

# Risk Factors



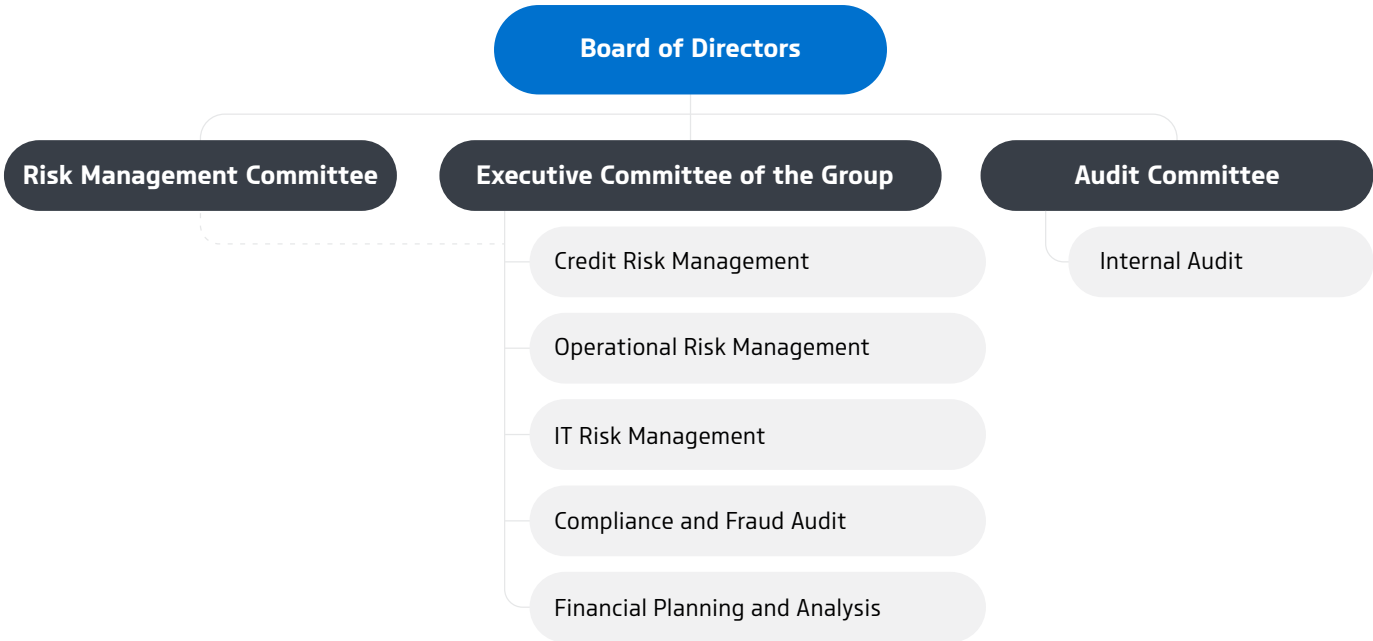
## Risk Management Overview

As a holding company, TIDLOR’s risks primarily stem from the operations of its subsidiaries, which focus on lending and insurance brokerage. The Group prioritizes establishing risk management mechanisms and culture to enhance stakeholder value and ensure sustainable returns within an acceptable risk appetite.

The Group has established policies, processes, and frameworks covering all risk dimensions: credit, operational, financial, investment, and Environmental, Social, and Governance (ESG) risks. ESG risks are integrated into the ERM process using a risk-based approach to systematically identify, assess, monitor, and manage risks affecting operations, stakeholder confidence, and sustainability goals.

## Risk Management Structure

The Board of Directors delegates risk oversight to the Risk Management Committee, Audit Committee, Executive Committee of the Group and relevant units. They monitor Group risks and manage issues to remain at appropriate levels, ensuring regulatory compliance and adaptability. The Group’s Risk Management Structure is presented below.



The organization establishes policies, processes, control systems, monitoring, and reporting for various risk levels. It defines clear duties, responsibilities, and risk reporting for each unit, aligning with sound internal control principles. The Group prioritizes accurate and complete risk disclosure, categorizing risks into 3 main areas



## A. Group-Level Risks

### 1. Risks from Economic Volatility and High Household Debt

In 2025, the Thai economy faced inconsistent and uneven recovery. Despite improved tourism and private consumption, regional purchasing power remained weak, particularly among vulnerable groups whose income recovery trailed rising essential expenses. Costs for necessities, such as consumer goods and electricity, stayed high.

Sustained high policy interest rates to curb inflation increased borrower repayment burdens, especially for non-regular income earners. This kept household debt exceeding 90% of GDP, reflecting financial fragility. Despite government debt clinics and restructuring easing some issues, default risks rose in certain segments.

Consequently, the group faces asset quality risks, potential interest income slowdowns, and higher collection costs. The Company must tighten credit approval criteria, utilize individual risk assessment technology to promote responsible lending, maintain portfolio quality, ensure business stability, and support sustainable debt levels for customers.

### 2. Regulatory and Multi-Agency Oversight Risks

The group is overseen by multiple authorities. Lending is regulated by the Bank of Thailand and the Office of the Consumer Protection Board. Insurance brokerage falls under the Office of Insurance Commission. As a listed entity, the Company is governed by the SEC and SET. Guidelines vary and shift with economic, social, or technological contexts.

In 2025, regulators tightened rules on risk management and governance, focusing on fair lending, interest rate and fee caps, insurance cross-selling, and full legal enforcement. This requires the group to adjust management strategies, reallocate resources, and ensure continuous, precise compliance.

The Bank of Thailand actively promoted borrower assistance for retail and SMEs, encouraging sustainable, fair, and transparent debt restructuring to reduce interest burdens and aid financial recovery. Given its low-income customer base, the group must align debt management, collection, and communication with these rules. Failure to do so poses legal, reputational, and revenue risks from vulnerable segments.

Furthermore, the group must comply with AML/CFT regulations set by the Anti-Money Laundering Office (AMLO) and personal data protection under the PDPC. Compliance extends to the Emergency Decree on Technology Crime Prevention and Suppression, which imposes stricter penalties regarding data security and transaction monitoring. Non-compliance may lead to legal sanctions and loss of credibility.

Transitioning to a Holding Company requires mastering group management regulations and SET listing procedures under new SEC criteria. Inadequate compliance could result in legal risks, reputational damage, and diminished investor and partner confidence.

To manage these risks, the group established internal compliance units for all business levels, continuously monitors regulatory shifts, and upgrades systems and technology to meet rapidly changing legal requirements.

### 3. Risk of Legal Claims and Litigation

The Company operates as a holding company, with responsibilities to oversee the operations of NTL, which engages in personal loan services for retail customers and related businesses. Such operations are subject to applicable laws and regulatory oversight.

The nature of such businesses may involve legal proceedings, disputes, or litigation in the ordinary course of business, which may result in NTL being subject to legal liabilities and could materially impact the operating results, financial position, or reputation of the Group.

Although the Company does not directly engage in such operations, it may be indirectly affected by such risks through its shareholding and oversight of its subsidiary.

In this regard, the Company and NTL have established legal functions, as well as appropriate policies, procedures, and dispute and litigation management processes, to effectively manage such risks and mitigate potential impacts on the Group's operations and reputation.

### 4. Cyber Threats, Data Privacy, and IT Governance

The Group prioritizes enhancing digital experiences and operational efficiency alongside corporate governance, data protection, and IT oversight under Board supervision to ensure responsible technology use for all stakeholders.

Regarding AI-assisted capabilities, the Group uses technology to support customer insights and internal decision-making while maintaining human-in-the-loop controls. Automated systems do not exceed certified capabilities. AI usage is based on strict data governance to ensure ethical, transparent, and auditable practices.

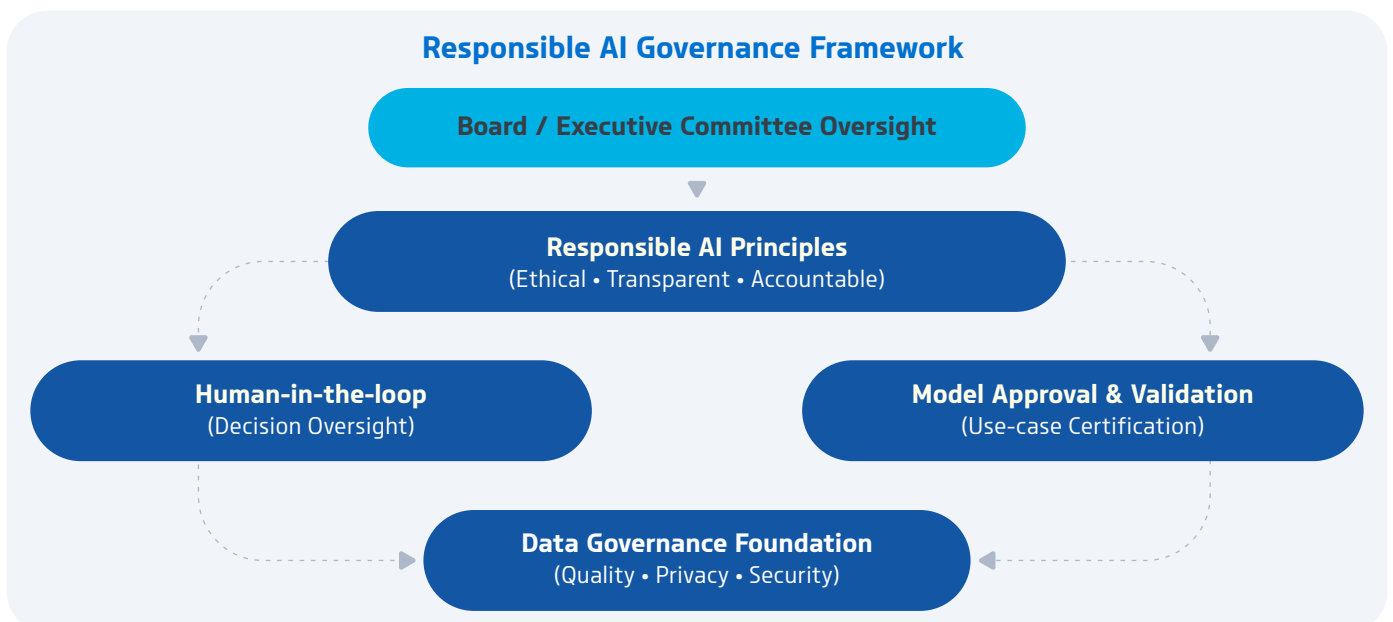
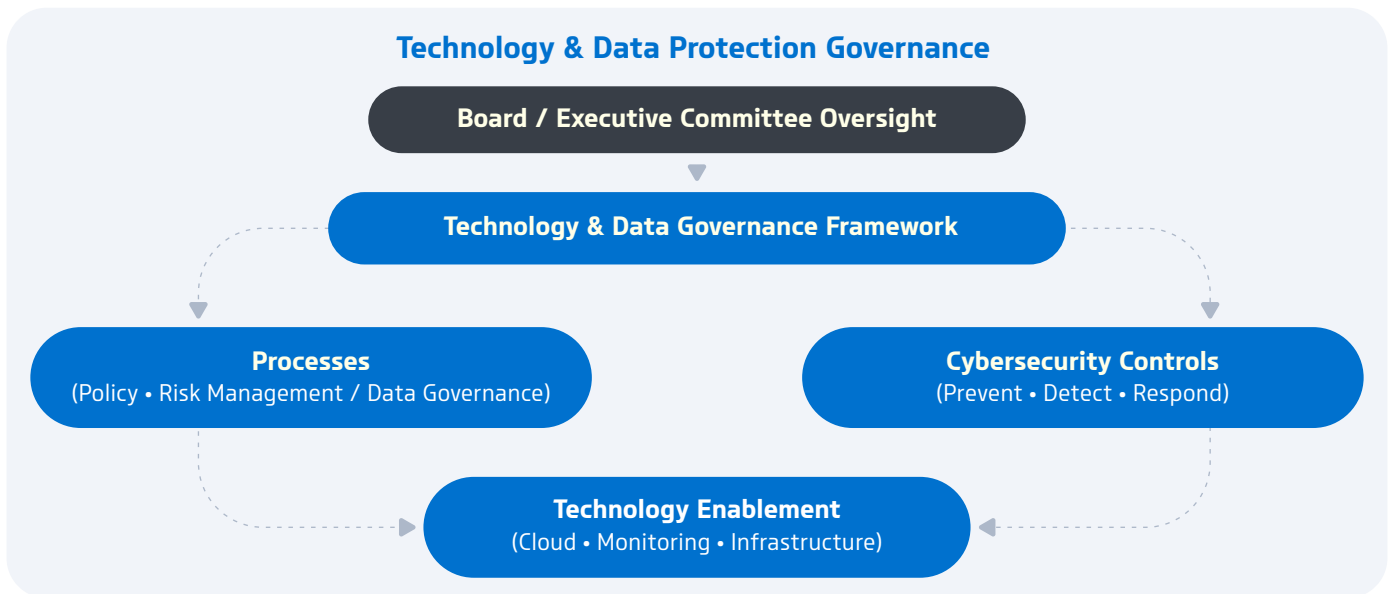
Management identifies fragmented and inconsistent historical data practices as a primary AI limitation. Consequently, in 2024, the Group initiated a Company-wide Data Governance Framework, upgrading data infrastructure, standardizing definitions across units, improving data quality, and defining proper access and sharing protocols.

Efforts to reduce data silos and enhance data hygiene, though resource-intensive, are fundamental for organizational learning and long-term responsible AI

and data analytics. The Group is currently laying a strong foundation for ethical, effective, and sustainable digital technology.

The Group strictly complies with regulatory requirements, particularly IT risk management, PDPA, and cybersecurity. Continuous investment includes Cloud Firewalls and next-gen threat protection for Hybrid Cloud infrastructure to enhance network visibility and prevent cyber risks effectively.

IT security governance is further strengthened by 24/7 real-time automated cybersecurity monitoring across the organization. This elevates cyber defenses, reduces operational risks, and improves data security incident management efficiency.



## Risk Summary and Management Strategies

Topic	Nature of Risk	Risk Management Approach
Cybersecurity	Risks arising from cyber threats that may affect the organization's systems and data	Establishment of an enterprise-wide information security policy, implementation of proactive preventive measures, and systematic cyber incident management
Personal Data Protection	Risks from inappropriate access, use, or disclosure of personal data	Compliance with PDPA, establishment of a data governance framework, and access control based on the principle of necessity
Responsible Use of Technology	Risks from the use of technology or AI without appropriate oversight	Establishment of Responsible AI principles, human oversight, use of certified systems only, and oversight by the Board of Directors
Data and Technology Governance	Risks arising from misalignment of data and technology practices	Development of an enterprise-wide data governance framework, establishment of data standards, and continuous improvement of data quality

### 5. Strategic, Investment, and Technological Change Risk

The group, as a parent company investing in the financial ecosystem, must manage strategy amidst a rapidly changing environment, including macroeconomics, interest rates, government policies, and competition from Fintech or digital platforms. Failure to adapt appropriately may impact competitiveness and investor confidence.

Rapid technological changes—such as FinTech entry, new digital channels, or shifting consumer behavior—may affect the group's competitiveness, particularly in the lending business facing competition from new players with modern technology. Furthermore, the automotive industry's transition to Electric Vehicles (EV) may affect collateral values used for lending. The group therefore continuously monitors, analyzes, and adjusts strategies to maintain competitiveness and sustainable growth.

### 6. Capital Structure, Funding, and Reliance on Subsidiary Revenue Risk

TIDLOR operates as a Holding Company with no direct operating income, relying mainly on dividends from the Subsidiary and associates (if any). Cash flow generation depends on investees' performance and dividend payments. If the Subsidiary or associates face difficulties or lack profits, the group's financial position may be affected. Meanwhile, the core Subsidiary relies on funding from banks, financial institutions, and the bond market to support lending. Inability to raise funds under suitable conditions or facing legal

constraints—such as the Foreign Business Act—could impact funding capability, financial costs, and business growth plans. The group prudently manages capital structure by considering leverage, funding diversification, and liquidity control to ensure long-term financial stability.

### 7. Reputation Risk

The group's credibility is a high-value asset influencing the confidence of customers, partners, investors, and stakeholders, especially in financial services where trust is paramount. Incidents affecting corporate image—whether from inappropriate service, employee or partner conduct, customer complaints, or regulatory non-compliance—may damage reputation, trust, and long-term business opportunities.

To manage such risks, the group adopts proactive measures: consistent corporate communication via multiple channels, Business Continuity Plan (BCP) for emergencies, promoting a culture of responsibility and ethics, Good Corporate Governance, providing complaint channels for customers and employees, and raising employee awareness regarding their role in maintaining corporate reputation.

### 8. Geopolitical Risk affecting Global Economy, Exchange Rates, Technology Costs, and Investor Confidence

In 2025, geopolitical situations in various regions—such as tensions between superpowers, Middle East conflicts, and global economic uncertainty—caused volatility

in exchange rates, financial costs, and technology prices. This may impact cost management and investment planning, particularly regarding technology imports or foreign services. The group closely monitors economic trends and external factors, managing risks through procurement diversification, cost control, and appropriate liquidity maintenance to preserve investor confidence and business continuity.

## 9. Risk to Shareholder Investment

Investing in TIDLOR shares entails risks; investment returns may not meet shareholder expectations, fluctuating with share prices and market conditions. Additionally, dividend returns depend on the group's annual performance. Consequently, shareholders may receive returns higher or lower than anticipated. While the Company has identified key risks and management strategies, other unspecified risks may exist. Shareholders should study risks and exercise prudent discretion, acknowledging that the Company cannot prevent all potential risks. External factors—including domestic and international economic conditions, political situations, government policy changes, unforeseen events, and emerging diseases—may all impact operational performance and dividend payments.

## B. Environmental, Social, and Governance Risks (ESG Risks)

### 1. Environmental Risks:

Climate change and natural disasters, such as floods or storms, may impact collateral (vehicles) and branch operations.

In 2025, climate change impacts are likely to intensify, particularly natural disasters like flash floods, droughts, and storms. This may directly and indirectly affect operations of the group, causing branch damage, impacted vehicle collateral, or regional logistics disruptions. Such risks could lead to asset and revenue loss, alongside higher recovery and emergency management costs.

**Risk Management:** The group prioritizes environmental risk assessment and management through measures such as integrating disaster risk areas into credit approvals; preparing and reviewing Business Continuity Plans (BCP) for at-risk branches; deploying communication and assistance measures for affected clients to mitigate

debt repayment impacts; supporting partner environmental initiatives; and monitoring local and international environmental regulations for adaptive readiness.

### 2. Social Risks:

Fair Service Practices and Financial Equality, Especially for Grassroots Segments

The group's mission is to promote fair access to financial services for grassroots and low-income earners under Financial Inclusion principles. However, due to the vulnerable nature of these customer segments, if sales processes, information disclosures, or debt collection practices lack propriety and transparency, it may lead to complaints, adversely affecting corporate reputation and stakeholder confidence.

In 2025, regulatory bodies continue to prioritize financial consumer protection and fair service regulations (Market Conduct). Focus areas include clear information disclosure, voluntary cross-selling of loan-linked insurance, vulnerable debtor care, and developing financial products that strictly align with customers' debt repayment capabilities.

### 3. Human Resources and Human Rights Risk

The group prioritizes HR management under universal human rights and Diversity, Equity & Inclusion. A human rights policy is enforced within the good corporate governance framework to promote fair practices, non-discrimination, and respect for employee dignity. The group strictly complies with the UN Guiding Principles on Business and Human Rights (UNGPs), labor laws, and the PDPA. Furthermore, grievance channels and remedy mechanisms are established for employees and stakeholders potentially affected by rights violations.

Amidst higher competition and social responsibility expectations in 2025, if the group fails to maintain fair HR standards or if human rights violations occur internally or within the supply chain, it could negatively impact employee morale. This may hinder its ability to attract and retain quality talent. Consequently, it could severely damage corporate reputation and stakeholder confidence, particularly among investors and business partners.

#### 4. Corporate Governance, Shareholding Structure, and Anti-Corruption Risks

The group operates under good corporate governance principles with clear, systematic mechanisms. This prevents power abuse or decisions conflicting with stakeholders' best interests, particularly when major shareholders steer corporate direction. Thus, the group emphasizes separating Board and management roles, transparent information disclosure, and strong internal oversight.

The group enforces organization-wide anti-bribery and anti-corruption policies and is a member of the Thai Private Sector Collective Action Against Corruption (CAC). It implements strict no-bribery guidelines, regular risk assessments, and employee training to foster a corporate culture rooted in ethics, transparency, and accountability.

### C. Risks of NTL

#### Credit Granting Policy and Credit Risk Management

NTL primarily adheres to a policy of providing retail loans, aiming to serve groups unable to access funding sources from financial institutions. The focus is on transparency and fairness to customers, ultimately contributing to better social conditions.

NTL has defined credit policies and products aligned with customer segments and equality to ensure customers can continue their livelihoods. Credit consideration guidelines determine customer qualifications based on actual environments, ensuring credit limits and income align with repayment ability. This avoids creating excessive debt burdens and repayment issues that could cause future problems.

As NTL's core product is auto-title loans, NTL sets central vehicle prices consistent with market prices, subject to regular review. Interest rates are determined according to customer risk and regulatory requirements. NTL clearly announces interest rates for customer fairness and benefit, as well as to effectively control NTL's risks.

NTL regularly reviews policies to remain current with situations, ensuring good risk management and benefits for NTL's stakeholders, such as customers, shareholders, and employees.

#### 1. Risk from Debt Quality under Household Debt Context

In 2025, Thailand's household debt remains high at over 90% of GDP, concentrated in low-income retail groups outside the welfare system-NTL's main customer base. Rising living costs from commodity prices and loan interest rates have reduced repayment ability, affecting credit quality, specifically increasing Non-Performing Loans (NPL) and defaults in certain groups. NTL prioritizes comprehensive repayment ability assessment using internal credit scoring and customer data for analysis. We set credit limits appropriate to actual income and adjust debt collection strategies proactively. Additionally, we tailor loan advisory and debt restructuring processes to customer problems, adopting measures like the Bank of Thailand's "Responsible Lending" to mitigate bad debt risks and support customers in recovering and maintaining long-term repayment ability.

#### 2. Risk from Declining Value of Internal Combustion Engine (ICE) Collateral

The group's auto-title loan business relies on vehicles as collateral, particularly Internal Combustion Engine (ICE) vehicles. In 2025, rapid expansion of Electric Vehicles (EV) pressured the market, causing second-hand ICE prices to drop faster than in the past. Consequently, collateral value depreciated more rapidly compared to historical loan amounts. In events of default, auction proceeds may not cover outstanding debt, increasing risk of loss from collateral enforcement. The group closely monitors second-hand and EV market trends, tightening collateral valuation guidelines. We consider factors reflecting price such as age, fuel type, and market conditions. We also assess portfolio exposure to automotive industry transition risks to manage the portfolio appropriately, adjusting credit conditions or limiting loan-to-value ratios for asset types with short-term depreciation risks.

#### 3. Risk from Oversupply of Repossessed Vehicles and Loss on Sale of Foreclosed Assets

Consequences of debt restructuring measures to assist customers affected by COVID-19 (2020–2023) extended repossession timelines beyond the optimal period for resolving non-performing loans. Upon measure expiration, mass repossessions occurred simultaneously, flooding the auction market and causing an oversupply. Coupled with slow economic recovery, second-hand car demand slowed significantly. Meanwhile, hire-purchase

interest rate caps forced financial institutions to tighten lending criteria, increasing difficulty for used car dealers to offload stock and suppressing auction demand. Furthermore, EV entry and government tax incentives enhanced EV competitiveness against ICE vehicles, noticeably reducing ICE demand in auctions from Q4 2023 through 2024. Although second-hand prices in 2025 began to stabilize, they have not returned to previous levels. This situation caused losses from selling foreclosed assets to improve slightly but remain high, posing a risk to outstanding portfolio loans. The group emphasizes proactive debt collection alongside prudent and appropriate collateral valuation in credit approval to manage risk at acceptable levels.

#### 4. Risk of Fraud from Branch Cash Handling

As NTL provides payment channels where customers can pay installments via branches, NTL faces risk regarding employee cash handling fraud. To prevent such risks, NTL established strict operational policies and preventive processes, such as daily balance verification between nationwide branches and Head Office Operations, and CCTV installation in every branch. An audit unit is ready to investigate suspicious activities immediately. Measures are in place for handling employees suspected of fraud, including legal action. To prevent such fraud, NTL conducts fraud prevention training and periodically communicates fraud trends through manuals and electronic learning systems (e-learning) to elevate employee awareness.

#### 5. Operational Risk

NTL recognizes the importance of operational risk management and crisis preparedness, focusing on enhancing operational resilience to ensure consistent service delivery to customers, even amidst disruptions caused by internal or external factors.

NTL has established a systematic operational risk management framework covering prevention, assessment, and control, including monitoring residual risk and preparing contingency plans. Key guidelines include:

- Defining Business Continuity Management Policy as a framework to mitigate operational disruptions, covering operational, financial, legal, and reputational impacts, specifically for business activities critical to customer service.
- Conducting Risk and Control Self-Assessment (RCSA) across all units to identify, assess, and

define controls. Key Risk Indicators (KRIs) are set to monitor residual risks at unit and corporate levels. Risk monitoring via KRIs is regularly reported against acceptable risk levels to executives, senior management, and the Risk Management Committee (RMC) for supervision and decision-making.

- Systematically managing outsourcing risks from selection, assessment, to monitoring. External providers must maintain Business Continuity Plans, customer care measures, complaint handling, and data security as prescribed.
- Regularly conducting Business Continuity Plan Testing and Call Tree Testing to ensure effective coordination and communication during crises.

Furthermore, NTL elevated crisis management focusing on practical readiness at all levels through Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) for critical systems. Plans are tested, reviewed, and updated based on operational experience to ensure effectiveness in actual events.

NTL also maintains Alternate Sites to support operations during main site disruptions, enabling critical units to provide continuous customer service. This reflects NTL's continuous development in strengthening operational stability and customer care in all situations.

#### 6. Financial Risk

##### Liquidity and Funding Access Risk

NTL requires substantial capital to operate and sustain business growth. Historically and prospectively, NTL relies on financial institutions—including major shareholder Bank of Ayudhya—and the issuance of debentures and bills of exchange in the domestic bond market as primary channels for funding operations and expansion. Consequently, NTL's relationship with Bank of Ayudhya or other current lenders could change negatively due to various reasons, such as discontinuity of credit lines or unavailability of additional credit. If Thai or foreign bond markets tighten for any reason, NTL may be unable to secure necessary funds. Any of these adverse events, or an inability to raise funds under acceptable terms, could expose NTL to liquidity risk regarding funding sources.

Furthermore, if NTL continuously incurs financial obligations, increased liabilities may impact future access to additional funding. This increases risk if NTL cannot comply with financial covenants in loan agreements with financial institutions, leading to

potential Cross-default risks. It may also limit flexibility in planning, operational changes, or responsiveness to business and industry shifts, negatively impacting expansion plans and growth.

As NTL is considered a foreign entity under the Foreign Business Act B.E. 2542 (1999) (“FBL”), NTL is obligated to maintain a specific loan-to-paid-up capital ratio, which may limit leverage capabilities for additional funding. As of 31 December 2025, NTL’s loan-to-paid-up capital ratio remained compliant with FBL requirements, standing at 5.9 times.

Since risks arising from insufficient working capital or inadequate funding and lack of liquidity could significantly impact NTL, NTL adopts guidelines to manage short-term and long-term borrowing. This involves aligning loan proportions with the maturity of NTL’s debtors, focusing on fundraising through debentures and bills, and diversifying funding sources both domestically and internationally to avoid over-reliance on any single source.

#### **Interest Rate Risk**

Market interest rate volatility may reduce NTL’s profitability, as core operational funding derives from bank loans, financial institutions, and domestic bond/bill issuance. Such funding costs depend on factors including market interest rates and Bank of Thailand reference rates. If market rates rise, NTL’s funding costs may increase. If rates fall, financial institutions may shift funds to other investments instead of lending. In either scenario, NTL may need alternative funding, potentially with unfavorable commercial terms or unavailability, significantly impacting business, financial position, performance, and opportunities.

To mitigate interest rate impacts on financial costs, NTL secures both short-term and long-term loans, primarily at fixed rates. Loan proportions are adjusted to align with asset status and liquidity risk, ensuring appropriate borrowing rates. Additionally, NTL utilizes Cross Currency Interest Rate Swap contracts to hedge against exchange rate and interest rate volatility.

### **7. Risk from High Competition in a Highly Competitive Industry**

NTL faces intense competition across various business aspects, such as interest rates, credit limits, and

Loan-to-Value (LTV) ratios. NTL anticipates intensified competition as the Thai consumer finance market grows, involving both financial and non-financial institution operators. Competition covers multiple dimensions: Brand Awareness and Reputation, credit limits, LTV ratios, approval speed, interest rates, pricing, insurance premiums, service quality, collection and repossession efficiency, low-cost funding access, and technology. Current or future competitors may develop superior competitive capabilities in one or more of these operational areas.

Since NTL’s core revenue derives from loan interest-based on market rates at approval, credit risk, and funding costs-pricing dynamics are critical. If NTL raises rates while competitors do not, customers may reject offers, reducing NTL’s ability to retain or acquire clients and severely impacting competitiveness. Conversely, if competitors lower rates and NTL does not adjust within a reasonable timeframe, customers may shift to lower-rate providers, potentially causing market share loss.

However, NTL closely monitors industry changes, prioritizing customer satisfaction to foster long-term retention. Strategic plans are in place to address short- and long-term shifts, ensuring products and services continuously meet customer needs.

### **8. Insurance Business Risks (Insurance Brokerage)**

#### **1) Risk from Competitive Conditions in Insurance Brokerage Industry and New Competitors**

The non-life and life insurance brokerage sector comprises numerous large and small operators, including online brokers, intensifying competition. NTL maintains clear market positioning across all distribution channels. Currently, NTL operates three brands/platforms: (1) Shield Insurance Broker: A brokerage offering products via branches and telesales through licensed, trained staff providing tailored advice; (2) Areegator: A comprehensive online platform for independent brokers offering diverse products from multiple insurers with user-friendly sales support; and (3) heygoody.com: A digital platform for online-savvy customers featuring product variety and coverage/premium comparison tools. To facilitate rapid transactions, NTL utilizes online channels. Additionally, NTL prioritizes after-sales service to ensure satisfaction, including garage coordination, preliminary claim

consultation, replacement vehicles for non-at-fault parties, emergency reporting, and claim guidance. These strategies enhance NTL's competitive potential in the insurance brokerage market.

New entrants in non-life and life brokerage must obtain licenses, a currently difficult process due to strict regulations and requirements such as licensing exams, creating high entry barriers. Furthermore, customer purchasing decisions rely heavily on trust; new brokers require time to build credibility. NTL consistently builds and communicates a positive corporate image, resulting in a strong, trustworthy reputation. This effectively mitigates risks from industry competition and new market entrants.

## **2) Risk from Policy Changes of Non-Life or Life Insurance Companies**

NTL operates as a non-life and life insurance broker distributing partner products. Consequently, changes in partner policies or strategies—such as adjustments to premiums, coverage limits, commission rates, sales channels, contract non-renewal, or shifting to direct sales—may directly impact NTL's revenue, as NTL does not possess proprietary insurance products.

To mitigate this risk, NTL prioritizes building and maintaining strong relationships with diverse insurer partners. Regular operational plans include partner visits, monitoring performance and financial status, and holding meetings on results, product development, and business strategy at least annually. These activities foster cooperation and enhance NTL's bargaining power within the insurance business.

## **3) Risk from Changes in Consumer Behavior**

The insurance industry evolves continuously due to shifting consumer behaviors, technological advancements, information accessibility, and COVID-19 impacts, accelerating the transition to the New Normal. Consumers increasingly utilize social media and the internet for purchasing goods, services, and information consumption.

To address these shifts, NTL prioritizes developing online sales, service, and communication channels. Current customer access channels include the Website, Social Media, LINE, and the NTL Application.

## **4) Risk from Technological Development**

Rapid technological advancements significantly impact businesses, including NTL's insurance brokerage. Failure to adapt or apply new technologies may negatively impact NTL, resulting in lost business opportunities, competitiveness, and customers due to unmet evolving needs.

Recognizing this risk, NTL prioritizes technological adaptation and continuous application of new technologies. Initiatives include developing fast online customer services catering to digital demands—from information search, purchasing, and premium payment to document requests—and establishing analytical databases for customer insight.

## **5) Risk from Reliance on Information Technology Personnel**

Information technology is vital to NTL's operations and evolves rapidly, creating high demand for skilled personnel across organizations. NTL faces risks of losing IT staff or being unable to recruit sufficient, qualified replacements. Additional hiring and training costs could significantly impact NTL's business and expansion plans.

NTL prioritizes recruitment, retention, and development through competitive remuneration, incentives, comprehensive welfare, and continuous training support to enhance operational efficiency.

## **6) Risk from Insurance Premium Collection**

NTL may face delays in premium receipt or instances where staff collect premiums but fail to remit funds to NTL accounts. This exposes NTL to risks of uncollected premiums and potential bad debt.

NTL manages this risk through close monitoring of outstanding premiums from the insured and collecting staff. Furthermore, NTL implements transparent, auditable sales processes and systems, such as: (1) Cash before Cover policy; (2) Restricting system access for quotation, sales, and premium receipt to licensed, relevant staff; and (3) Sending SMS notifications detailing coverage and received premiums to customers.