

ABRIDGED SUPPLEMENTARY INFORMATION

THE FINANCIAL SERVICES AUTHORITY NEITHER GIVES ITS APPROVAL OR DISAPPROVAL ON THE SECURITIES, NOR DOES THE OJK CONFIRM THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THIS ABRIDGED SUPPLEMENTARY SUPPLEMENT. ANY STATEMENT IN CONTRARY TO THE ABOVE SHALL CONSTITUTE AN UNLAWFUL ACT.

PT BANK QNB INDONESIA TBK ("THE COMPANY") AND THE JOINT LEAD UNDERWRITERS SHALL BE FULLY RESPONSIBLE FOR THE ACCURACY OF ALL MATERIAL INFORMATION OR FACTS, AND THE TRUTHFULNESS OF OPINIONS STATED IN THIS ABRIDGED SUPPLEMENTARY INFORMATION.



PT Bank QNB Indonesia Tbk
Main Business Activities:
Banking and Other Financial Services
Domiciled in South Jakarta, Indonesia

Head Office

Revenue Tower, Lantai 8, District 8, SCBD Lot 13
Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190
Telp: (021) 5155155 Faks: (021) 5155388
W: www.qnb.co.id E: corporate.secretary@qnb.co.id

Office Network

The Company has 11 Branch Offices, 7 Sub-Branch Offices,
and 20 ATM networks in Indonesia.

SHELF REGISTRATION PUBLIC OFFERING OF BANK QNB INDONESIA SHELF REGISTRATION BONDS I WITH A TARGET RAISED FUND TOTALING IDR 1,000,000,000,000 (ONE TRILLION RUPIAH)

IN THE FIRST AND SECOND STAGE OF SHELF REGISTRATION PUBLIC OFFERING I, THE COMPANY HAS ISSUED
SHELF REGISTRATION BONDS I QNB INDONESIA TRANCHE I YEAR 2019
WITH PRINCIPAL OF IDR 100,000,000,000 (A HUNDRED BILLION RUPIAH)
AND

SHELF REGISTRATION BONDS I QNB INDONESIA TRANCHE II YEAR 2019
WITH PRINCIPAL OF IDR 452,000,000,000 (FOUR HUNDRED FIFTY-TWO BILLION RUPIAH)

WITH REGARD TO THE SHELF REGISTRATION PUBLIC OFFERING REFERRED TO ABOVE, THE COMPANY SHALL ISSUE AND OFFER:
SHELF REGISTRATION BONDS I QNB INDONESIA TRANCHE III YEAR 2020
WITH PRINCIPAL OF IDR 448,000,000,000 (FOUR HUNDRED FORTY-EIGHT BILLION RUPIAH)

The Bond shall be offered at 100% (one hundred percent) of the Bond Principal value and shall be guaranteed on a full commitment, at an interest rate of 6.25% (six point two five percent) per annum and with a period of 367 (three hundred sixty-seven) Calendar Days from the Issuance Date. Bond payment shall be made in full (bullet payment) of 100% (one hundred percent) of the Bond Principal Value at maturity. This bond is issued scrippless, except for Jumbo Bond Certificate which is issued in the name of PT Kustodian Sentral Efek Indonesia ("KSEI"). The Bond Interest shall be payable every 3 (three) months from the Issuance Date. The first Bond Interest Payment Date shall be made on February 3, 2021, and the last Bond Interest Payment Date shall be due on November 10, 2021.

The Bank QNB Indonesia Shelf Registration Bonds I Tranche III Year 2020 is the last Bond issuance of Shelf Registration Public Offering of Bank QNB Indonesia Shelf Registration Bonds I

IMPORTANT NOTICE

THE BONDS ARE NOT SECURED BY ANY SPECIFIC COLLATERALS, BUT SECURED BY ALL OF THE COMPANY'S ASSETS, BOTH MOVABLE AND IMMOVABLE ASSETS, WHETHER THOSE EXISTING OR WILL EXIST IN THE FUTURE, WHICH SHALL SERVE AS COLLATERALS FOR THE BONDHOLDERS IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN ARTICLE 1131 AND 1132 OF THE CIVIL CODE. THE RIGHTS OF THE BONDHOLDERS SHALL RANK PARI PASSU WITHOUT PREFERENCE WITH ALL OF THE COMPANY'S OTHER CREDITORS, WHETHER THOSE EXISTING OR THOSE THAT WILL EXIST IN THE FUTURE, EXCEPT FOR THE RIGHTS OF THE COMPANY'S CREDITORS THAT ARE SPECIFICALLY SECURED BY THE COMPANY'S ASSETS, WHETHER THOSE EXISTING OR THOSE THAT WILL EXIST IN THE FUTURE.

THE BONDS HAVE BUY BACK OPTIONS. THE BOND BUYBACK SHALL BE CARRIED OUT FOR THE PURPOSE OF FULL REPAYMENT OR TO BE HELD FOR RESALE AT MARKET PRICE, WHICH MAY ONLY BE CARRIED OUT AFTER 1 (ONE) YEAR FROM THE ALLOTMENT DATE, AND THE COMPANY MAY ONLY CARRIED OUT SUCH BUYBACK FROM UNAFFILIATED PARTIES. THE COMPANY SHALL REPORT ANY BOND BUYBACK PLAN TO THE FSA BY NO LATER THAN 2 (TWO) BUSINESS DAYS PRIOR TO THE ANNOUNCEMENT OF SUCH BOND BUYBACK PLAN ON THE NEWSPAPERS. THE BOND BUYBACK MAY ONLY BE CARRIED OUT SUBSEQUENT TO THE ANNOUNCEMENT OF SUCH BOND BUYBACK PLAN. SUCH ANNOUNCEMENT SHALL BE MADE IN NO LESS THAN 1 (ONE) INDONESIAN NEWSPAPER WITH NATIONAL CIRCULATION BY NO LATER THAN 2 (TWO) CALENDAR DAYS PRIOR TO THE COMMENCEMENT OF THE OFFERING DATE OF SUCH BUYBACK.

THE COMPANY SHALL ONLY ISSUE THE BONDS JUMBO CERTIFICATE THAT SHALL BE REGISTERED UNDER THE NAME OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI"), WHICH SHALL BE DISTRIBUTED ELECTRONICALLY AND ADMINISTERED IN THE COLLECTIVE DEPOSITORY OF KSEI.

WITH REGARD TO THE BOND ISSUANCE, THE COMPANY HAS OBTAINED THE FOLLOWING RATING ON LONG-TERM DEBT SECURITIES FROM
PT FITCH RATINGS INDONESIA ("FITCH"):
AAAidn (TRIPLE A)

THE COMPANY'S MAIN RISK IS CREDIT RISK, I.E., THE RISK OF LOSS ARISING FROM THE FAILURE OF DEBTORS OR OTHER PARTIES TO MEET THEIR FINANCIAL OBLIGATIONS AS THEY ARE DUE. FURTHER INFORMATION CONCERNING BUSINESS RISKS IS AVAILABLE IN THE SUPPLEMENTARY INFORMATION.

INVESTORS PURCHASING THE BONDS ARE SUBJECT TO RISK THAT THE BONDS OFFERED IN THIS PUBLIC OFFERING MAY NOT BE LIQUID AS THE BONDS MAY BE PURCHASED FOR THE PURPOSE OF LONG-TERM INVESTMENT.

The Offering Bond shall be listed on the Indonesia Stock Exchange ("IDX")
The Bond Offering shall be guaranteed in full commitment

JOIN LEAD AND UNDERWRITER



PT CIMB Niaga Sekuritas



PT Indo Premier Sekuritas

TRUSTEE

PT Bank Permata Tbk.

This Abridged Supplementary Information is issued in Jakarta on October 12, 2020

TIMELINE

Effective Date	:	June 28, 2019
Offering Period	:	October 22 – October 26, 2020
Allotment Date	:	October 27, 2020
Bond Electronic Distribution Date	:	November 3, 2020
Subscription Fund Refund Date	:	November 3, 2020
Listing Date on the Indonesia Stock Exchange	:	November 4, 2020

PUBLIC OFFERING

TITLE OF THE BOND

Shelf Registration Bonds I QNB Indonesia Tranche III Year 2020

TYPE OF BONDS

The Bond shall be issued scripless, except for the Bond Jumbo Certificate, which shall be issued to be registered under the name KSEI as debentures for the benefit of the Bondholders. The Bond shall be registered under the name of KSEI for the benefit of the Account Holder at KSEI and subsequently for the benefit of the Bondholders and shall be registered on the date that the Company provides the Bond Jumbo Certificate to KSEI. The evidence of ownership of the Bond for the Bondholders shall be the Written Confirmation issued by KSEI, Securities Companies, or the Custodian Bank.

PRINCIPAL, TERM, INTEREST RATE, AND MATURITY

The Bond to be issued in this Public Offering shall be in the amount of IDR448,000,000,000 (four hundred forty-eight billion Rupiah), having a term of 367 (three hundred sixty-seven) Calendar Days from the Issuance Date. The Bond shall be issued at an interest rate of 6.25% (six point two five percent) per annum.

BOND INTEREST PAYMENT DATE

The Bond Interest Rate is an annual percentage of the nominal value, calculated based on the number of days that elapse from the Issue Date, where 1 (one) month consists of 30 (thirty) Calendar Days and 1 (one) year consists of 360 (three hundred and sixty) Calendar Days, which the Company is obligated to pay to the Bondholders via the Paying Agent on each Interest Payment Date.

The interest shall be paid by the Company to the Bondholders via the Account Holders at KSEI on the respective Interest Payment Date.

The Bond Principal and Interest payment schedule for each Bond series are presented in the following table:

Interest No-	Interest Payment Date
1	February 3, 2021
2	May 3, 2021
3	August 3, 2021
4	November 10, 2021

OFFER PRICE

The Bond shall be offered at 100% (one hundred percent) of the Bond Principal.

TRANSFER UNIT AND MINIMUM SUBSCRIPTION

The Unit of Transfer shall be IDR1 (one Rupiah) or any multiple thereof. The Bond minimum subscription shall be IDR5,000,000 (five million Rupiah) and/or any multiple thereof.

THE BOND CURRENCY

The Bond is denominated in Rupiah.

COLLATERALS

The Bond is not secured by any specific collaterals but secured by all of the Company's assets, both movable and immovable assets, whether those existing or will exist in the future, which shall serve as collaterals for the Bondholders in accordance with the provisions set forth in Article 1131 and 1132 of the Civil Code.

The rights of the Bondholders shall rank *pari passu* without preference with all of the Company's other creditors, whether those existing or will exist in the future, except for the rights of the Company's creditors that are specifically secured by the Company's assets, whether those existing or will exist in the future.

BOND PRINCIPAL REPAYMENT AND BOND INTEREST PAYMENTS

The Bond Principal repayment and Bond Interest payments shall be carried out by KSEI, in its capacity as the Paying Agent, on behalf of the Company to the Bondholders that submit the Bond ownership evidence in accordance with the terms and conditions set forth in the Paying Agency Agreement via the Account Holders at KSEI in accordance with their respective payment schedule as specified. If the payment date falls on other than Business days, such payment shall be made on the next Business Day.

RIGHTS OF THE BONDHOLDERS

Information regarding the Rights of Bondholders can be seen in Chapter I of Supplementary Information regarding Public Offering.

BOND BUYBACK

Information regarding the Buy-Back of Bond can be seen in Chapter I of Supplementary Information regarding Public Offerings.

COVENANTS AND OBLIGATIONS OF THE COMPANY

Information regarding the Limitations and Obligations of the Company can be seen in Chapter I of Supplementary Information regarding Public Offering.

DEFAULTS

Information regarding the Company's negligence can be seen in Chapter I of Supplementary Information regarding Public Offering.

GENERAL MEETING OF BONDHOLDERS (GMB)

Information regarding the General Meeting of Bondholders can be seen in Chapter I Supplementary Information regarding Public Offerings.

USE OF PROCEEDS FROM THE PUBLIC OFFERING

All proceeds from the Bond, net of issuance costs, shall be used to finance the Company's working capital in connection with its business development in the form of credit expansion.

The Company's management hereby represents that all transactions executed using the proceeds from the Public Offering shall be carried out in accordance with the prevailing regulations, particularly the capital market regulations.

DEBT STATEMENT

Based on the Company's financial statements for the 6 (six) month period ended 30 June 2020, the Company has liabilities totaling Rp17,841,033 million, consisting of:

The Company's financial liabilities that will mature in the next 3 months as from the date of issuance of the Supplementary Information amounting to Rp14,061,363 million, which will be repaid with internal cash flow or other funding instruments.

More Information regarding the Company's debts can be seen in Chapter I of Supplementary Information.

KEY FINANCIAL HIGHLIGHTS

The following tables below present the Company's key financial highlights based on the financial statements for the periods ended June 30, 2020 and 2019 (unaudited) as well as from the Company's key financial statements for the year ended on December 31, 2019, which was audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Partners (RSM Indonesia), based on the Audit Standards set by IAPI, with an opinion without modification in its report dated February 7, 2020, signed by Bimo Iman Santoso.

The Company's financial statements for the year ended 31 December 2018 have been audited by KAP Siddharta Widjaja & Partners (KPMG), based on the Audit Standards set by IAPI, with an opinion without modification in its report dated March 29, 2019, signed by Susanto, S.E., CPA.

Statements of Financial Position

Description	June 30 2020	<i>(in millions of Rupiah)</i>	
		December 31	
		2019	2018
ASSETS			
Cash	38,931	51,446	49,359
Current accounts with Bank Indonesia	587,165	1,098,363	1,349,587
Current accounts with other banks			
Related parties	2	26	7,103
Third parties	173,876	73,063	57,984
Less: allowance for impairment losses	(19)	-	-
Placements with Bank Indonesia and other banks	764,901	1,656,505	1,566,230
Derivative receivables	14,083	5,059	112,263
Less: allowance for impairment losses	(58)	-	-
Net	14,025	5,059	112,263
Acceptance receivables – net	236,724	211,522	104,884
Less: allowance for impairment losses	(133)	-	-
Net	236,591	211,522	104,884
Securities purchased under agreements to resell	3,112,494	304,673	373,026
Loans			
Related parties	633,180	703,978	1,731
Third parties	12,512,090	13,346,183	11,217,020
Sub-total	13,145,270	14,050,161	11,218,751
Less: allowance for impairment losses	(875,560)	(173,743)	(173,634)
Net	12,269,710	13,876,418	11,045,117
Securities			
Related parties	1,051,545	2,653,527	3,426,305
Third parties	925,817	989,198	333,297
Sub-total	1,977,362	3,642,725	3,759,602
Less: allowance for impairment losses	(276)	-	-
Net	1,977,086	3,642,725	3,759,602
Prepayments	118,945	61,323	83,694
Deferred tax assets, net	287,511	314,840	317,896
Fixed assets and right-of-use assets, net of accumulated depreciation of Rp184,521, Rp173,349 and Rp232,734, as of June 30, 2020, December 31, 2019 and 2018, respectively	291,478	138,903	119,656
Fixed assets and right-of-use assets, net of accumulated of depreciation of Rp67,172, Rp61,874 and Rp51,658, as of June 30, 2020, December 31, 2019 and 2018, respectively	25,195	30,010	34,114
Foreclosed assets	1,358,462	1,358,462	1,358,462
Other assets, net	137,775	198,447	147,949
TOTAL ASSETS	21,394,130	23,021,785	20,486,926

Description	June 30	December 31	
	2020	2019	2018
LIABILITIES			
Liabilities payable on demand	26,291	29,570	38,436
Deposits from customers			
Related parties	2,406,801	2,122,935	183,652
Third parties	12,236,751	13,786,464	15,271,437
Deposits from other banks			
Related parties	598,808	1,041,215	238
Third parties	1,291,525	320,277	9,659
Acceptance payables	236,724	211,522	104,884
Derivative payables			
Related parties	13,652	425	103
Third parties	-	-	88
Marketable securities issued	550,084	547,811	-
Obligation for post-employment benefits	69,292	67,852	82,720
Accruals and other liabilities	411,104	204,150	123,649
TOTAL LIABILITIES	17,841,033	18,332,221	15,814,866
EQUITY			
Share capital – par value of Rp250 (whole Rupiah) per share Authorized – 32,000,000,000 shares Issued and fully paid capital – 20,436,685,984 shares as of June 30 2020, December 2019 and 2018, respectively	5,109,171	5,109,171	5,109,171
Additional paid-in capital	(30,150)	(30,150)	(30,150)
Advanced capital	741,696	741,696	741,696
Fair value reserve – net	(1,991)	(458)	(3)
Retained earnings (deficit):			
Appropriated	6,396	5,396	5,396
Unappropriated	(2,272,025)	(1,136,091)	(1,154,050)
TOTAL EQUITY	3,553,097	4,689,564	4,672,060
TOTAL LIABILITIES AND EQUITY	21,394,130	23,021,785	20,486,926

Statements of Profit or Loss and Other Comprehensive Income

(in millions of Rupiah)

DESCRIPTION	June 30		December 31	
	2020	2019	2019	2018
OPERATING INCOME AND EXPENSES				
Interest income	643,863	641,366	1,401,513	1,353,059
Interest expense	(503,297)	(461,903)	(979,937)	(1,050,216)
NET INTEREST INCOME	140,566	179,463	421,576	302,843
OTHER OPERATING INCOME				
Fees and commission - net	56,143	21,440	56,887	52,190
Trading income - net	18,166	39,225	76,968	118,278
Recovery from non-performing credit sales transactions	-	-	-	1,641,954
Others	3,027	10,229	42,748	60,032
Total other operating income	77,179	70,894	176,603	1,872,454
OTHER OPERATING EXPENSES				
Personnel expenses	(157,622)	(139,893)	(267,667)	(366,559)
General and administrative expenses	(69,939)	(93,195)	(175,598)	(220,824)
Provision for impairment losses on financial assets	(498,639)	(50,397)	(95,062)	(1,425,095)
Provision for impairment losses on non-financial assets	-	-	-	(106,563)
Others	(4,041)	(18,323)	(55,705)	(30,544)
Total other operating expenses	(730,241)	(301,808)	(594,032)	(2,149,585)
PROFIT (LOSS) BEFORE INCOME TAX	(512,339)	(51,451)	4,147	25,712
Income tax expense	(25,298)	(1,529)	1,130	(11,144)
PROFIT (LOSS) PERIOD OR FOR THE YEAR	(537,637)	(52,980)	5,277	14,568
OTHER COMPREHENSIVE INCOME				
Item that would be reclassified to profit or loss:				
Fair value changes of available-for-sale securities	(2,044)	(1,980)	(607)	444
Income tax related to item that would be reclassified to profit or loss	511	495	152	(111)
	(1,533)	(1,485)	(455)	333
Item that would not be reclassified to profit or loss:				
Fair value changes of available-for-sale securities	-	-	16,910	17,803

Income tax related to item that would be reclassified to profit or loss	-	-	(4,228)	(4,451)
	-	-	12,682	13,352
Other comprehensive profit (loss) – net of tax	(1,533)	(1,485)	12,227	13,685
Total comprehensive loss for the period or year	(539,170)	(54,465)	17,504	28,253
PROFIT (LOSS) PER SHARE - BASIC (in whole Rupiah)	(31.57)	(3.21)	0.32	0.88

Financial Ratio

Description	June 30	December 31	
	2020	2019	2018
Growth Ratios			
Interest income – net ¹⁾	-18.57%	39.21%	21.48%
Operating profit (loss) – net ¹⁾	1.301.35%	-83.87%	102.70%
Net profit (loss) ¹⁾	914.79%	-63.78%	101.84%
Total assets ²⁾	-7.07%	12.37%	-16.84%
Total liabilities ²⁾	-2.68%	15.92%	-23.40%
Total equity ²⁾	-24.23%	0.37%	17.09%
Capital			
Capital Adequacy Ratio (CAR) for credit risk and operational risk	18.50%	21.03%	26.51%
CAR for credit risk, market risk, and operational risk	17.78%	21.08%	26.50%
Fixed assets to capital	3.64%	1.74%	2.56%
Productive Assets			
Non-performing productive assets to productive assets	7.44%	5.63%	1.51%
Allowance for impairment losses to productive assets	5.18%	0.84%	0.94%
Gross NPL	9.56%	5.63%	2.49%
Net NPL	3.93%	4.45%	1.47%
Allowance for impairment losses to total loans	6.66%	1.24%	1.55%
Percentage of allowance for impairment losses to required write-off provision for productive assets	119.18%	45.52%	59.54%
Profitability			
ROA ⁴⁾	-4.83%	0.02%	0.12%
ROE ⁵⁾	-36.33%	0.05%	0.42%
NIM	1.70%	2.56%	1.73%
Operating expense to operating income (OEI)	172.94%	99.40%	99.43%
Liquidity			
LDR	87.02%	84.70%	72.59%
Compliance			
Rupiah Primary Minimum Reserve Requirements	3.66%	6.01%	8.01%
Secondary Minimum Reserve Requirements	7.13%	7.48%	5.20%
Foreign currency Minimum Reserve Requirements	4.01%	8.02%	8.09%
Net Open Position (aggregate)	0.18%	0.46%	0.15%
Percentage of LLL violation			
Related Parties	-	-	-
Non-related Parties	-	-	-
Percentage of LLL breach			
Related Parties	-	-	-
Non-related Parties	2.32%	-	-

1) For the years ended December 31, 2019 and 2018, growth is calculated based on the ratio of total interest income - net, operating profit (loss) - net and net profit (loss) for the years ended December 31 2018 and 2017, respectively. For the 6 (six) month period ended 30 June 2020, growth is calculated based on the ratio of total interest income - net, operating profit (loss) - net and net profit (loss) for the 6 (six) month period ended 30 June 2019

2) For the years ended December 31, 2019 and 2018, growth is calculated based on the respective ratio of total assets, total liabilities and total equity as of 31 December 2018 and 2017. For the 6 (six) months period ended 30 June 2020 the growth calculated by comparing the position of total assets, total liabilities and total equity as of December 31, 2019

3) Profitability ratio formula is the same formula used by the Company for reporting to OJK

4) ROA = Profit before tax is divided by the average total assets for the year

5) ROE = Net income divided by the average total equity for the year

SHAREHOLDING AND CAPITAL STRUCTURE

The capital structure and composition of the Company's shareholders based on the Company's Shareholders Register as of June 30, 2020 are as follows:

Description	Nominal Value of IDR250.- per share		%
	Number of Shares	Total Nominal Value (IDR)	
Authorized Capital	32,000,000,000	8,000,000,000,000	
Issued and Fully Paid-up Capital			
Qatar National Bank (Q.P.S.C.)	18,900,786,704	4,725,196,676,000	92.48
Public*)	1,535,899,280	383,974,820,000	7.52
Total Issued and Paid-up Capital	20,436,685,984	5,109,171,496,000	100.00
Shares in Portfolio	11,563,314,016	2,890,828,504,000	-

*) below 5% ownership each

MANAGEMENT AND STRUCTURE

The latest compositions of the Company's Board of Commissioners and Board of Directors as of the date of issuance of this Prospectus are as follows:

Board of Commissioners

President Commissioner	:	Fareeda Ali Abulfath
Independent Commissioner	:	Djoko Sarwono
Independent Commissioner	:	Suroto Moehadji
Independent Commissioner	:	Muhammad Anas Malla
Commissioner	:	Khalid Ahmed KH A Al-Sada
Commissioner	:	Stephen Robert James Holden

Board of Directors

President Director	:	Stewart Donald Hall
Director	:	Adhiputra Tanoyo
Independent Director	:	Windiartono Tabingin
Director	:	Leka Madiadipoera
Director	:	Geoffry Nugraha
Director	:	Bambang Andri Irawan

The Board of Commissioners and the Board of Directors of the Company referred to above are contained in the Deed of Minutes of Meeting No. 31 dated August 25, 2020, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, whose notification of data changes has been received and recorded in the Legal Entity Administration System, Ministry of Law and Human Rights based on Letter No. AHU-AH.01.03-0366530 dated August 26, 2020.

The appointment of the members of the Board of Commissioners and the Board of Directors is in accordance with the OJK Regulation No.33 / POJK.04 / 2014 dated 8 December 2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies, and each of them has obtained the approval on the Fit and Proper Test from OJK.

EMPLOYEE COMPOSITION

As of June 30, 2020, December 31, 2019 and 2018, the Company has 524, 519 and 597 permanent employees, respectively.

BONDS ISSUANCE GUARANTEE

Based on terms and conditions set in the Underwriter Agreement for Shelf Registration Bonds I QNB Indonesia Tranche III Year 2020 in accordance with Deed No. 10 dated October 9, 2020, drawn up before Fathiah Helmi, S.H., a Notary in Jakarta, the undersigned have agreed to offer the public in full commitment. Shelf Registration Bonds I QNB Indonesia Tranche III Year 2020 shall be for IDR 448,000,000,000 (four hundred forty-eight billion Rupiah).

Underwriter Agreement is a full set of agreement to replace all or any agreements possibly made before between parties within this agreement. There is no other agreement made between related parties with conflicting contents with the Underwriter Agreement.

The portion of bonds guaranteed in the full commitment by the Underwriters are as following:

Underwriters	Total (Rp)	%
PT CIMB Niaga Sekuritas	224,000,000,000	50.0
PT Indo Premier Sekuritas	224,000,000,000	50.0
Total	448,000,000,000	100.0

Underwriters have agreed to fulfill their duties in accordance with Regulation No. IX.A.7.

Underwriters are not affiliated to the Company, whether directly or indirectly, within the meaning defined in the Capital Market Law.

TERMS OF BOND SUBSCRIPTION

There are a few requirements for potential investors in bond subscription:

1. Bond Registration to Collective Depository

Bonds offered by the company through public offering have been registered as per Debt Securities Agreement at KSEI, hence:

- a. The Bonds shall be issued scriptless, except for the Bonds Jumbo Certificate, which shall be issued to be registered under the name KSEI for the benefit of the Bondholders. Bonds shall be distributed electronically and administered in the collective depository of KSEI. Bonds shall be distributed to Securities Accounts no later than the date of distribution, which shall be 3 November 2020. KSEI will issue Written Confirmation for the Bondholders, Securities Companies, or the Custodian Bank, as an evidence of ownership of the Bonds.
- b. Transfer of ownership of the Bonds can be done through the transfer of Securities Account at KSEI, with the confirmation of respective Account Holders.
- c. Bondholders whose names are recorded in the Account Holder Register are entitled to Bond interest, the repayment of Bond Principle, cast votes in the amount equal to the number of Bonds held, and other subscription rights.
- d. Bond interest payment and the repayment of Bond Principle shall be paid by KSEI as the Paying Agent on behalf of the Company, on the Bond Principal Repayment Date and/or Bond Interest Payment Date of the respective Bonds, as outlined in Trustee Agreement and/or Paying Agent Agreement. The Bondholders entitled to the Bond Interest shall be the Bondholders whose names are recorded in the Account Holder Register on the 4th (fourth) Business Day prior to the Bond Interest Payment Date unless determined otherwise by KSEI or the prevailing laws and regulations.
- e. The Bondholders attending the GMB must submit the original KTUR (*Konfirmasi Tertulis untuk RUPO* or Written Confirmation of GMB) issued by KSEI to the Trustee. All Bonds under KSEI's custody shall be suspended so that such Bonds cannot be transferred/debited from the 4th (fourth) Business Days prior to the date of GMB until the closing of GMB, which shall be proven by a notice from the Trustee or upon approval from the Trustee, settlement of Bond transactions which settlements fall on such dates shall be suspended until 1 (one) Business Day subsequent to the date of GMB.
- f. All parties intending to subscribe shall open Securities Accounts at the Members of Stock Exchange or Custodian Banks which have been registered as Account Holders in KSEI.

2. Eligible Subscribers

Indonesian and/or Foreign Citizen and/or Institutions and/or Legal Entities/Business Entities, whether Indonesian/Foreign as stipulated in the Capital Market Law and the implementing regulations thereof.

3. Bond Subscription

Bond subscriptions are made using the Bond Purchase Order Form, either in hardcopy from the Bonds Underwriter office or softcopy via email, as stated in Chapter XI of the Supplementary Information, and the order submitted cannot be cancelled by the subscriber. The Bond Purchase Order is made using FPPO for this purpose and is issued by the Bond Underwriter in 5 (five) copies or in softcopy. Bonds subscriptions that deviate from the aforementioned provisions shall not be served.

4. Minimum Order

Bond subscriptions must be made in an amount of at least one trading unit worth IDR 5,000,000.00 (five million Rupiah) or its multiples.

5. Public Offering Period

The Bond Public Offering Period will be held from October 22, 2020, to October 26, 2020, from 9 a.m. to 4 p.m. (GMT +7).

6. Application of Bond Subscription

Before the Bond Public Offering Period ends, the subscriber must place a Bond purchase order by submitting FPPO during normal working hours to the Bond Underwriters or the appointed Sales Agent as contained in Chapter XI of the Supplementary Information, either in hardcopy or softcopy delivered by email.

7. Proof of Receipt of Bond Subscription

Bond Underwriters or Sales Agents who receive a Bond purchase order submission will return to the Buyer 1 (one) copy of signed FPPO, either hardcopy or softcopy via email, as proof of receipt of the Bond subscription. Proof of receipt of the Bond subscription is not a guarantee that the order is fulfilled.

8. Bond Allotment

The allotment will be carried out in accordance with Regulation No. IX.A.7. The Bond Allotment will be carried out on October 27, 2020. The Allotment Manager in this Public Offering is PT Indo Premier Sekuritas.

In the event of an excess subscription and it is evident that there is a certain party who submits an order for securities through more than one order form for each Public Offering, either directly or indirectly, then for allotment purposes, the Allotment Manager can only submit one Securities order form that was first submitted by the aforementioned customer.

The Bonds Underwriters will submit a report on the results of the Public Offering to OJK no later than 5 (five) Business Days after the Allotment Date in accordance with Regulation No. IX.A.2 and Regulation No. IX.A.7.

The Allotment Manager will submit an Accountant Audit Report to OJK regarding the reasonableness of the allotment implementation based on Regulation No. VIII.G.12 and Regulation No. IX.A.7; no later than 30 days after the end of the Public Offering Period.

9. Payment of Bond Subscription

The subscriber can make payments by transferring into the Bond Underwriter's account where the order is placed. The funds must be effective in the Bond Underwriter account no later than 1 (one) Exchange Day before the Payment Date, which is November 2, 2020 at 2 p.m. (GMT +7), addressed to the accounts below:

Bond Account

PT CIMB Niaga Sekuritas

PT Bank QNB Indonesia Tbk
SCBD Branch, Jakarta
No. Rek. 1220004313001
a/n PT CIMB Niaga Sekuritas

PT Indo Premier Sekuritas

PT Bank QNB Indonesia Tbk
SCBD Branch, Jakarta
No. Rek. 1200004141001
a/n PT Indo Premier Sekuritas

Subsequently, the Bond Underwriters must immediately make payments to the Bonds Underwriters no later than November 2, 2020 at 4 p.m. (GMT +7) addressed to the accounts listed above. The Bonds Underwriters are then required to deposit to the Company (in good funds) on the Payment Date, namely on November 3, 2020, no later than 2 p.m. (GMT +7). All fees or bank fees or transfer fees are borne by the Customer. The order will be canceled if the payment terms are not met.

10. Electronic Bond Distribution

On the Issuance Date, the Company is obliged to issue a Bond Jumbo Certificate to be submitted to KSEI and give instructions to KSEI to credit the Bonds to the entitled Securities Account or Sub Securities Account according to the data in the distribution instruction recapitulation, which will be delivered by the Bonds Managing Underwriter.

With the implementation of these instructions, the distribution of Bonds is solely the responsibility of the Bonds Managing Underwriter and KSEI, and the Company is freed from all responsibilities and demands arising because of the failure of the Guarantor.

11. Procedure for Refund of Subscription

In the event of cancellation of share subscriptions, whether in part or in whole, due to allotment, or cancellation or delay in the public offering, the Company shall refund such subscriptions to the subscribers via the underwriter. The Company shall refund the subscription by no later than 2 (two) Business Days subsequent to the Allotment Date or since the decision to cancel or delay Bonds public offering. If the Company failed to fulfil the requirement to record Bonds at KSEI within 1 (one) Business Day after the Allotment Date, thus the public offering is deemed as cancelled by the prevailing law and the funds from Bonds subscription shall be refunded to subscribers through KSEI by no later than 2 (two) Business days from the cancellation date.

Refunds can be made through transfer to the bank account under the name of the subscribers or through other payment forms such as cheques or *bilyet giro* that can be collected directly by subscribers after providing evidence of subscribing and proof of ID. In the event of lateness, any party causing the lateness shall pay penalty to the subscribers amounting to 1% (one percent) per year above the Bonds interest rate from the late payment amount, calculated daily from the late payment date until it is paid in full. The Penalty is calculated based on the assumption there are 360 (three hundred and sixty) Calendar days in 1 (one) year and 30 (thirty) Calendar days on 1 (one) month. In the event of a no-show by the subscriber, after 2 (two) Business days after the cancellation date and refund is ready to be distributed, the Underwriter or the Company is not obligated to pay the interest and/or the penalty.

12. Paying Agent

Paying Agent for Shelf Registration Bonds I QNB Indonesia Tranche III Year 2020 is KSEI based on the Paying Agent Agreement signed by both the Company and KSEI.

PT KUSTODIAN SENTRAL EFEK INDONESIA

Gedung Bursa Efek Jakarta, Tower I, Lt. 5

Jl. Jend. Sudirman Kav. 52-53

Jakarta 12190 - Indonesia

Tel. (6221) 52991099

Fax. (6221) 52991199

The Bond Principal repayment and Bond Interest payments shall be carried out by KSEI, in its capacity as the Paying Agent, on behalf of the Company to the Bondholders that submit the Bond ownership evidence in accordance with the terms and conditions set forth in the Paying Agent Agreement via the Account Holders at KSEI in accordance with their respective payment schedule as specified. If the payment date falls on a non Business day, the payment shall be carried out on the next Business Day.

13. Others

DISTRIBUTION OF SUPPLEMENTARY INFORMATION AND BOND SUBSCRIPTION FORM

Supplementary Information and Bond Subscription are available at the Underwriters' office stated below from October 20, 2020, to October 26, 2020, no later than 4 p.m. (GMT +7):

PT CIMB Niaga Sekuritas

Graha CIMB Niaga Lantai 28

Jl. Jend. Sudirman Kav. 58

Jakarta 12190

settlement@cimbniaga-ibk.co.id

PT Indo Premier Sekuritas

Pacific Century Place, Lantai 16

Jl. Jend. Sudirman Kav. 52-53

Jakarta 12190

fixed.income@ipc.co.id

ALL PROSPECTIVE INVESTORS ARE EXPECTED TO READ FURTHER INFORMATION ON THE PUBLIC OFFERING PRESENTED IN THE SUPPLEMENTARY INFORMATION