are 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). DNV Business Assurance India Private Limited has verified the utilization of proceeds during the Quarter, Jan 24 - Mar 24 and 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. The evaluation moves to documentation and appraisal of projects as per Bank's policies and confirmation of the eligibility for Green Bonds

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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

Corporate & Registered office: YES BANK Limited, YES BANK House, Off Western Express Highway,
Santacruz (E), Mumbai - 400055 | www.yesbank.in

- **Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the bank through an MIS based 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
 - Qualitative/Quantitative potential impacts associated with projects
 - 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. The financed solar and wind projects help in 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 avoidances are shared along with project details.

List of projects against which outstanding green bond proceeds have been allocated as on March 31, 2024 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 (as on 31st March 2024)	Attributed Estimated* positive E&S impacts - Annualized potential CO ₂ Emission Avoidance (tCO ₂ / yr)
1	Maharashtra	10 MW wind energy project	4.913	1,087
2	Gujarat	8.75 MW wind energy project	2.143	130
3	Andhra Pradesh/ Rajasthan	105 MW wind energy project in Andhra Pradesh and 50.4 MW in Rajasthan	201.870	51,298
4	Maharashtra	15.5 MW solar energy project	60.753	18,973
5	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	153.840	48,681
6	Rajasthan	4.8 MW solar energy project	28.198	1,541

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7	Gujarat	5 MW solar energy project and 4.4 MW wind energy project	50.107	15,248
8	Gujarat	6.67 MW solar energy project and 6.60 MW wind energy project	71.284	23,416
9	Rajasthan	300 MW solar energy project	426.892	148,762

* 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 19.0 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 verification statement is attached along with this disclosure.

For **YES BANK LTD**



Prashant Kumar



Managing Director & CEO

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YES BANK LIMITED

USE OF PROCEEDS OF GREEN BONDS TO THE ELIGIBLE GREEN PROJECTS

FY2024 Quarterly Verification

Document Title: YES Bank's Use of Proceeds of Green Bonds to the eligible Green Projects, FY2024
Quarterly Verification

Prepared By: DNV Business Assurance India Pvt Ltd

Location: Mumbai, India

Date: 24 April 2024

DNV Reference (Project Number): PRJN-744218

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

Scope and Objectives

YES Bank Limited ("YES Bank" or the "Customer") has three Green Infrastructure Bonds issuance against its pool of eligible projects and assets.

1. February 2015: Raised an amount of INR 1000 crore (bearing ISIN INE528G08279) through leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds
2. August 2015: Raised an amount of INR 315 crore (bearing ISIN INE528G08295) through International Finance Corporation (IFC) on a private placement basis.
3. December 2016: Raised INR 330 crore (bearing ISIN INE528G08360) through an issue of a 7-year Green Infrastructure Bonds to the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), the Dutch Development Bank, on a private placement basis.

DNV Business Assurance India Pvt Ltd (henceforth referred to as "DNV") notes that the December 2016 bond of INR 330 crore have matured and is therefore not included in this scope/report.

YES Bank has used the proceeds of the Green Bonds to finance the nominated projects and assets included within the following eligible green project categories as detailed in the YES Bank Green Bonds Internal Guidelines & Processes (Green Bonds Framework, V9.0, dated 12th Mar'24):

Green Bond details	Eligible green projects for allocations¹
GB1: Issued in February 2015 (Institutional Investors) (INR 1000 Cr) ¹	Renewable and clean energy projects, in accordance with Green Bonds Principles including generation from sources such as Wind, Solar, Biomass, Hydropower and other such projects.
GB2: Issued in August 2015 (Private placement by IFC) (INR 315 Cr) ²	Renewable Energy projects, in accordance with the Green Bond Principles. RE resources shall include only solar and wind projects.

¹The list of projects in which the Green Bonds Proceeds of February 2015 bond have been utilized is provided in Annexure I

²The Green Bonds Proceeds of August 2015 bond are unallocated and de-carbonation for intended investments has been checked by DNV. Based on the evidence verified, DNV can confirm that as of April 2024 that the August 2015 tranche has not been allocated. As the disclosure is price sensitive and confidential, same has been not reproduced.

DNV has been commissioned by YES Bank to provide the Quarterly Programmatic Verification of the Green Bonds as an independent and approved verifier. In addition, DNV Business Assurance India Pvt Ltd is also approved as validation and verification body as per ISO 17029. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Green Bonds, the value of any investments in the Green Bond, or the long term environmental benefits of the transactions. Our objective has been to provide a limited verification for use of proceeds of the funds raised through Green Bonds in February 2015 and August 2015 as below:

- Quarterly third-party verification of the use of proceeds allocated to the eligible Green Projects in line with the Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (updated as on April 13, 2022).

- Quarterly third-party verification service of the use of proceeds allocated to the eligible Green Projects as International Capital Markets Association ("ICMA") Green Bond Principles ("GBP") requirements for alignment with four components of GBP.

The Statement is based on information and data covering the period from 01 January 2024 to 31 March 2024.

Responsibilities of the Management of YES Bank and DNV

The management of YES Bank has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform YES bank management and other interested stakeholders in the Green Bonds as to whether the Sector Technical Criteria identified above have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by YES Bank. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect as a result of the information or data provided by Yes Bank's management and used as a basis for this assessment not being correct or complete.

Basis of DNV's Opinion

DNV has conducted the verification against the requirements of the Green Bond Principles, 2021 and Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (updated as on April 13, 2022).

As per our Protocol, the criteria against which the Green Bonds have been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green bond should outline the process it follows when determining eligibility of an investment using the Green bond proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green bond should be tracked within the issuing organisation and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by YES Bank in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. We believe with our professional judgement that the procedures performed for limited assurance are sufficient and appropriate based on the supportive evidences. The work undertaken to form our verification opinion included:

Programmatic Verification

- Assessment of documentary evidence provided by YES Bank in relation to the Green Bonds, and supplemented by a high-level desktop research, onsite visit for documentation review and

interactions with key personnel from the issuer YES Bank. These checks refer to current assessment best practices and standards methodology.

- Review of the list of projects to which GB1 proceeds have been allocated during 01 January 2024 to 31 March 2024 and their conformance with GBP.
- Checked Green Bond Framework of YES Bank, that provides the guidelines and internal process for proceeds management and utilization adopting components and requirements of GBP and SEBI Circular (Chapter IX). The SPO on the framework was issued by KPMG dated 7th June 2016.
- Review of internal tracking sheet and allocation of funds from the Green Bond proceeds to eligible projects and fund based outstandings.
- Review of estimated environment impact of the selected projects in terms of carbon dioxide emission reductions data from projects as per the methodology using supportive information provided.
- Discussions with key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework, have been implemented.
- Statement indicating intended investments for the balance of unallocated proceeds from Green Bonds (GB2) issued by YES Bank.
- Documentation of findings against each element of the criteria.

Findings and DNV's Opinion

DNV has performed the Quarterly Programmatic Verification of the YES Bank Green Bonds for the financial year ended 31 March 2024. It is DNV's responsibility to provide an independent verification statement on the compliance of the YES Bank's Green Bonds with the Sector Technical Criteria.

DNV conducted the verification in accordance with ISAE 3000 (revised) - *International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Sector Technical Criteria were consistently and appropriately met and ii) the collection of evidence supporting the verification.

DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that each Bond continues to meet the requirements of the Sector Technical Criteria.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, for the financial year 2023-24, the YES Bank Green Bonds issued in February 2015 and August 2015 are not, in all material respects, in accordance with the requirements of the associated Sector Criteria including ICMA Green Bond Principles, 2021 and Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular by SEBI 2021."

DNV has reviewed the impact reporting metrics associated with the current reporting period including verification of a sample of calculations, references and values. Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, for the 2024 financial year, the impact reporting metrics are not, in all material respects reasonable and correct.

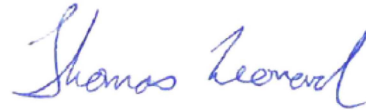
For DNV Business Assurance India Pvt. Ltd.

Mumbai, India / 24 April 2024

A handwritten signature in black ink, appearing to be "Anjana Sharma".

Name – Anjana Sharma
Lead Verifier

Roshni Sarage - Verifier
Ankita Parab - Verifier

A handwritten signature in blue ink, appearing to be "Thomas Leonard".

Name – Thomas Leonard
Assurance Reviewer

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

Annexure I: Verified Yes Bank Green Bonds Proceeds utilization against Bond Issuance Size of INR 1,000 Cr (February 2015)

Proceeds Utilization Against Bond Issuance Size					
Sr. No	Project Location	Description	Proceeds utilization against	Total Fund Based Utilization, INR Crs (as on 31st March, 2024)	Attributed Estimated positive E&S impacts - CO₂ Emission Avoided (tCO₂/ yr)¹
1	Maharashtra	10 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	4.913	1,087
2	Gujarat	8.75 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	2.143	130
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)	201.870	51,298
4	Maharashtra	15.5 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	60.753	18,973
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