



Ability to Pay Debt and Collectability of Accounts Receivable

Ability to Pay Debt

The ability to pay debts was reflected in the Bank's liquidity and solvency. With regard to issued bonds, the ability to pay debt was reflected in the smooth payment of interest and the rating of the securities issued. In addition, the Company has a policy regarding the fulfillment of creditors' rights which is used as a guideline in making loans to creditors. The aim of the policy in question is to ensure the fulfillment of rights and maintain creditors' trust in Public Companies. This policy includes considerations in entering into agreements, as well as follow-up actions in fulfilling the Public Company's obligations to creditors. The basic creditor rights policy includes, among other things, receiving principal repayment and interest payments at the agreed time, obtaining the right to fines for late repayment of principal and interest payments as well as requesting information, information and documents as well as examining the Company's books. For 2023, there are 2 (two) Company creditors, namely bilateral loan creditors and bond creditors.

Bank BTN's ability to pay its liabilities or debt can be measured by using the liquidity ratio, solvency and profitability ratios. These ratios become the parameters in calculating the Bank BTN's ability to allocate liquidity reserves

Ability to Pay Short-Term Debt (Bank Liquidity)

One way to know the ability to pay short-term debt is through the liquidity ratio. Bank BTN used several liquidity parameters, namely the Macroprudential Liquidity Buffer Ratio (PLM) and Minimum Statutory Reserves (GWM), Loan to Deposit Ratio (LDR) and Macroprudential Intermediation Ratio (RIM).

Macroprudential Liquidity Buffer Ratio (PLM) and Minimum Reserve Requirements (GWM)

One of the main parameters in the liquidity ratio was the fulfillment of the Statutory Reserves (GWM). Bank BTN maintained the Primary GWM and Secondary GWM which in 2018 had turned into a Macroprudential Liquidity Buffer (PLM). PLM became a minimum liquidity reserve in rupiah that had to be maintained by Commercial Banks in the form of securities that met the requirements. This was based on PADG Number 22/11/PADG/2020 Regarding Amendments to the Regulation of Members of the Board of Governors Number 21/22/

PADG/2019 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Support for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units and Regulations Bank Indonesia (PBI) Number 22/17/PBI/2020 Regarding the Second Amendment to Bank Indonesia Regulation Number 20/4/ PBI/2018 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Support for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units.

Table of PLM and GWM Ratio

(in %)

Category	Currency	2023	2022	Increase/Decrease
Conventional	IDR:			
	Primary (GWM)	6.04	8.28	(2.24)
	PLM	9.66	16.17	(6.51)
	US Dolllar	4.40	4.13	0.27
Sharia	IDR	6.10	7.76	(1.66)

The conventional GWM ratio in rupiah currency in 2023 was 6.04%, a decrease of 2.24% compared to 2022 reached 8.28%. The decrease in the GWM ratio was due to changes in GWM fulfillment made by the regulator, based on PADG Number 24/8 /PADG/2022 concerning Implementation Regulations for Fulfilling Mandatory Minimum Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units. The minimum statutory reserve requirement for UUS based on the provisions is 7.5%, the Company received a GWM incentive from Bank

Indonesia of 2.5%, so the obligation to fulfill the minimum Sharia GWM is 5.0%. Meanwhile, the GWM that must be maintained by Conventional Commercial Banks is 9%. The Company can achieve its priority sector credit growth target, the Company received a GWM incentive from Bank Indonesia of 3.2%, so the obligation to fulfill the minimum GWM is 5.8%.

Likewise, the PLM ratio decreased by 6.51% to 9.66% in 2023. This was influenced by the reduction in the position of securities included in the securities category which was taken into account