

October 26, 2017

Mr. Khushro A. Bulsara-
Senior General Manager
Listing Compliance & Legal Regulatory
BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai - 400 001
Tel.: 2272 8013/8015/8058/8307
BSE Scrip Code: 532648

Mr. Avinash Kharkar,
AVP - Listing Department
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 / 8236/8458
NSE Symbol: YESBANK

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 continuation to our submission of the half 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 half year ended September 30, 2017.

You are requested to take note of the above.

Thanking you,

Yours faithfully,
For **YES BANK LIMITED**


Shivanand R. Shettigar
Company Secretary

Encl: As above

Disclosure on Green Debt Securities for the half year ended September 30, 2017

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 corporate and financial institutions. Post the successful first Green Bond of YES Bank which raised INR 10,000 million (equivalent to USD 160 million) in February 2015 and witnessed a strong demand from leading investors, YES Bank further strengthened the green bond market by subsequently raising two other green bonds. In August 2015, the Bank raised INR 3,150 million (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 dominated bond or "Green Masala Bond." Moving ahead with its conviction towards Climate Finance, YES Bank has raised INR 3,300 million (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 of these issues, 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. Eligible projects sanctioned post the closure of debenture subscription are considered for the allocation of the proceeds from Green Bonds. The proceeds are managed through MIS based asset tagging which tracks green bonds investments on a quarterly basis. The unutilized proceeds are invested in G-Secs to ensure liquidity when required.

KPMG, India has provided assurance for the half year ended September 30, 2017, on the internal tracking mechanism and the allocation of green bond proceeds to eligible projects, helped calculate the emission reduction potential of these projects, and the investment of unallocated proceeds in liquid instruments (Government Securities).

The proceeds from Green Bonds have been allocated to the following eligible projects as on September 30, 2017:

Project Location	Brief Project Details	Estimated* positive E&S impacts - CO ₂ Emission Reduction (tCO ₂ /yr)	Known significant negative E&S Impacts
Maharashtra	31.5 MW capacity wind energy project	66,325	None
Madhya Pradesh & Gujarat	24 MW capacity wind energy project	48,707	None
Andhra Pradesh	100 MW capacity wind energy project	226,622	None

Madhya Pradesh	12 MW capacity wind energy project	21,411	None
Gujarat	34 MW capacity wind energy project	78,201	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Telangana	20 MW capacity solar energy project	42,720	None
Telangana	15 MW capacity solar energy project	26,954	None
Telangana	15 MW capacity solar energy project	26,954	None
Punjab	150 MW capacity solar energy project	221,971	None
Andhra Pradesh	10 MW capacity solar energy project	17,242	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Telangana	10 MW capacity solar energy project	21,360	None
Karnataka	50 MW capacity solar energy project	94,073	None
Telangana	143 MW capacity solar energy project	249,460	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Telangana	10 MW capacity solar energy project	21,360	None
Telangana	10 MW capacity solar energy project	21,360	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None
Telangana	30 MW capacity solar energy project	55,734	None
Telangana	5 MW capacity solar energy project	7,610	None
Telangana	50 MW capacity solar energy project	86,421	None
Rajasthan	50 MW capacity solar energy project	98,893	None
Andhra Pradesh	50 MW capacity solar energy project	114,114	None

*The total CO2 emission reduction for individual projects have been calculated based on methodology outlined in the document 'CO2 Baseline Database for the Indian Power Sector User Guide Version 12.0 May 2017' 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



Rana Kapoor
Managing Director & CEO

RN



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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 Issuer and the aforementioned green bonds with the Green Bond Principles, 2017 for the period 1st April, 2017-30th September, 2017.

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 1st April, 2017- 30th September, 2017 based on the requirements of the Green Bond Principles, 2017 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 more 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 Issuer and their green bonds issued in February 2015, August 2015 and December 2016 are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2017 during the period 1st April, 2017- 30th September, 2017.

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, 2017. 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
25 October 2017