

FinnOne TM **ISLAMIC**

Comprehensive Solution for Islamic Financing

Changing face of Shariah Financing

Islamic banking has witnessed a rapid growth in recent years. This form of banking is based on Shariah laws with the underlying principle that all forms of interest (Riba) are forbidden. A unique feature of Islamic banking is its profit-and-loss sharing (PLS) paradigm, which is predominantly based on the *mudarabah* (profit-sharing) and *musharakah* (joint venture) concepts of Islamic contracting.

There is a burgeoning demand for Shariah-compliant products, and banks including the non-Islamic ones, are increasingly becoming interested in entering the Islamic Banking space. These banks are looking at a state-of-the-art system based on next-generation Shariah compliant architecture. There are significant challenges associated with producing Shariah compliant products and services. What is required today is a comprehensive Islamic Banking solution with a robust system, designed as per the Shariah laws for financial transactions which will be the key to the successful integration of Islamic financial services into the global financial fabric; a solution which manages the complete finance life cycle starting from the origination till post sales transactions and account closure with the capability to innovate, enhance operation and deliver excellence in customer service.

FinnOne™ ISLAMIC

Comprehensive Solution for Islamic Financing

Product Overview

FinnOne™ Islamic is a robust Shariah compliant system designed for Islamic Financing right from sourcing, sale / purchase of asset, account booking till termination. It has function-specific modules, managing the entire life cycle of a finance account. FinnOne™ Islamic is a highly parameterized system that supports flexible product definition, configurable work flow management, documentation, profit accruals and accounting.

FinnOne™ Islamic automates and manages the complete Finance application processing flow of Islamic products, which includes Auto & Goods Finance (Murabaha, Ijarah), Personal Finance (Rent Finance, Education Finance, Medical Finance, Travel Finance and Wedding Finance), Home Finance (Murabaha, Ijarah and Istisna'a) and Tawarruq. Additionally, FinnOne™ Islamic caters to the need of Commercial Financing and Corporate Financing for various products like Equipment Financing and Working Capital Financing. It allows banks and Financial Institutions to integrate various touch-points in their supply chain for acquisition and pre-disbursal operations, credit evaluation, sales & purchase of asset and post disbursal servicing functions like restructuring, foreclosures and terminations of Finance accounts.

FinnOne™ Islamic enhances customer service levels by incorporating best-of-breed tools like sales calculators & quote management and offers best-in-class credit tools like credit scoring, credit policy check, internal & external deduplication and underwriting to weed out probable defaulters and negative profile applicants. In addition, it ensures the documentation required for each stage of credit processing and automates the process of application evaluation by providing user defined dynamic workflow. This makes it a highly parameterized system for unique and scenario based handling of financial offerings, suitable to various accounting standards.

To conclude, FinnOne™ Islamic provides the necessary elements for originating, processing, repayment schedules, floating and fixed profit, finance rescheduling, underwriting, documenting, foreclosure, assets classification / provisioning monitoring, which makes it a comprehensive solution for a Bank and Financial Institution.

Few Key Functional Features:

- **Fully integrated credit processing solution**
Automates a paperless flow of information from data entry through documentation tracking, pricing, final decision, to deviation.
- **Auto Underwriting**
Enables automatic sanction of the finance possible, based on the pre-defined condition of rule set, thus reducing manual intervention on small ticket finance approvals.

- **Post - approval inspections**
Flexibility to perform post-approval inspections, such as engineering evaluation and medical check ups.
- **Istisna'a conversion**
Flexibility to convert Istisna'a finances into Murabaha or Ijarah. The agreement is booked as per the Istisna'a terms and can be converted to Ijarah / Murabaha after the Istisna'a term.
- **Robust settlement module**
Focused on posting manual transactions, this feature handles situations where no automated charges have been set. It also handles waiving of fees and charges and netting of the payables and receivables. The system has a payment allocation logic which assists in defining the logic to be used in apportioning the installment amount to various components like – principal, profit, charges.

Few Key Business Benefits:

- **Powerful product management module**
There are five hierarchy levels – Product Category, Product, Scheme Group, Scheme, and Promotion. The system facilitates easy and quick launching of new and innovative finance offerings to customers.
- **Integrated Process flow**
The system in compliance with Islamic rules of transaction provides dynamic user defined workflows, robust rule engine, scoring, workflow management, and deviations management functionalities.
- **Deduplication**
As a powerful force multiplier, deduplication has capability to dedupe on existing and imported databases. It helps identify the applicant in existing database to ascertain whether the applicant is an existing customer or not thereby, saving effort in re-entering the applicant details.
- **Multiple profit types**
Flexibility to handle multiple profit types like tiered profit rate, multiple profit rate, effective, flat and IRR.

- **Subvention & Balloon Lease Handling**

Capability to support Installment subvention, Profit subvention and Balloon lease.

Provides exposure tracking at various levels minimizing the chances of the bank / finance company from being over exposed to a particular client, branch, product, employer, industry or a direct sales agent (DSA).

- **Restructuring**

Capability to reschedule profit rate, tenor, additional disbursement, early refund, repayment date change, EMI change, method of repayment change, grace period and profit type change.



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