

1. Background

- 1.1. On 29 November 2018, the Company conducted sale transaction of Non-Performing Loans and Low Quality Loans ("Transaction").
- 1.2. The Transaction is an affiliate transaction. However, according to Regulation No. IX.E.1 Attachment of Decision of Chairman of Capital Market and Financial Institution Supervisory Agency No. Kep-412/BL/2009 dated 25th of November 2009 concerning Affiliate Transactions and Conflict of Interest on Certain Transactions which stated that the value of affiliate transaction meets the criteria of material transactions, the Company shall only comply with the Regulation No. IX.E.2.
- 1.3. The Transactions is material transaction as defined in Regulation IX.E.2. Transactions amounting to Rp1,226,372,323,355,- constitute 30.73% of the total equity of the Company as of 31st December 2017.

2. Description of the Transaction

- 2.1. Object and Value of Transaction
Sale of Non-Performing Loans and Low Quality Loans with total equivalent amount of US\$1,226,372,323,355,- (calculated using the exchange rate of US\$1 = Rp14,498,-).
- 2.2. The Parties of the Transaction
(1) The Company, as the Selling Party
Address : QNB Tower, 18 Parc SCBD
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Phone : (+62 21) 515 5155
Fax : (+62 21) 515 5388

The composition of Board of Commissioners and Board of Directors:

- Board of Commissioners
- President Commissioner : Heba Ali Ghaith Al-Tamimi
 - Commissioner : Stephen Robert James Holdren
 - Independent Commissioner : Suroto Moebedji
 - Independent Commissioner : Muhammad Anas Malla
 - Independent Commissioner : Djoko Sarwono
 - Commissioner : Fareeda Ali Abulfath*

* Effective after obtaining FSA approval for Fit and Proper Test

Board of Directors

- Director (Acting President Director) : Junita Wangsadinata
- Director : Adhiputra Tanoyo
- Director : Windiartono Talingin
- Director : Novi Mayasari
- Director : R. Andi Kartiko Utomo
- Director : Leka Mandiappera

(2) BDFK Limited, as the Buying Party

- Address : Cayman Corporate Centre,
27 Hospital Road, George Town,
Grand Cayman KY1-9008
Cayman Islands
Contact Number (Phone/Fax/Email) : +13458147600/+13459497886
Name of Director : Mr. Al-Neama

The Company has a high confidence towards BDFK Limited because the securities issued by BDFK Limited as payment are guaranteed by Qatar National Bank (Q.P.S.C.) hereinafter referred to as QNB (Q.P.S.C.) as the controlling shareholder of the Company, that QNB (Q.P.S.C.) has a "Aa3" credit rating from Moody's, "A+" from Fitch, and "A" from S & P. QNB (Q.P.S.C.) that also included in the Top 200 Banks based on Banker's Almanac.

3. Considerations and Reasons for Conducting Transaction

- 3.1. Subject to the prevailing regulations and correspondences with the Indonesian Financial Services Authority (FSA) Banking Supervision as follows:
(1) FSA Regulation No. 15/POJK.03/2017 dated 4th April 2017 concerning the Stipulation of the Status and Follow Up Action of Commercial Bank Supervision;
(2) Result of FSA 2018 annual audit on the performance of the Company. In order to improve the Company's performance, the Transaction will reduce the Company's non-performing loans. As of 30th September 2018, NPL Gross and NPL Nett of the Company were respectively at 4.16% and 2.56%. After the Transaction, the NPL Gross and NPL Nett are projected at 2.61% and 1.96%, respectively.
- 3.2. The Transaction is not a series of previous material transactions conducted by the Company with Information Disclosure to Shareholders conducted on 29th November 2017 and 10th February 2018, because the loans that included in the Transaction were deteriorated after the implementation of the previous material transactions.

4. Summary of Fairness Report of Independent Appraisal

- Public Appraisal Firm Toha, Okky, Heru and Partners ("KJPP") has been appointed by the management of the Company as independent appraiser to issue the Fairness Opinion Report on Transaction Plan which will be conducted by the Company. KJPP has submitted opinion as stated in the Fairness Opinion Report No. 075/FO/TOHA-PST/XXIX dated 23rd November 2018 with the following summary:
- 4.1. Parties of the Proposed Transaction
The parties of the Proposed Transaction are as follows:
a. Company
The Company is a company that will conduct the sale transaction of Non-Performing Loans and low quality loans to BDFK Limited.
b. BDFK Limited
BDFK Limited in this case is a business entity that becomes the buyer of Non-Performing Loans and low quality loans from the Company.
 - 4.2. Object of Transaction in the Fairness Opinion
Transaction's object in the Fairness Opinion is the sale of Non-Performing Loans and low quality loans of the Company to BDFK Limited amounting to Rp742,598,882,916 and US\$53,368,288.07
 - 4.3. Purpose and Objective of Fairness Opinion
The purpose and objective of the Fairness Opinion on the transaction is to conduct a fairness analysis of the transaction plan to be performed by the

**Disclosure of Information to the Shareholders
of PT Bank QNB Indonesia Tbk
as set forth in BAPEPAM-LK Regulation No. IX.E.2
in connection with Material Transaction**

The information as set forth in the disclosure of information is important to be read and observed by shareholders of PT Bank QNB Indonesia Tbk ("Company")

If you have difficulty to understand the information as included in the disclosure of information, you should be consulting with a securities broker, investment manager, legal advisor, public accountant or any other professional advisor.



PT Bank QNB Indonesia Tbk ("Perseroan")

Line of Business:
Engaged in Banking Services
Domiciled in South Jakarta, DKI Jakarta

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QNB Tower, 18 Parc SCBD
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Disclosure of information to the shareholders of PT Bank QNB Indonesia Tbk in order to comply with regulation No. IX.E.2 appendix decision of the chairman of BAPEPAM-LK No. KEP-614/BL/2011 dated 28th November 2011 concerning material transactions and amendment of main business activities ("Regulation IX.E.2") related to sale transaction of non-performing loans and low quality loans.

Board of Directors and Board of Commissioners of the Company, either individually or together, responsible for the accuracy and completeness of the information as disclosed in the disclosure of information and after doing research carefully, affirming that the information contained in the disclosure of information is true and there is no important material and relevant materials not disclosed or omitted in the disclosure of information so the information provided in the disclosure of information becomes not true and/or misleading.

This Disclosure of Information is published in Jakarta, 1 December 2018

Company in connection with the sale of Non-Performing Loans & low quality loans of the Company's to BDFK Limited.

4.4. Assumption & Limiting Condition

Assumption
The Fairness Opinion of the Transaction is to ensure that the Transaction is performed on an arm's length basis within commercial limit and does not harm to the interest of the Company and its Shareholder, several assumption are used by KJPP such as:
i. There is no change from the date of issuance of the Fairness Opinion report until the date of Transaction that significantly affects the transaction;
ii. This Fairness Opinion is a comprehensive piece of analysis which can not be separated from one section to another. Partial analysis and discussion of this Fairness Opinion by an incompetent party which disregard to the discussion and analysis of the other sections in this Fairness Opinion as a whole may lead to different understanding on the conclusion of the Fairness Opinion.

Limiting Conditions

Limiting Conditions of the Transaction are as follows :
i. This Fairness Opinion is prepared based on the integrity principle of available information. The information and data provided by the Management are the basis for issuing this Fairness Opinion, which by its nature is true, complete, and reliable as well as not misleading. No audit or verification on such information and data is conducted.
ii. As a basic analysis for preparing the Fairness Opinion, data listed in the data source is utilized as considered materials.
iii. If there is any change on the data, the valuation result could be significantly affected. Therefore, different conclusion due to the change of the data is not part of KJPP's responsibility.
iv. KJPP assume that Management of the Company has submitted all important and relevant information regarding to the Transaction. According to Management's consideration, there is no data and any material information which has not been disclosed and misled.
v. KJPP assignment does not include analyzing any transaction out of the Transaction which may be available to the Company as well as the effect of such transaction on the Company.
vi. The results of KJPP analysis and review are specific to Transaction valuation, not including the taxation and legal, as these are outside the scope of assignment.

4.5. Fairness Approach and Analysis

In evaluating the fairness of the Transaction, an analysis is conducted with the stages as follows:
i. Transaction analysis in the form of an analysis of the parties involved in the Transaction and the terms of the Transaction;
ii. Analysis on the fairness of Transactions in the form of benefits and risks of Transaction;
iii. Qualitative and quantitative analysis in the form of fairness analysis

- from Transaction, as well as value added analysis (incremental analysis) from Transaction to Company.
- 4.6. Conclusion
Transaction fairness analysis is conducted by comparing the value of proposed Transaction mentioned in the Agreement of Sale and Purchase of Receivable on Outstanding Credit Value with the Asset Value and Fairness Value Report. Based on the said analysis, the value of the transaction is 122.22% higher than the estimated credit recoverable value, so that the value of Transaction may be considered as un-fair (more than 7.5% in accordance to Regulation of the Indonesian Capital Market and Financial Institutions Supervisory Agency No. VIII.C.3). Management of the Company stated that although the value of Transaction is un-fair (as per the definition), but the sale of Non-Performing Loans and low quality loans at par value, does not harm the minority shareholders and depositors of the Company and improves the performance of the Company.

5. Statement of the Board of Commissioners and the Board of Directors

- 5.1. The Board of Commissioners and Board of Directors of the Company are fully responsible for the correctness of all information and affirm that all of information is true and no other important and other information has not been disclosed so as to cause the information provided to be incorrect and / or misleading.
- 5.2. The Board of Directors of the Company declares that the material transaction:
(1) Does not contain any conflict of interest as referred to Regulation No. IX.E.1; and / or
(2) Represents an Affiliate Transaction as referred to Regulation No IX.E.1.

6. Explanation of Affiliate Transaction

- 6.1. BDFK Limited is a third party SPV located in Cayman Island, with no legal relationship to the Company and QNB (Q.P.S.C.). The affiliation relationship is due to QNB (Q.P.S.C.) as the controlling shareholder of the Company, with 92.48% ownership or equivalent to 18,900,786,704 shares of the Company (as of 31 October 2018), issues Standby Letter of Credit ("SBLC") that cash collateral cash collateral for the BDFK Limited submitted bonds to the Company as payment for the purchase of NPL and low quality loan from the Company.
- 6.2. Details of the explanation of the bonds for NPL payment, as follow:
(1) Payment Scheme

Nominal Transaction	Equivalent in IDR (assumption 1 USD = Rp14,498,-)	Payment			
		Cash USD	Securities		
Rupiah	USD	Cash USD	Rupiah (by PT. Amro Indonesia)	USD (by BDFK Limited)	
742,598,882,916	51,368,288,077	1,226,372,323,353	18,917,811,181	742,598,882,916	
				16,456,474,26	

- (2). Bonds issuer
Bonds issuer in USD is BDFK Limited and bond issuer in Rupiah is PT Amro Indonesia.

- (3). The nominal of bonds
Nominal of bonds in US Dollar and Rupiah are as per table below:

Rupiah (by PT. Amro Indonesia)	Securities	
	USD (by BDFK Limited)	
742,598,882,916		16,450,474.26

- (4). Bonds tenor
Bonds tenor is 5 years.
- (5). Bonds interest
Bonds interest in USD is 4.5% per annum and Bonds interest in Rupiah is 7.9% per annum.
- (6). SBLC are cash collateral issued by prime bank that are unconditional and irrevocable to be used as guarantee bonds. Bonds submitted by the buyer to the Company are at risk of default, therefore QNB (Q.P.S.C.) as prime bank (included in Top 200 Banks based on Banker's Almanac list) issued SBLC in USD 67,671,255.25 as cash collateral for the bond's payment if there are any payment's failure by the Bonds issuer.
- (7) If the Transaction is being done with another party, then there is a great possibility:
- That the Transaction can not be carried out on timely basis to keep the Company's non-performing loans ratio below the maximum limit in accordance with the regulatory requirement.
- That the Transaction can not be booked (at par), so the Company must recognize significant losses.
- Furthermore, without the SBLC that issued by QNB (Q.P.S.C.) as the controlling shareholder of the Company, there is a risk of default on the bonds.

7. Overview of the Agreement

On the date of the Transaction, 16 debtors sold the Company to BDFK Limited, which the receivables of 3 (three) debtors are denominated in USD and accounts receivable of 13 (thirteen) debtors are denominated in IDR, signed agreements as follows:
a. Debt Purchase Agreement 16 Debtors (3 receivables, denominated in USD and 13 receivables, denominated IDR).
b. Receivable Transfer Agreement (Cessie) 16 Debtors.

8. Additional Information

Shareholders who require more information about the Transaction may contact: PT Bank QNB Indonesia Tbk
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