

## Due diligence form for becoming a MYC4 Partner

Desktop due diligence: preliminary screening and assessment for potential MYC4 Partners

This application form indicated the information required for MYC4 to conduct a desktop due diligence. After a successful desktop due diligence an onsite due diligence is conducted. Please send reports, manual and relevant documents when available.

Information on the following elements is required (further specified below):

- A. Legal documentation
- B. Organizational background
- C. Portfolio performance
- D. Risk management methodology
- E. Cash and legal management of MYC4 money

### **A) LEGAL DOCUMENTATION TO BE SUBMITTED TO MYC4 (PROVIDER AND LENDER)**

1. Legal corporate entity;
  - a) Articles of incorporation/association indicating the name, purpose, ownership and capitalization of the corporate entity,
  - b) licenses and authorizations,
  - c) shareholders with more than 20% position,
  - d) shareholders' other shareholding positions with more than 20% position
2. Litigation if any.

### **B) ORGANIZATIONAL BACKGROUND**

1. Latest audited financial statements and latest management report
2. Most recent business and/or strategic plan
3. External rating obtained
4. Organizational set-up along work streams and functions
5. Short biographies of leadership of management and the Board

## **MIS systems**

1. Please indicate how you keep track of loan portfolio and transactions? (MIS and accounting systems used).
2. Please attach MIS/reporting manual if available.

## **C) PORTFOLIO PERFORMANCE**

1. Size and product break-down of current portfolio
2. Performance of the portfolio – PAR, arrears, re-structured loans, write-offs

## **D) RISK MANAGEMENT METHODOLOGY ASSESSMENT**

1. Loan policies and procedures manual
2. Loan application and approval process
3. Loan application forms and loan analysis tools
4. Disbursement and post-disbursement process
5. Repayment, Default and collection process

## **E) CASH AND LEGAL MANAGEMENT**

1. How and by whom are accounts audited
2. Draft loan contract used between institution and borrowers
3. Cash management channels with borrowers at disbursement and repayment