

BPI Danantara Indonesia: Investment Holding

Pandu Sjahrir - Chief Investment Officer

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Danantara Indonesia – A Brief Overview



Danantara is the embodiment of the President's vision



Indonesia's Economic Power of the Future



Focus on National Strategic Sectors



Commitment to Prosperity and Equity



Operational Function



Rosan P. Roeslani
CEO of BPI
Danantara

Managing overall operational activities in BPI Danantara, IH, and OH (incl. providing strategic direction)



Donny Oskaria
COO of BPI
Danantara

Managing all SOE operational activities (asset management function) - supervises OH



Pandu Sjahrir
CIO of BPI
Danantara

Managing and investing the capital to deliver the mandate (investment management function) - supervises IH

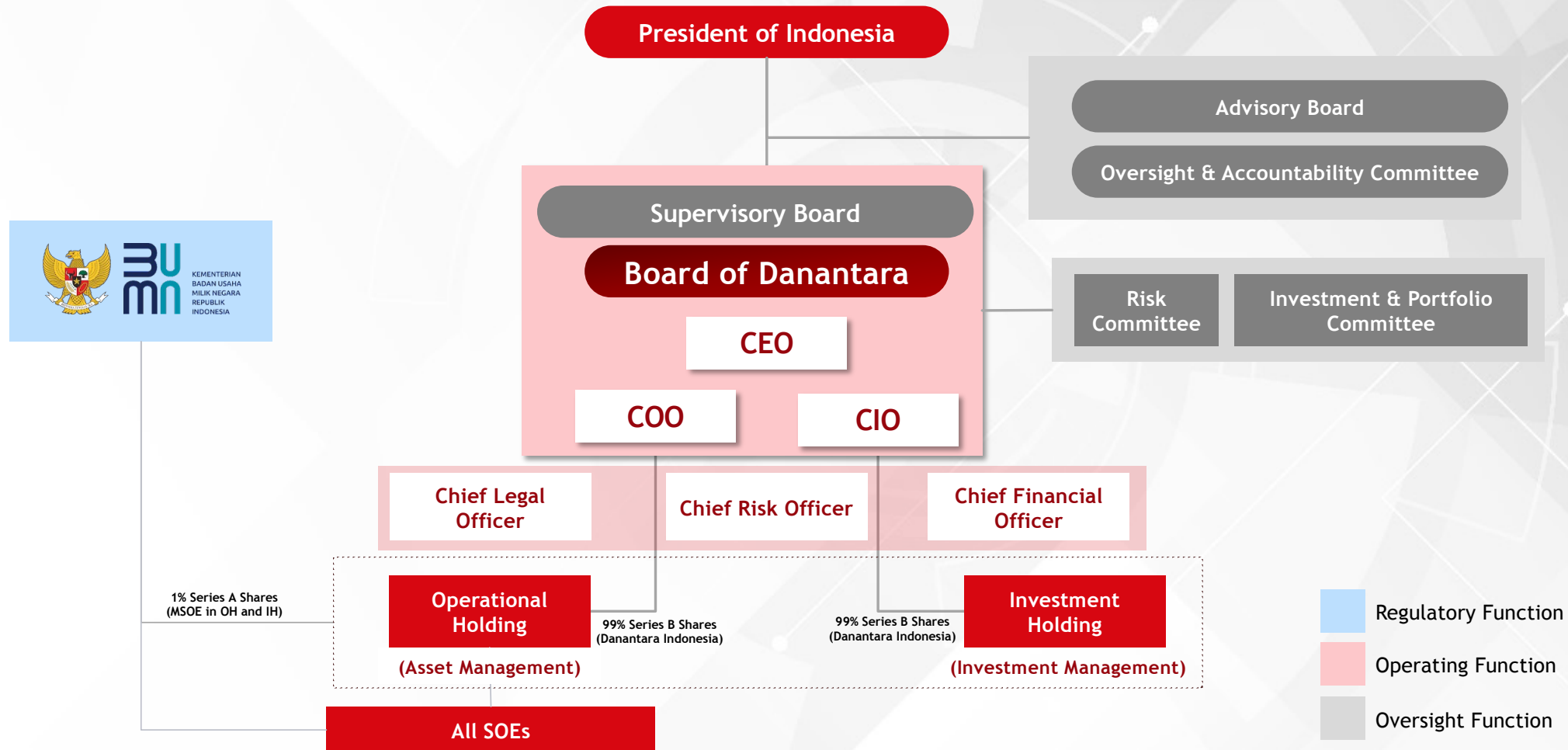
Regulatory Function





Erick Thohir
Ministry of SOEs

Supervising BPI Danantara, OH, IH and SOEs + regulation support

Danantara Indonesia – Organization Structure



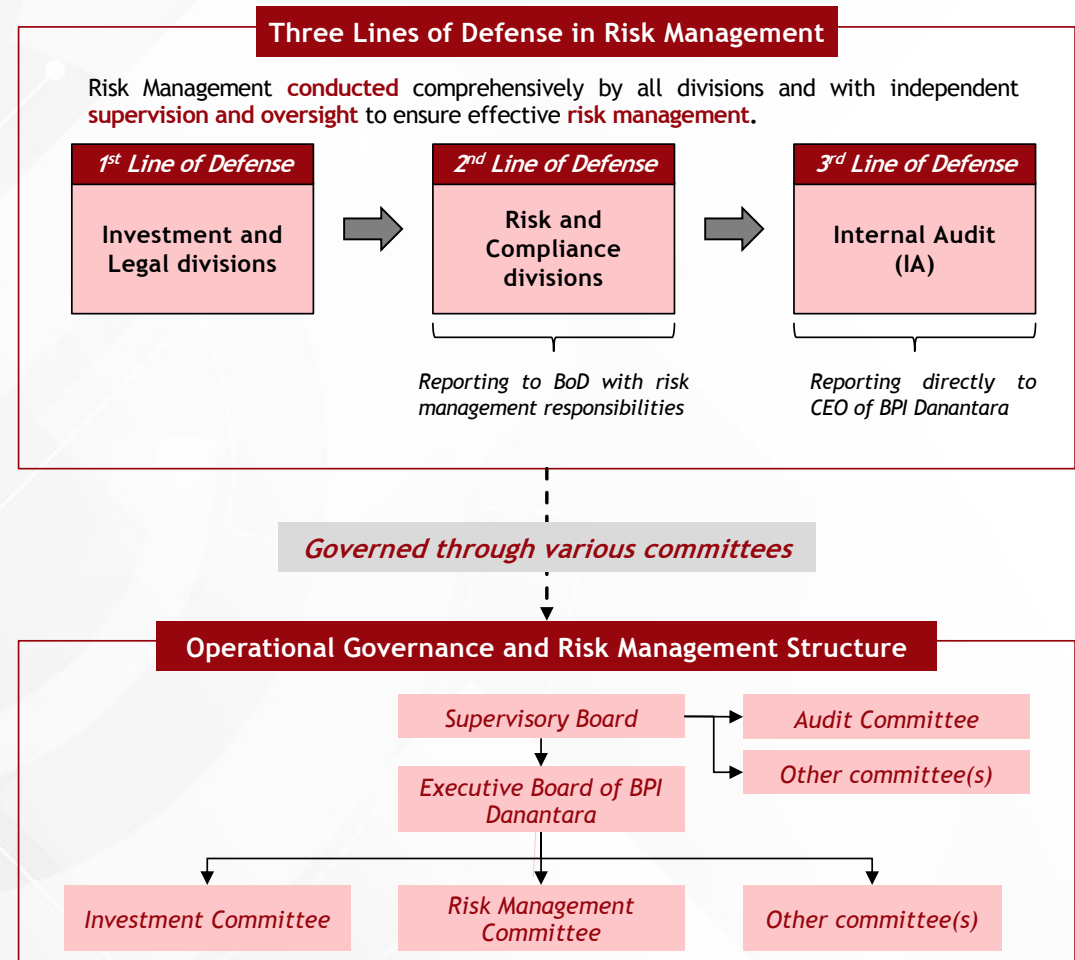
Key Difference between Danantara and MSOE

Key Elements		
Role	<ul style="list-style-type: none"> • Operator of all SOEs • Manages the dividend of IH, OH, and all SOEs • Determines capital allocation of SOEs • Series B Shareholder of all SOEs 	<ul style="list-style-type: none"> • Regulator of Indonesia's SOEs • With the President's approval, MSOE sets the general policies, roadmap, governance policies of SOEs • Series A Shareholder of all SOEs
Oversight Reach to Danantara / SOE	<ul style="list-style-type: none"> • Ability to direct the operations of all of the SOEs together with MSOE • Dividend management and capital allocation supervision of all of the SOEs • Approves capital injection/reduction of all of the SOEs derived from dividend allocation 	<ul style="list-style-type: none"> • Represented in BPI Danantara's Supervisory Board • Ability to appoint, upon Presidential consent, the members of management of SOE • Present as shareholder (1% Series A) and in the BoC of IH and OH
Funding	<ul style="list-style-type: none"> • Separate from state finances • Funding comes from SOE dividends, returns on investments, and 3rd party financing 	<ul style="list-style-type: none"> • State annual budget
Supervision	<ul style="list-style-type: none"> • President, MSOE, BPK, DPR (on privatization matters and PSO), Supervisory Board 	<ul style="list-style-type: none"> • DPR, President, BPK, other State Actors

Deep Dive: Investment Holding – Background and Governance

Danantara Indonesia adopts a **robust risk management framework** to ensure **just and international standard investment practices of Investment Holding**

Description	<ul style="list-style-type: none"> A limited liability company (PT Persero) that will be owned by Danantara Indonesia (Series B of 99%) and MSOE (Series A of 1%) Sister company to OH Will be the catalyst for all of Danantara Indonesia's investment
Role	<ul style="list-style-type: none"> Act as an investment manager to allocate capital in national strategic sectors Tasked to optimize assets in order to improve investment valuations and returns Mitigate the risks in each investment Can use leverage to optimize investment decisions
Management	<ul style="list-style-type: none"> Managed by BoD of IH BoD and BoC of IH is appointed by GMS
Oversight	<p>Management is supervised by the following:</p> <ul style="list-style-type: none"> BoC BPI Danantara (namely its CIO), BPI's committees MSOE (as a shareholder) + Supervisory Board of BPI
Risk Governance	<p>Three Lines of Defense Mechanism (refer to the right side of this page)</p>



Deep Dive: Investment Holding – Transparency

Commitment to Transparency is Key for Danantara Indonesia.

To be transparent Danantara Indonesia is committed to:



Ensuring Reports are Publicly Available

Periodic reports such as annual financial statements and audited financials will be made public once available, as well as disclosures of information.



Accessibility of Historical Information

Ensuring that historical public disclosures and publicly available materials are readily and easily accessible.



Enactment of Robust Internal Policies

Internally, strong organization wide policies will be in place such as a whistleblowing policy to ensure check and balance as well as rapid identification of misconducts.



Self Assessments on Transparency Policies

Periodic evaluations and self assessments will be done to ensure alignment with the norms of transparency. This will identify which aspects needs to be enhanced for the following period.

Investment Philosophy of the Investment Holding



Key Purposes of Investment Holding



Agent of Economic Growth

Investing in national strategic sectors to drive economic growth



Job Creation

Creating high-value job opportunities



World-Class Risk Management

Robust risk governance to ensure risks are identified and mitigated



Generate Returns

Above the cost of capital



Enhancing Co-operation with Private Sector

Engaging with the private sector to support national value creation



Partnering with Global investors

Build partnership to acquire technology and expertise that are important for the country and key sectors



Drive Innovation

Investing in new sectors/technology that are important for the country

PRIVATE & CONFIDENTIAL

Prioritized Investment Sectors



Downstream



Manufacturing



Renewables



Food Security



Upstream







Digital Infrastructure

PSO Projects:

Projects allocated as PSO projects by the government will be funded from state budget (APBN) and NOT from Danantara Indonesia's funds.

Key Difference between Danantara and INA

Key Elements			
Investment Policy	Investment Mandate	Focus on strategic national projects which drive national economy, both commercial and developmental	Act as a strategic partner for investors, aiming to attract foreign and local investors through co-investment schemes
	Geographical Focus	Domestic focus - with flexibility to pursue global opportunities that align with national interest	
Investment Focus	Co-Investor	Flexible	Mandatory
Investment Horizon	Equity	Short term: 1-5 years Long term: up to 30+ years	Medium term: 5-7 years Long term: up to 10+ years
	Debt	Short term: 1-2 years Long term: Hold to maturity	2 - 4 years
Funding Approach	Funding Inflow	SOE dividends, fundraising, recycling capital, co-investments	Capital recycling & co-investors

Portfolio Allocation	Public Equity	Public Debt	Private Equity	Private Debt	Real Estate	Infrastructure	LP Scheme
	✓	✓	✓	✓	✓	✓	✓ Tertiary Focus
	✓ Tertiary Focus		✓	✓	✓	✓	✓



Thank You
