

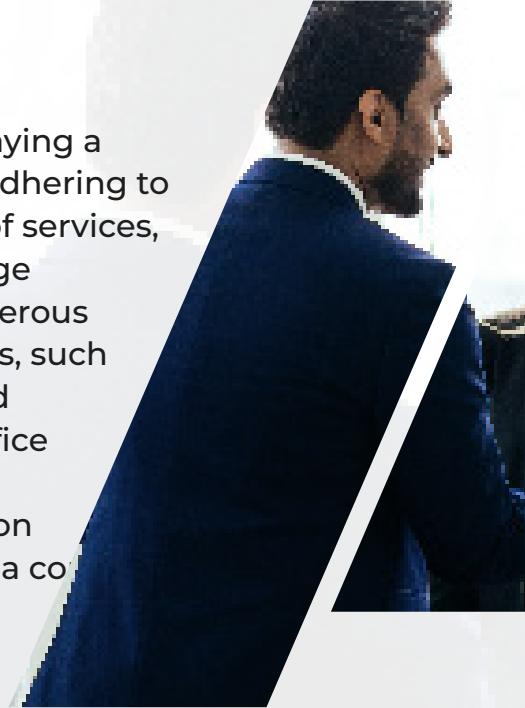
# UAE's Leading Islamic Finance Institution Transforms its Loan Origination System with Newgen

*Witnesses 20x increase in the number of applicants by leveraging Newgen's Loan and Card Processing Solution*



# Overview

The client is a leading Islamic finance firm in the UAE, playing a critical role in the nation's financial space. Dedicated to adhering to Sharia-compliant principles, the client provides a range of services, including Islamic banking, Takaful, and other cutting-edge financial products. However, the organization faced numerous difficulties in processing loans. These included challenges, such as manual workflows, the absence of a mobile portal, and extended loan approval times. Ineffectiveness in back-office operations, broken checks, and compliance concerns significantly impacted overall efficiency. Despite expansion plans, the existing system posed obstacles to achieving a competitive edge.



## The Customer Pain Points

### Manual Processes

Back-office and document handling procedures relied on manual execution, leading to errors, delays, and increased operational costs

### No orchestration layer for BPM

The lack of an orchestration layer made it harder to ensure smooth communication and collaboration among stakeholders

### Limited Loan Information Accessibility

The reliance on physical documents and manual operations restricted access to loan information, hindering application status tracking

### Poor Customer Experience

Cumbersome and lengthy loan lifecycle processes contributed to subpar customer experiences, leading to high abandonment rates

### System Integration Gaps

The lack of integration for credit score searches (AECB), Islamic commodity bookings (DMCC), salary checks (AECB, FTS, etc.), and identification of blacklisted customers led to operational inefficiencies

### Manual Post-sanction Procedures

Post-sanction processes, involving individual emails for intimations with attached sanction letters and agreements, required customers to visit branches, while post-disbursal loan servicing remained entirely manual

### Data Security Vulnerabilities

Reliance on physical documents increased the risks of loss, damage, or unauthorized access to sensitive customer information



### **Absence of Analytics and Insights**

Insufficient access to analytics hindered the ability to make informed decisions, impeded process enhancements, and constrained effective risk management

### **Scalability Challenges**

Manual processes posed difficulties in scaling efficiently, further hindering the client's capacity to manage the rising influx of loan application volumes

### **Compliance Concerns**

The absence of a robust system created challenges in adhering to Islamic finance principles and meeting regulatory compliance requirements

## ***The Regular Industry Approach***

*Within the financial industry, a prevalent strategy to tackle these issues involves deploying the Loan Origination Software (LOS) systems. These systems aim to streamline diverse loan procedures, thereby improving efficiency and enhancing customer satisfaction. Central to this approach are data analytics, compliance oversight, and ongoing process refinements, all of which are crucial in optimizing the loan origination process.*

## **How Newgen Helped?**

Newgen's Loan and Card Lifecycle Management Solution, built on a low code platform, effectively tackles the customer's pressing points. The solution helps streamline the processes, enabling customers to initiate credit card usage within minutes of application. It enables a digital card that promptly appears on mobile screens upon instant straight-through approval. Even in scenarios requiring manual intervention, the process takes less than a day for loan approval or card issuance. Customers enjoy real-time visibility into their request status via a personalized dashboard. Post-disbursal activities are automated and easily accessible.

# Addressing Specific Stages of the Loan Lifecycle:

## Loan Application



The online initiation system helps with streamlined requests, enabling document uploads, due diligence responses, and automated credit checks

## Loan Processing



The solution optimizes document verification, data entry, and due diligence checks, significantly reducing error rates during loan processing

## Underwriting & Loan Adjudication



The automation and integration with third-party systems empower underwriters with comprehensive financial analysis tools, simplifying decision-making

## System-generated Communication Templates



Automated templates for different communications such as Shared Appreciation Mortgage and sanction letters streamline the process

## Approval Workflow



Configured rules-based approval workflows expedite the approvals, enabling parallel approvals by multiple stakeholders simultaneously if needed

## Exception Handling



An efficient mechanism addresses issues at various stages, ensuring smoother processes even in exceptional cases

## Automated Credit Scoring



The solution replaces manual Excel-based credit scoring models with automated rules-based scoring for enhanced accuracy

## Parallel Task Execution and Escalation



Automated approvals and enforced escalation for delays ensure efficient task execution and adherence to turnaround time

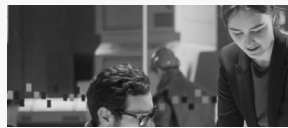
# Quantitative Business Benefits for the Client



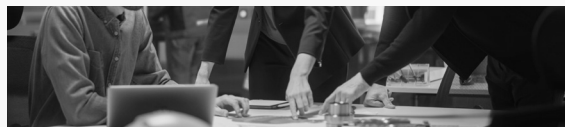
**20x applicant increase**



The **number of applicants has increased** twentyfold



**Increased daily applications**



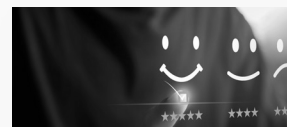
There has been a fourfold **increase in the daily number of applications**, going from 20 to 80



**4x application conversion rate**



The rate at which applications are converted has **quadrupled**



**Cases disbursed in ~30 minutes**



The client was able to **disburse a certain percentage of cases in approximately 30 minutes**



# In Conclusion

The transformational integration of Newgen's Loan & Card Lifecycle Management Solution empowered the UAE's leading Islamic finance firm, resolving various challenges that impeded loan processing efficiency. With a streamlined digital infrastructure, the firm witnessed drastic changes in conversion rate and a wide range of business benefits. Instantaneous case disbursements within approximately 30 minutes reflect remarkable operational enhancements. Notably, the solution not only expedited loan approval times but also prioritized customer experience through real-time visibility and streamlined workflows.

## About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML 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 for many more use cases across industries, Newgen unlocks simple with speed and agility.

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