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From the Danantara Indonesia **Investor Relations** Team

INVESTING AT DANANTARA INDONESIA

Earning Confidence, One Step at a Time

DIM raises US$1.5 billion in its debut international bond issuance.

Danantara Indonesia Diaries Issue 35 - Wednesday, 24 June 2026

Left to right: Rosan Roeslani, CEO of Danantara Indonesia; Ali Setiawan, MD Treasury and Public Investments of DIM; Pandu Sjahrir, CEO of DIM; Bono Daru Adji, MD Legal of DIM; and Djamal Attamimi, MD Finance of DIM / Photo credit: Danantara Indonesia

Written by **Naarah Joesoef** with contributions from **Adiputra Tjengdinata** and **Putra Muskita**

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"A man I do not **trust** could not get money from me."

J.P. MORGAN, American banker and financier

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We at the investor relations team have had our fair share of roadshows, sharing the story of Danantara Investment Management (DIM) to institutional investors in Indonesia and abroad. But when DIM decided to enter international debt markets for the first time, the stakes were much, much higher.

Because here is something that catches people off guard about capital markets: money does not flow to where it is needed most. It flows to where investors trust it will be handled well. Those are two very different things.

Countries with huge potential do not automatically attract investment. Companies with great growth stories still struggle to raise funding. And even well-resourced institutions can spend years on the outside before markets decide they are worth backing.

Trust has to be earned. There is no way around it.

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Deal team, from left to right: Bono Daru Adji, MD Legal; Manish Chiddarwar, Senior Director Corporate Finance; Ali Setiawan, MD Treasury & Public Investments; Estira Tiyassih, Director Finance; Djamal Attamimi, MD Finance; and Haryanto Suganda, Senior Director Risk Management. / Photo credit: Danantara Indonesia

"Money does not flow to where it is needed most. It flows to where investors trust it will be handled well. Those are two very different things."

At the roadshows, the weight of that reality was not lost on anyone in the room. The DIM team had spent months preparing for the transaction, starting with pursuing both domestic and international credit ratings as well as refining materials and fielding investor questions.

Ultimately, DIM's first US dollar bond raised US$1.5 billion across two maturities, a 5-year bond and a 10-year bond, and drew total investor demand of more than US$4.6 billion. In plain terms: investors wanted roughly three times more of the bonds than DIM was offering.

In a tough market climate, that kind of demand does not come easy, especially considering the bond’s tight pricing. The 5-year tranche is priced at a spread of 32 basis points (bps) over Indonesia’s sovereign secondary curve, while the 10-year tranche is priced at a spread over 34bps over the sovereign secondary curve.

But the real story here is not the numbers. It is everything that had to happen to get there.

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The Deal at a Glance

Issuer	PT Danantara Investment Management
Offering	US$ Senior Unsecured Notes
Issuance Size	US$1.5 billion
Total Investor Demand	US$4.6 billion (Oversubscribed >3x)
Yield	US$750 million 5-year notes priced at a yield of 5.35% US$750 million 10-year notes priced at a yield of 5.95%
Issuer's Ratings	Baa2 (Negative) / BBB (Stable) / BBB (Negative) (M / S&P / F)
Use of Proceeds	General Corporate Purposes
Listing	Singapore Exchange Securities Trading Limited (SGX-ST)
Joint Lead Managers and Joint Bookrunners	Citigroup, DBS Bank Ltd., HSBC, Mandiri Securities, Standard Chartered Bank

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Why is it so hard to be new?

When an institution issues bonds in a new market, they do not get the benefit of the doubt. That is just how it works.

Established borrowers come with a track record: past bond deals, a familiar investor base, a known price that markets can use as a reference. New issuers have none of that. So investors do what they always do when faced with the unknown: they ask harder questions and expect better answers.

The timing made things tougher still.

DIM came to market during a rough patch. Global markets were choppy, US interest rates were up, and investors were already feeling cautious, especially toward developing markets. In that climate, the bar for a new issuer is not just high. It keeps rising.

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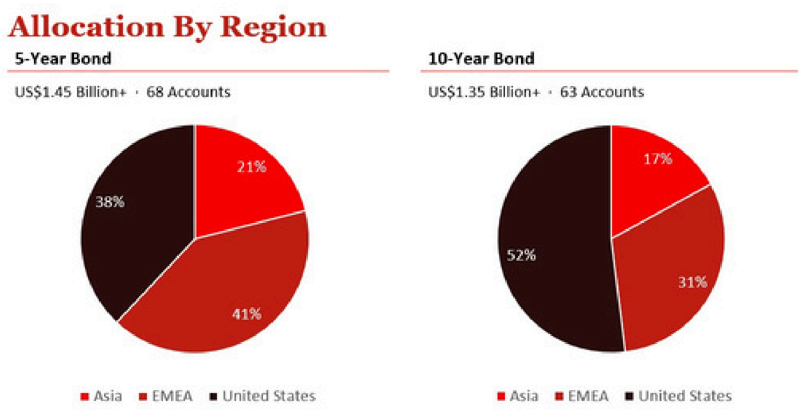
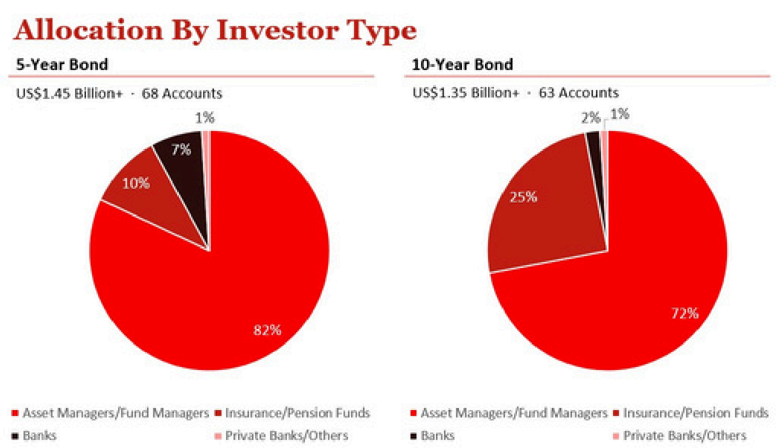


The deal was run by Citi, DBS, HSBC, Mandiri Sekuritas, and Standard Chartered, who joined DIM's team on a roadshow to meet major investors across Asia, Europe and the United States. The conversations ranged widely: how much debt DIM plans to carry, how it will invest, how it is governed, and how it relates to the Indonesian government.

What became clear early on was that investors were not just looking at the bond. They were looking at the institution and the people behind it.



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What were investors actually trying to figure out?

Going into the roadshow, we were confident we had prepared for every single permutation of questions an investor could possibly ask. By the third city, we had developed a much healthier respect for the word "every."

On the surface, the questions covered a lot of ground. But they were all really driving at the same thing.

Questions about debt led to questions about investment plans. Investment plans led to funding. Funding led to governance. And governance kept looping back to the core question: can this institution be trusted?

Part of the discussion is around DIM's unique mandate. It is neither a traditional state-owned enterprise nor a conventional sovereign fund. Instead, it combines a commercial investment focus with a role in supporting Indonesia's broader development priorities. As a result, investors spent considerable time understanding DIM's institutional structure, mandate, and long-term objectives.

That ultimately proved just as important as understanding the bond itself.

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So why raise debt now?

This was probably the question that came up most on the roadshow, and it is a fair one.

DIM already has money to work with. So why go to international debt markets at this early stage? Why take on that extra pressure before the portfolio is even fully built?

"This was not really about needing cash or adding financial burden. It was about putting the right funding structure in place."

The answer rests on a distinction that is easy to miss: having capital is not the same as having the right funding in place.

An institution can have money available today and still not have the setup needed to support the investments it is planning for tomorrow.

Here is the practical bit: much of DIM's funding comes from dividends paid by state-owned companies, and those dividends come in rupiah. But some of the investments DIM wants to make are priced in US dollars. Taking in money in one currency and putting it to work in another builds up a currency mismatch over time.

Setting up a US dollar funding programme helps address that mismatch while creating a more diversified funding structure. It allows DIM to better match its funding sources with the currency profile of its investment pipeline and build a healthier balance sheet over time.

It also helps diversify funding sources. While bank facilities remain an important source of liquidity, they are generally shorter-term in nature. Accessing long-term debt capital markets provides an additional source of funding and helps manage liquidity needs over a longer horizon.

And beyond the funding angle, it opens a door. Once we have issued a bond and built a relationship with global investors, doing it again is easier. That kind of access is worth a lot.

This was not really about needing cash or adding financial burden. It was about putting the right funding structure in place.

What did investors make of DIM's governance?

Governance kept coming up, even when it was not the stated topic.

Debt questions looped back to governance. Investment questions did too. And honestly, that makes a lot of sense. When investors look at a new institution, the question underneath all the others is: "What happens when things get hard?"

The path is narrow, the terrain uneven. But that is exactly why we learn where the edges are before we start moving. / Photo credit: Azhar Galih / Unsplash

Part of the answer lies in how DIM has structured its investment process. Every investment decision at DIM goes through one of two investment committees: one for public markets, one for private deals. The Risk team is embedded in both, present in the room from the start.

For private investments, the committee's role is to push back, stress-test assumptions, and ask what has not been seen yet. That applies to every part of the process: from early screening to an Early Investment Memo, through full due diligence, and finally to a Final Investment Memo. (Read more about our investment committee in Danantara Indonesia Diaries Issue 26, which can be found on our LinkedIn and website.)

But here is the part that matters most for governance: the investment committee recommends deals, not approve them. The final decision sits with DIM's Board of Directors. For larger or more strategic transactions, it goes higher still to BPI Danantara, where another layer of review takes place.

This is the architecture investors were really trying to understand. Controls exist, but investors wanted to know how those controls operate in practice.

How does DIM's relationship with Indonesia factor in?

This one kept coming up, and it gets at something genuinely tricky about DIM's position.

Because DIM is new, it does not yet have its own price history in global markets. No past deals, no benchmark for investors to go off. So naturally, they looked to the next best thing: Indonesia's own track record in international debt markets.

The question that kept surfacing was: how much of Indonesia's credibility should carry over to DIM? Is DIM effectively guaranteed by the government? And if so, how much does that matter?

It is not a uniquely Indonesian question. Any new issuer with government ties runs into some version of it. The basic ask is: how much does the parent's good name carry over, and what is the gap worth?

There is no formula for it. Credibility is built over time by being transparent and consistent while demonstrating an execution track record.

Do ratings not sort this out?

Partly, but not all the way.

Credit ratings, put out by agencies like Moody's, S&P and Fitch, give investors a common way to size up risk and compare borrowers across different countries and industries. They are a useful anchor.

But they are still just opinions. Markets are something different.

When investors actually put money in, when they back a new institution in a difficult environment, that means something more. An oversubscribed orderbook, or the total amount investors said they wanted to buy during the roadshow, does not promise smooth sailing ahead. It does not lock in returns or guarantee every call will be the right one.

What it does say is that investors took a hard look at DIM, asked the tough questions, pushed back where they were not satisfied, and still decided it was worth their money.

Ratings tell us what analysts think. Capital tells us what investors are willing to actually do.

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What happens now?

After weeks of preparation, flights, meetings, and more coffee than any team should consume, we are pleased to report that the bond issuance was a success.

This experience showed that skepticism is not the opposite of trust. Throughout the roadshow, investors challenged assumptions, tested governance frameworks, and scrutinized DIM's funding strategy. Those conversations ultimately reinforced confidence in DIM's mandate, governance, and long-term approach.

Case in point: some of the toughest questions came from investors in the US, who challenged nearly every assumption behind DIM. But those US investors ultimately became the largest buyers of the 10-year bonds.

Photo credit: Ivan Samudra / Unsplash

The hard part, though, is just getting started.

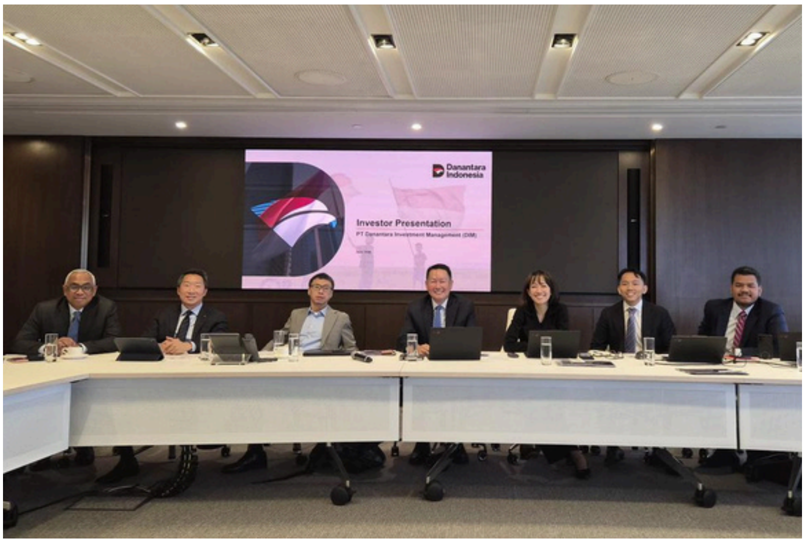
A bond deal is a starting line, not a finish line. What really counts is not the demand during the roadshow. It is what DIM does with the capital it has raised.

The focus now is execution: investing prudently, maintaining financial discipline, and continuing to earn investor confidence through consistent delivery over time.

In time, the results of those efforts will speak for themselves.

But for now, the deal is a useful reminder: before we can deliver, we have to earn the right to try. That means being open, doing the work, and building trust the slow way, one honest conversation at a time.

In capital markets, as in most things, that is where real confidence comes from.



Deal team during one of the roadshow stops in Singapore / Photo credit: Danantara Indonesia

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Did You Know?

Lukita Maxwell /
Photo credit: IMDb

In capital markets and in Hollywood, the challenge is the same: breaking in when nobody has seen us before.

Backrooms, the latest film adaptation of one of the internet's most enduring “creepypastas”, has been making waves since its release. Playing Kat, the assistant manager at the furniture store, is Lukita Maxwell: Jakarta-born, Bali-raised, Utah-schooled, and one to watch.

She got her start winning a monologue competition at the Tony-winning Utah Shakespeare Festival, then held her own opposite Jason Segel and Harrison Ford in Apple TV+'s *Shrinking* before landing her role in *Backrooms*.

Earning a spot as a new name. Sounds familiar.

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Danantara Indonesia Diaries *is a newsletter produced by Danantara Indonesia's investor relations team.*