

**DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF
PT BANK ARTOS INDONESIA TBK
FOR THE PROPOSED CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS IN RELATION TO
THE LIMITED PUBLIC OFFERING I**

This information is made and addressed to the shareholders of the PT Bank Artos Indonesia Tbk (“**Company**”) in compliance with the Financial Services Authority/*Otoritas Jasa Keuangan* (“**OJK**”) Rule No. 32/POJK.04/2015 dated 16 December 2015 on Capital Increase of Public Companies with Pre-Emptive Rights, as amended by the OJK Rule No. 14/POJK.04/2019 dated 30 April 2019 on Amendment to the OJK Rule No. 32/POJK.04/2015 on Capital Increase of Public Companies with Pre-Emptive Rights (“**POJK 32**”).



PT Bank Artos Indonesia Tbk

Business Activities:

Engaged in the banking services business.

Domiciled in Bandung, West Java, Indonesia.

Head Office:

Gedung Bank Artos
Jl. Otto Iskandardinata No. 18
Bandung 40171
Indonesia

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The information contained in this Disclosure of Information is important and must be read and considered by the shareholders the Company in approving the resolution for the proposed capital increase with pre-emptive rights in relation to the Limited Public Offering I.

If you are having difficulty in understanding the information contained in this Disclosure of Information or are unsure in making a decision, you should consult with your broker, investment manager, legal counsel, public accountant, or other professionals.

The Company’s Board of Commissioners and Board of Directors are severally or jointly responsible for the accuracy and completeness of all information contained in this Disclosure of Information. The Company’s Board of Commissioners and Board of Directors stated that the information presented in this Disclosure of Information are complete and after carefully studying it, confirm that the information contained in this Disclosure of Information are true and there are no material and relevant facts that have not been disclosed that can cause any material information in this Disclosure of Information to be incorrect and/or misleading.

This Disclosure of Information is published on 22 August 2019.

IMPORTANT DATES AND THE PROPOSED SCHEDULE FOR THE CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS IN RELATION TO THE THE LIMITED PUBLIC OFFERING I

The Company intends to conduct a capital increase by giving pre-emptive rights to the shareholders of the Company (“**PMHMETD I**”) based on the following proposed schedule:

- | | | |
|----|--|-------------------|
| 1. | Notification of the Extraordinary General Meeting of Shareholders’ (“ EGMS ”) agenda to the OJK. | 15 August 2019 |
| 2. | Announcement of the Disclosure of Information for the PMHMETD I in the websites of the Indonesia Stock Exchange/ <i>Bursa Efek Indonesia</i> (“ IDX ”) and the Company. | 22 August 2019 |
| 3. | Announcement of the EGMS in 1 (one) daily newspaper, IDX website, and the Company’s website. | 22 August 2019 |
| 4. | Recording date of the Company’s shareholders who are entitled to attend the EGMS. | 5 September 2019 |
| 5. | Announcement of the EGMS invitation in 1 (one) daily newspaper, IDX website, and the Company’s website. | 6 September 2019 |
| 6. | Disclosure of any additional information to the Disclosure of Information (if any). | 27 September 2019 |
| 7. | The EGMS is held. | 30 September 2019 |
| 8. | Announcement of the summary of the EGMS result in one (1) daily newspaper, the IDX website and the Company’s website. | 1 October 2019 |
| 9. | Submission of the summary of the EGMS results to the OJK and IDX. | 30 October 2019 |

I. GENERAL

A. General Information of the Company

The Company was established based on the Deed of Establishment No. 1 dated 1 May 1992, drawn-up before Netty Tjandrania, S.H., a Notary in Bandung, which has been approved by Minister of Law of the Republic of Indonesia (as amended from time to time, currently named Minister of Law of the Republic of Indonesia (“**Minister**”)) based on the Decree No. C2-4584.HT.01.01.TH.92 dated 3 June 1992, registered in the Clerk Office of the Bandung District Court under No. 40 dated 5 February 1997, and which also has been announced in the State Gazette of the Republic of Indonesia No. 24 dated 25 March 1997, Supplement No. 1176.

The articles of association of the Company has been amended several times, lastly by (i) Deed of Statement of Meeting Resolution No. 7 dated 21 September 2015, drawn-up before Kirana Ivyminerja Wilamarta, S.H., LL.M., a Notary in Jakarta, which has been approved by the Ministry of Law and Human Rights (“**MOLHR**”) based on the Decree No. AHU-0942794.AH.01.02.Tahun 2015 dated 23 September 2015, and notified to the Minister based on the Letter of Receipt for the Notification of the Amendment to the Articles of Association No. AHU-AH.01.03-0967173 dated 23 September 2015, which has also been registered in the Company Registration at the MOLHR under No. AHU-3558160.AH.01.11 Tahun 2015 (“**Deed No. 7/2015**”), *juncto* (ii) Deed of Statement of Meeting Resolution No. 1 dated 4 March 2016, drawn-up before Kirana Ivyminerja Wilamarta, S.H., LL.M., a Notary in Jakarta, which has been notified to the Minister based on the Letter of Receipt for the Notification of the Amendment to the Articles of Association No. AHU-AH.01.03-0029220 dated 7 March 2016, and registered in the Company Registration at the MOLHR under No. AHU-29290.AH.01.11 Tahun 2016 dated 7 March 2016 (“**Deed No. 1/2016**”).

The Company is domiciled in Gedung Bank Artos, Jl. Otto Iskandardinata No. 18, Bandung, 40171 Indonesia.

According to article 3 of the Company’s articles of association, the Company is engaged in banking services.

B. Capital Structure and Share Ownership

Based on (i) Deed No. 7/2015; and (ii) Deed No. 1/2016, the capital structure of the Company is as follows:

Authorized Capital	:	Rp 350,000,000,000
Issued Capital	:	Rp 120,625,000,000
Paid-up Capital	:	Rp 120,625,000,000

The authorized capital of the Company consist of 3,500,000,000 shares, each with a nominal amount of Rp 100.

Based on the shareholders’ register of the Company dated 19 August 2019, issued by PT Ficomindo Buana Registrar as the Share Registrar of the Company, the share ownership in the Company is as follows:

No.	SHAREHOLDERS	SHARES	TOTAL AMOUNT (Rp)	%
1.	Arto Hardy	476,468,750	47,646,875,000	39.50
2.	Sinatra Arto Hardy	162,843,750	16,284,375,000	13.50

No.	SHAREHOLDERS	SHARES	TOTAL AMOUNT (Rp)	%
3.	William Arto Hardy	162,843,750	16,284,375,000	13.50
4.	Lina Arto Hardy	162,843,750	16,284,375,000	13.50
5.	Public (each with an ownership of less than 5%)	241,250,000	24,125,000,000	20.00
Total Issued and Paid-up Capital		1,206,250,000	120,625,000,000	100.00
Total Portfolio Shares		2,293,750,000	229,375,000,000	

C. Board of Directors and Board of Commissioner of the Company

Based on the Deed of Minutes of Meeting of the Extraordinary General Meetings of Shareholders No. 33 dated 12 February 2019, drawn-up before Christina Dwi Utami, S.H., M.Hum., M.Kn., a Notary in West Jakarta (“**Deed No. 33/2019**”) *juncto* Deed No. 23 dated 15 May 2019, drawn-up before Rusnaldy, S.H., a Notary in Jakarta (“**Deed No. 23/2019**”), the composition of the Board of Directors and the Board of Commissioners of the Company as of the date of this Disclosure of Information is as follows:

Board of Commissioners

President Commissioner : William Arto Hardy
Independent Commissioner : Lucia Djatmiko
Independent Commissioner : Susilo Tedjaputera

Board of Directors

President Director : Deddy Triyana
Compliance Director : Bambang Setiawan
Director : Yovita Fifiningsih Ario

II. INFORMATION REGARDING THE PLAN FOR THE CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS IN RELATION TO THE LIMITED PUBLIC OFFERING I

A. Maximum Number of Shares to be Issued pursuant to the Plan for the Capital Increase with Pre-emptive Rights

The Company is planning to conduct PMHMETD I, which shall consist of granting the right to purchase equity securities in the amount of up to 15,000,000,00 (fifteen billion) shares, each with a nominal amount of Rp 100 per share (“**New Shares**”).

In the event where the payment for the New Shares is made in a form other than money, such payment in any other form must fulfil the following provisions:

1. the payment is directly related to the use of proceeds;
2. an appraiser must be appointed to determine the fair value of such other form used as payment and the fairness of such payment transaction;
3. in the event that the payment for the New Shares is in the form of a collection right (*hak tagih*) for the Company, which will be compensated as a payment for the New Shares, such collection right (*hak tagih*) must be recorded in the latest financial statements of the Company that has been audited by an accountant; and
4. the payment in any other form other than money and compensation of collection right (*hak tagih*) must comply with the prevailing laws and regulations that govern the payment of shares any other form other than money and compensation of collection right (*hak tagih*).

B. Proposed Period for Exercising the Pre-Emptive Rights

Based on Article 8 paragraph (3) of POJK 32, the period between the EGMS' approval in relation to the PMHMETD I until the effectiveness of the registration statement must not exceed 12 (twelve) months. The Company plans to conduct its capital increase within such 12 (twelve) months period.

The implementation of PMHMETD I will be subject to an approval from the EGMS of the Company and the OJK (banking supervisory), as well as an effective statement from the OJK (capital market supervisory) for the registration statement for PMHMETD I as submitted by the Company to comply with the prevailing regulations in Indonesia.

C. Analysis on the Impact of the Capital Increase on the Company's Financial Conditions and the Shareholders

The capital increase from PMHMETD I will strengthen the capital structure of the Company, which will allow the Company to conduct the actions described further in section II.D below. In addition, the capital increase is expected to improve the performance and competitiveness of the Company and its subsidiaries.

Furthermore, there are acquisition plans involving the Company's shares from its shareholders by PT Metamorfosis Ekosistem Indonesia and Wealth Track Technology Limited and the shares that will be acquired amounts to a total of 51% (fifty one percent) of the Company's total issued and paid-up capital ("**Proposed Acquisition**") and the Proposed Acquisition will be conducted prior to the implementation of the PMHMETD I. For a more detailed information regarding the Proposed Acquisition, please refer to the Company's Acquisition Plan as announced in the Media Indonesia and Bisnis Indonesia newspapers on 22 August 2019.

The implementation of the Proposed Acquisition will depend on and is subject to the approval from the Company's EGMS and the OJK (banking supervisory). However, the completion of the Proposed Acquisition is to be carried out before the implementation of PMHMETD I. Therefore, with the implementation of PMHMETD I, and assuming that (i) the closing of the Proposed Acquisition occurs before the implementation of PMHMETD I; (ii) all shareholders of the Company exercise the rights offered in PMHMETD I; and (iii) the issuance of shares pursuant to the PMHMETD I is carried out in the maximum amount as described in section II.A of this Disclosure of Information, the capital structure and share ownership of the Company before and after the pro forma PMHMETD I are as follows:

BEFORE PMHMETD I

No.	SHAREHOLDERS	CURRENT SHAREHOLDING			AFTER THE PROPOSED ACQUISITION TRANSACTION (BEFORE IMPLEMENTATION OF PMHMETD I)		
		SHARES	TOTAL AMOUNT (Rp)	%	SHARES	TOTAL AMOUNT (Rp)	%
	Authorized Capital	3,500,000,000	350,000,000,000				
1.	Arto Hardy	476,468,750	47,646,875,000	39.50	295,531,250	29,553,125,000	24.50
3.	Sinatra Arto Hardy	162,843,750	16,284.375,000	13.50	18,093,750	1,809,375,000	1.50
4.	William Arto Hardy	162,843,750	16,284.375,000	13.50	18,093,750	1,809,375,000	1.50
5.	Lina Arto Hardy	162,843,750	16,284.375,000	13.50	18,093,750	1,809,375,000	1.50
6.	PT Metamorfosis Ekosistem Indonesia	-	-	-	454,153,125	45,415,312,500	37.65
7.	Wealth Track Technology Limited	-	-	-	161,034,375	16,103,437,500	13.35
6.	Public (each with an ownership of less than	241,250,000	24,125,000,000	20.00	241,250,000	24,125,000,000	20.00

No.	SHAREHOLDERS	CURRENT SHAREHOLDING			AFTER THE PROPOSED ACQUISITION TRANSACTION (BEFORE IMPLEMENTATION OF PMHMETD I)		
		SHARES	TOTAL AMOUNT (Rp)	%	SHARES	TOTAL AMOUNT (Rp)	%
	5%)						
Total Issued and Paid-up Capital		1,206,250,000	120,625,000,000	100.00	1,206,250,000	120,625,000,000	100.00
Total Portfolio Shares		2,293,750,000	229,375,000,000		2,293,750,000	229,375,000,000	

AFTER PMTHMETD I

No.	SHAREHOLDERS	AFTER IMPLEMENTATION OF PMHMETD I		
		SHARES	TOTAL AMOUNT (Rp)	%
Authorized Capital		50,000,000,000	5,000,000,000,000	
1.	Arto Hardy	3,970,531,250	397,053,125,000	24.50
3.	Sinatra Arto Hardy	243,093,750	24,309,375,000	1.50
4.	William Arto Hardy	243,093,750	24,309,375,000	1.50
5.	Lina Arto Hardy	243,093,750	24,309,375,000	1.50
6.	PT Metamorfosis Ekosistem Indonesia	6,101,653,125	610,165,312,500	37.65
7.	Wealth Track Technology Limited	2,163,534,375	216,353,437,500	13.35
6.	Public (each with an ownership of less than 5%)	3,241,250,000	324,125,000,000	20.00
Total Issued and Paid-up Capital		16,206,250,000	1,620,625,000,000	100.00
Total Portfolio Shares		33,793,750,000	3,379,375,000,000	

If the shareholders of the Company do not exercise their Rights in PMHMETD I, then the share ownership of the shareholders of the Company will be diluted with a maximum amount of 92.56% (ninety two point fifty six percent).

D. Proposed Use of Proceeds

The Company is planning to use the net proceeds of the PMHMETD I (after deducting the fees and costs for PMHMETD I) as additional funds for Bank Artos, to be utilized for the purposes of business and product development, investment of infrastructure in information technology and human resources sectors, as well as the development of infrastructure, improvement in capital structure and the soundness rating of Bank Artos.

Final information in connection with the use of proceeds will be disclosed in the prospectus issued for the PMHMETD I, which will be made available to the eligible shareholders in accordance with applicable laws and regulations.

III. ADDITIONAL INFORMATION

For further information on the above matters, please contact the Company during business hours at the following address:

PT Bank Artos Indonesia Tbk

Head Office:

Gedung Bank Artos
Jl. Otto Iskandardinata No. 18
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