



# Newgen's Islamic Finance Solution

*Enabling quicker and automated finance  
the Sharia-compliant way*



## Overview

Islamic Banking has been expanding rapidly over the years and the value of global Islamic Finance assets is expected to reach \$6.67 trillion by 2027. The Islamic banking system adheres to Sharia (Islamic) laws in its financing activities, emphasizing the principles of ethics, fairness, equity, and risk-sharing in its financial practices. Sharia compliance prohibits Riba (interest) on advances and promotes profit-sharing and partnership-based contracts instead. Ethical investments are a cornerstone of Islamic banking, excluding activities related to gambling, alcohol, pork, drugs, weapons, and other prohibited sectors.

The rise of Islamic banking is prompting various financial institutions to develop Islamic banking offerings. Additionally, regulatory bodies worldwide are updating the regulations to incorporate their framework to include Islamic finance alongside traditional financing services.

## Challenges Faced by Financial Institutions in Islamic Financing

- ▶ Extensive data and file exchanges across different departments
- ▶ High reliance on non-integrated, semi-automated, and manual financing processes
- ▶ Fragmented customer communication channels
- ▶ Non-compliance with the financing process as per Sharia law
- ▶ Lack of standardization of Islamic financing methods in different regions
- ▶ Poor customer experience
- ▶ Data deficiency, including lack of insight and monitoring
- ▶ Inefficient technological integrations aligning with Islamic principles
- ▶ High competition from conventional banking institutions
- ▶ Complex transactions handled in accordance with Sharia principles



# Newgen's Comprehensive Islamic Finance Solution

Newgen offers a Sharia-compliant financing platform tailored to meet the unique requirements of the Islamic banking community. Newgen's Islamic Finance Solution provides necessary tools for finance origination, underwriting, documentation, assessment, asset classification, provisioning, repayment schemes, floating and fixed profit, finance rescheduling, foreclosure, and collections.

It supports financial institutions in efficiently developing new Islamic financing products, delivering world-class services, and ensuring complete Sharia compliance. The solution can seamlessly integrate with existing infrastructure and is available on-premises and in the cloud.

Newgen's solution features three modules: **origination, finance management, and collections**, all designed to manage the end-to-end finance lifecycle.



## Origination

Customers can avail the financing of their choice with the help of Newgen's Origination System

The origination solution incorporates onboarding through various channels, including web portal, mobile app, and branch channel



## Finance Management

Newgen's finance management module offers various functionalities to handle Islamic product offerings

The functionalities include Credit Management, General Ledger, Master Data Management, and Profit Calculation

It supports multiple integrations specific to Islamic finance needs



## Collections

Newgen's platform provides customer repayments and collection system, which includes complete collections offerings from soft collections, mid collections to hard collections

The module supports dialer integration, customer communication management, mobile collections, and legal & recovery

Newgen's solution leverages Smart Collections powered by advanced AI/ML models like Self Cure, Probability of Payment, Communication Strategy, Allocation model, etc.



# Newgen's Islamic Finance Product Offerings

## Retail Products:

1. Cash Finance || Murabaha and Tawarruq
2. Credit Cards || Tawarruq
3. Vehicle Finance || Murabaha and Ijarah
4. Mortgages || Murabaha, Ijarah and Istisna



## SME Products:

1. POS Finance || Tawarruq
2. Business Installment Finance || Tawarruq
3. Payroll Finance || Tawarruq
4. Fleet Finance || Ijarah and Murabaha
5. Real Estate Finance || Ijarah, Tawarruq, and Istisna



## Digital Onboarding for Islamic Finance

Newgen's comprehensive solution transforms the onboarding experience for financial institutions via the following initiation mechanisms:



### Web Portal

Customers can access Islamic financing products by logging in through web portal



### Mobile App

Customers can opt for assisted as well as non-assisted onboarding through the mobile app



### Branch/Back-office Channel

Branch users can onboard customers through back-office channels offered by Newgen

# Agile Process Modeling with Newgen's Product Configurators

Newgen's Product Configurators streamline the design and configuration of financing products by offering rapid deployment with minimal hand-coding. It enables banks to quickly adapt to market trends and customer demands, ensuring competitiveness while providing scalable solutions that grow with your business.

The product configurators can customize products or solutions to meet specific requirements. It promotes collaboration, allowing business users and IT teams to define product configurations with ease. Additionally, the feature adds a layer of efficiency by simplifying the creation of customizable features and reducing the need for extensive coding.



# Key Features of Newgen's Islamic Finance Solution

## ▶ Sharia Compliance

The solution ensures strict adherence to Islamic financial principles. This in-built feature eliminates interest-based transactions, aligning with Sharia-compliant guidelines and making it accessible to a broad range of clients

## ▶ Pre-Screening for Straight Through Processing

Newgen's platform uses a rule engine to evaluate an applicant's eligibility based on criteria such as credit score, income, and other predetermined parameters. This process identifies cases eligible for straight-through processing (STP), automates their approval and disbursement, or triggers additional checks necessary for underwriting and approval flow for non-STP applicants

## ▶ Integration Capabilities

Newgen's solution seamlessly integrates with existing systems and infrastructure, minimizing disruptions during the implementation phase and ensuring a smooth transition

## ▶ Regulatory Compliant

The solution provides regulatory compliant integrations that adhere to government and regulatory bank guidelines. It automates customer notifications and communication and enhances due diligence processes. This enables banks to operate efficiently and transparently while adapting to evolving compliance requirements

## ▶ Automated Underwriting

Newgen's platform evaluates an applicant's creditworthiness and risk factors using internal and external scoring as a decision engine, enabling faster approvals. This automated process streamlines finance approvals, reduces costs, and ensures consistency that benefits both financial institutions and customers

## ▶ Digitized Documentation

Newgen's solution offers a wide range of customizable document templates, such as in principal letters, purchase orders, sanction letters, and finance quotations, along with their management capabilities for easy reference and access

## ▶ AI-powered Models

AI-powered scoring models automate credit decision-making, speeding up the finance approval process, customer acquisition, retention, debt collection, and fraud detection

## ▶ Multi-lingual support

The platform offers functionality for customers to view applications and documents in both English and Arabic across all its products, thereby expanding access to a wider customer segment

## ▶ Customer profiling

Newgen offers capabilities to identify customer profiles, analyze spending habits and patterns, and verify if customers are involved in activities prohibited by Islamic Law

# Redefine Islamic Financing Practices with Generative AI

Newgen's proprietary GenAI-powered model, **Marvin**, integrated with Newgen's Islamic Finance platform, can analyze documents and generate their summaries, classify documents, create templates for process designing, resolve queries, and search texts in documents through chat box.

**LumYn**, another one of Newgen's proprietary GenAI models, provides hyper-personalized targeting and facilitation of customer journeys with the help of over 30 pre-built machine learning (ML) models. LumYn offers an all-encompassing view of each customer, reveals behavioral insights, evaluates customers' lifetime value, performs behavioral segmentation, and much more.

**Marvin and LumYn, integrated in the Newgen's ecosystem, offers features including:**

## Advanced Analytics

Make data-driven decisions with insightful analytics to drive recovery strategies

## Fraud Detection

Detect frauds in complex financial transactions that are involved in Islamic financing

## Documentation

Search and extract data from digital documents through OCR capabilities and summarize the documents

## Query Support

Get answers to queries at your fingertips using the chat box feature of Marvin

## Predictive Analytics

Identify patterns and predict future delinquencies using AI/ML models

## Process Generation

Generate templates for creating the financing process and its workflow, specifically compliant with Sharia law

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# Why Choose Newgen for Islamic Financing



## Assured Sharia Compliance

Ensure adherence to Sharia laws, guidelines, and compliances in your finance offerings with Newgen's solution



## Enhanced Efficiency

Automate repetitive tasks to reduce manual work, shorten turnaround time, and improve efficiency



## Superior Customer Satisfaction

Enhance customer experience with automation, quick processing, minimal manual work, and seamless integration within Newgen's ecosystem



## Real-time Monitoring

Gain real-time visibility and track financing status with Newgen's robust tracking and monitoring capabilities



## Improved Financing Decisions

Reduce underwriting errors and improve decision-making accuracy using Newgen's intelligent data validation and automated form-filling techniques



## Reduced Paperwork

Digitize documents through Newgen's software to maintain digital records and reduce physical paperwork



## About Newgen

Newgen is the leading provider of AI-enabled unified digital transformation platform with native process automation, content services, and communication management capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and many more use cases across industries, Newgen unlocks simple with speed and agility.

## For Sales Query

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