



Mandiri Sekuritas Analyst

Tjandra Lienandjaja

+6221 5296 9617

tjandra.lienandjaja@mandirisek.co.id

Priscilla Thany

+6221 5296 9569

priscilla.thany@mandirisek.co.id

Sector: Multifinance

BUY

Current Price	Rp545
Target Price	Rp900 (+65.1%)
52-wk range	Rp740 - Rp490

Stock Data

Bloomberg Code	BFIN JI
Mkt.Cap (Rp bn/US\$ mn)	8,702 / 615
Issued Shares (mn)	15,967
Avg. Daily T/O (Rp bn/US\$ mn)	0.5/0.0

Key Financials

	2019F	2020F	2021F
EPS	96	102	112
PE (x)	5.7	5.3	4.9
PBV (x)	1.1	1.0	0.9
P/POPOP (x)	3.4	3.2	3.0
EPS Growth (%)	(1.9)	6.4	9.2
Div. Yld (%)	5.4	5.3	5.6
ROAE (%)	21.5	19.8	18.8



BFIN Wins on Case #120 Again

The Supreme Court finally rules in favor of BFIN on case #120 concerning a lawsuit by former shareholder, APT, against BFIN and the Ministry of Law and Human Rights. This should end the case #120, which demanded cancellation and revocation of shares transfer to LDTC and adjusting the company's profile.

The Supreme Court rules in favor of BFIN. The management indicated that based on the Supreme Court's website, the court has issued decision **#368 K/TUN/2019 dated 26 September 2019**, which rules in favor of BFIN and the Ministry of Law and Human Rights of the Republic Indonesia (Kemenkumham RI). In short, this verdict rejects the cassation appeal filed by Aryaputra Teguharta (APT). The company has yet to receive the details of the verdict, which are also not available in the website yet. With this verdict, the case #120/G/2018/PTUN.JKT filed by APT against BFIN and Kemenkumham RI should end, unless APT finds another new evidence to continue the cessation. There is no disruption on the business operation of BFIN due to this legal issue and the previous ones, which have been going on since 2003. Our previous note regarding the issue was dated 2 April 2019, "[BFIN Wins an Appeal on APT Lawsuit in PTUN](#)".

Summary of case #120:

- On 26 February 2018, APT, a former shareholder of BFIN, sent a letter to the Directorate General of General Legal Administration ("AHU") of the Ministry of Law and Human Rights of the Republic of Indonesia, demanding the cancellation and revocation of State Administrative Decrees that approved and recorded the transactions conducted by BFIN involving the transfer of APT's shares to LDTC (The Law Debenture Trust Corporation), followed by LDTC transferring the shares to third parties, as well as adjusting BFIN's company profile that had included APT as the holder of a 32.32% stake in BFIN. APT's request was later rejected by the Directorate General of AHU on 8 March 2018.**
- On 16 May 2018, APT filed lawsuit #120/G/2018/PTUN.JKT against the Ministry of Law and Human Rights in the Jakarta Administrative Court ("PTUN") asking that the State Administrative Decrees issued by the Directorate General of AHU ("TUN Dispute") be revoked and declared invalid. APT also submitted an application for Delay of the Implementation ("Schorsing") of the TUN Dispute Object:**

 - Letter of Director General of AHU # AHU.2.UM.01.01-802 dated 8 March 2018,
 - Approval and receipt of reports/notifications issued by the Director General of AHU on the deed of amendment to BFIN's articles of association from 2001-2017,
 - BFIN's Company Profile Data issued by the Director General of AHU.
 - Regarding the APT lawsuit, PTUN Jakarta granted BFIN's request as Defendant II Intervention (Defendant I is the Ministry of Law and Human Rights) in the case through a decision dated 28 June 2018.
- PTUN Jakarta granted the Schorsing that APT applied for in the TUN Dispute Object through stipulation dated 19 July 2018, for which BFIN had then filed an appeal on 20 July 2018 to the Jakarta Administrative High Court (PTTUN).**

4. **On 12 November 2018, PTUN Jakarta also decided in favor of APT in its Lawsuit against the Kemenkumham RI.** PTUN Jakarta's decision has no permanent legal force ("*inkracht van gewijsde*"), with BFIN (as Defendant II Intervention) filing an appeal on 12 November 2018, as well as the Kemenkumham RI (as Defendant I) on 21 November 2018. Hence, PTUN Jakarta's Decision has not been effective and cannot yet be implemented.
5. **On 22 March 2019, BFIN appealed to PTTUN against the *Schorsing* Stipulation number 27/B/2019/PT.TUN.JKT dated 28 March 2019** stating that the *Schorsing* Stipulation of the TUN Dispute Object issued by the PTUN Jakarta was declared null and void and therefore has no legal force. PTTUN granted BFIN and Kemenkumham's appeal against the Jakarta PTUN decision which cancels the PTUN Jakarta decision, declared that the Stipulation number 27/B/2019/PT.TUN.JKT above concerning cancellation and revocation of the *Schorsing* Stipulation is valuable and has binding legal force, and stated that APT's lawsuit cannot be accepted.
6. **On 10 April 2019, APT filed a cassation appeal** against the PTTUN Jakarta decision number 27/B/2019/PT.TUN.JKT to the Supreme Court. The Supreme Court's decision has been stated in the decision #368 K/TUN/2019 dated 26 September 2019.

RESEARCH

Adrian Joezer	Head of Equity Research, Strategy, Consumer	adrian.joezer@mandirisek.co.id	+6221 5296 9415
Tjandra Lienandjaja	Deputy Head of Equity Research, Banking	tjandra.lienandjaja@mandirisek.co.id	+6221 5296 9617
Ariyanto Kurniawan	Automotive, Coal, Chemical	ariyanto.kurniawan@mandirisek.co.id	+6221 5296 9682
Kresna Hutabarat	Telecom, Media	kresna.hutabarat@mandirisek.co.id	+6221 5296 9542
Priscilla Thany	Banking, Building Material	priscilla.thany@mandirisek.co.id	+6221 5296 9569
Lakshmi Rowter	Healthcare, Consumer, Retail	lakshmi.rowter@mandirisek.co.id	+6221 5296 9549
Robin Sutanto	Property	robin.sutanto@mandirisek.co.id	+6221 5296 9572
Edbert Surya	Construction, Transportation	edbert.surya@mandirisek.co.id	+6221 5296 9623
Silvony Gathrie	Research Assistant	silvony.gathrie@mandirisek.co.id	+6221 5296 9544
Riyanto Hartanto	Research Assistant	riyanto@mandirisek.co.id	+6221 5296 9488
Henry Tedja	Research Assistant	henry.tedja@mandirisek.co.id	+6221 5296 9434
Wesley Louis Alianto	Research Assistant	wesley.alianto@mandirisek.co.id	+6221 5296 9510
Leo Putera Rinaldy	Chief Economist	leo.rinaldy@mandirisek.co.id	+6221 5296 9406
Imanuel Reinaldo	Economist	imanuel.reinaldo@mandirisek.co.id	+6221 5296 9651

INSTITUTIONAL SALES

Silva Halim	Head Institutional Equities	silva.halim@mandirisek.co.id	+6221 527 5375
Andrew Handaya	Institutional Sales	andrew.handaya@mandirisek.co.id	+6221 527 5375
Feliciana Ramonda	Institutional Sales	feliciana.ramonda@mandirisek.co.id	+6221 527 5375
Henry Pranoto	Institutional Sales	henry.pranoto@mandirisek.co.id	+6221 527 5375
Kevin Giarto	Institutional Sales	kevin.giarto@mandirisek.co.id	+6221 527 5375
Sharon Anastasia Tjahjadi	Institutional Sales	sharon.tjahjadi@mandirisek.co.id	+6221 527 5375
Talitha Medha Anindya	Institutional Sales	talitha.anindya@mandirisek.co.id	+6221 527 5375
Kusnadi Widjaja	Equity Dealing	kusnadi.widjaja@mandirisek.co.id	+6221 527 5375
Edwin Pradana Setiadi	Equity Dealing	edwin.setiadi@mandirisek.co.id	+6221 527 5375
Jane Theodoven Sukardi	Equity Dealing	jane.sukardi@mandirisek.co.id	+6221 527 5375
Michael Taarea	Equity Dealing	michael.taarea@mandirisek.co.id	+6221 527 5375

RETAIL SALES

Andreas M. Gunawidjaja	Head Retail Equities	andreas@mandirisek.co.id	+6221 526 9693
Boy Triyono	Jakarta	boy.triyono@mandirisek.co.id	+6221 526 5678
Dhanan Febrie Handita	Bandung	dhanan.handita@mandirisek.co.id	+6222 426 5088
Yogiswara Perdana	Yogyakarta	yogiswara.perdana@mandirisek.co.id	+62274 560 596
Widodo	Solo	widodo@mandirisek.co.id	+62271 788 9290
Linawati	Surabaya	Linawati@mandirisek.co.id	+6231 535 7218
Ruwie	Medan	ruwie@mandirisek.co.id	+6261 8050 1825
Aidil Idham	Palembang	aidil.idham@mandirisek.co.id	+62711 319 900
Yuri Ariadi	Pontianak	yuri.ariadi@mandirisek.co.id	+62561 582 293

INVESTMENT RATINGS: Indicators of expected total return (price appreciation plus dividend yield) within the 12-month period from the date of the last published report, are: Buy (15% or higher), Neutral (-15% to 15%) and Sell (-15% or lower).

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