



**OUR OFFERING
FOR MICROFINANCE
OPERATIONS**



Lebanon **KSA** **Kuwait** **Bahrain** **UK**
Pakistan **India** **UAE** **Egypt**
Malaysia **Morocco**



iSHRAQ*Finance provides a complete customizable and innovative solution that includes all the finance facility cycles starting from the approval work flow, to managing legal entities, setting repayment plans, connecting the business parties with the following Islamic products:

- Murabaha
- Musharaka
- Leasing
- Mudaraba
- Istisnaa
- Tawarruq
- Qard Hassan
- Ar-Rahnu.

iSHRAQ*Finance enables the following:

• **Legal Entities Management:**

The banks' ability to define their business relationships with their clients as a single unique legal entity despite the various business interactions, through the capability of:

- Having a centralized view of client assets and financial positions for easier tracking and analysis
- Designing tailored financial statement templates that can fit one or several business sectors
- Tracking collateral values for a single legal entity through a scheduled re-evaluation process
- Facilitating document submission and withdrawal tracking.

• **Financial Products Management:**

The system provides an array of unique financial products that are tailored for both individuals and corporate customers. Each

iSHRAQ*Finance is part of the **iSHRAQ** suite consisting of several modular products. The module provides a comprehensive Islamic finance platform that renders tools to maximize investment performance through a wide range of Islamic products to meet diverse customer needs.

financial product has its own key identifying parameters that separates it from the rest of the products yet maintains a user friendly consistent demeanor.

• **Loan Processing:**

The loan processing handles maintenance of the following elements:

- Charges scheme
- Bulk or detailed item purchases
- Profit calculation and distribution
- Waiving policies
- Bullet and balloon payments.

This process flows through these stages:

- Facility granting (application - approval cycle - exception creation and handling)
- Collaterals (assessment - registering and blocking)
- Facility giving
- Repayment plan (scheduling - rescheduling)
- Transactions (changing requests, partial or early settlements)
- Closures due to maturity, early settlement / arbitration closures.

• **Item Management:**

Ability to offer a solution to manage trading items starting from the item definition, passing through purchase orders and ending by the item delivery / returning notes.

- **Provision Management:**

Ability to estimate the provision according to a full analysis of all involved legal entities.

A provision write-off can also be achieved in case the actual provision value differed from the estimated value.

- **Sub Financial Products:**

Ability to create sub financial products to the originated financial products along with an automatic matching between finance facility applicants and the newly created sub products based on the applicant's attributes.

- **Credit Scoring:**

Ability to issue credit ratings for customers based on flexible criteria that can be created dynamically according to each bank as well as defining the weight of each factor.

- **Expenses and Profit Declaration:**

Enabling clients to declare expenses to facilitate item selling in case of item-based contracts such as Leasing and Tawarruq contracts as well as declaring profits to enable financiers to track down customer progress in the presented opportunity in cash-based contracts such as Musharaka and Mudaraba contracts.

iSHRAQ*Finance Key Features:

- Flexible solution for creating financial templates
- Designed with solid approval workflow in terms of several parameters and several levels for each transaction
- Provides panoramic view of all financial positions
- Distinguishes between corporate, retail and treasury entities to set the appropriate financial products
- Covers all the facility management processes and maintenance of contract signing, usage, request changes and closure.



iSHRAQ*Microfinance which falls under **iSHRAQ*Finance** module enables small financial institutions to run the mass retail services that comprise microfinance and community banking at lower cost.

The system delivers high security, efficiency, resilience and cost savings for financial institutions assisting them to develop loan programs to finance projects, training and education.

iSHRAQ*Microfinance Loan Programs Business

Features:

- No collaterals, guarantors, or bank accounts
- No penalties for late payments
- Loan full or partial dropping in case of customer death or inability to repay
- Grouping concept to mitigate collection risk (Takaful concept)
- Customer performance tracking for further loan programs.



iSHRAQ*Microfinance Loan Programs Typical Financing Cycle:

- Program announcement and applicant registration
- Applicant visit and application filling
- Primary approval
- Encouragement meetings
- Commitment proofing fee payment
- Attendance of induction course and collection of attendance fee per session
- Collection of required application documents, agreement on loan amount and repayment tenure
- Final Approval
- Insurance company agreement
- Group forming, leader selection, and announcing of the periodical meeting date / location
- Loan disbursement
- Periodical meetings for collection of loan and insurance amounts
- Periodical visits to follow up on loan usage
- Commitment & payment schedule
- Compliance with loan usage that allows the customer to:
 - Apply to other loan programs before or after current loan maturity
 - Apply to the same loan program after its maturity with greater amounts
- Maintenance transaction for the booked loans:
 - Loan rescheduling request, study, and approval
 - Early settlement and rebate amounts
 - Loan dropping request, study, and approval
 - Arbitration closures.



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