

# iSHRAQ\*Islamic Finance

**iSHRAQ\*Islamic 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.

**iSHRAQ\*Islamic 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\*Islamic Finance facilitates the following:**

### • **Legal Entities Management:**

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 clients' 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:**

Ability to provide an array of unique financial products that are tailored for both individuals and corporate customers. Each 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 items 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.

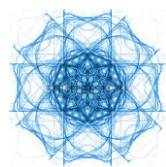
### • **Provision Management:**

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:**

Clients' ability to declare expenses to facilitate item selling in case of item-based contracts such as Leasing and Tawarruq contracts as well as to declare profits to enable financiers to track down customers' progress in the presented opportunity in cash-based contracts such as Musharaka and Mudaraba contracts.

**iSHRAQ\*Islamic 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 contracts' signing, usage, request changes and closure.

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

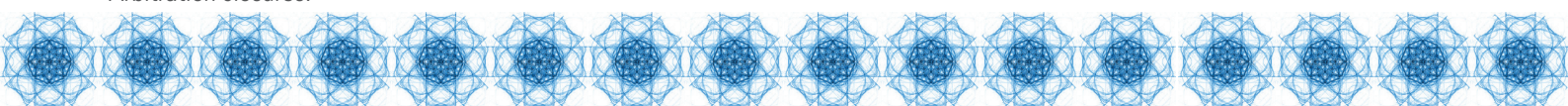
The system delivers high security, efficiency, resilience and cost savings for financial institutions assisting them to develop loan programs to finance projects, training and education.

**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.



# iSHRAQ\*Islamic Treasury

## **iSHRAQ\*Islamic Treasury is based on two concepts:**

- The reverse of financing contracts in **iSHRAQ** module
- The implementation of several transactions called Swaps.

**iSHRAQ\*Islamic Treasury** contracts are the reverse of financing contracts that the financier of the bank has exchanged with a customer. As a consequence, the bank is the recipient of the finance facility from an individual or corporate customer.

## **The processes that both iSHRAQ\*Islamic Treasury and iSHRAQ\*Islamic Finance contracts have in common include:**

- Repayment Plan: Repayment parameters can be entered into a repayment plan with the option of calculating installments in case the customer is an individual that doesn't have the required tool / knowledge to generate a repayment plan or with another option in case the financier can provide a repayment plan that is recorded according to the repayment date and amount without calculating installments automatically
- Collateral: The collateral provided by the bank and requested by the financier (another bank) has to be blocked until the contract is terminated
- Cash Settlement: The customer payments shall be settled in the system in order to terminate the contract effectively.

## **Sample of an iSHRAQ\*Islamic Treasury contract as a reverse Tawarruq:**

- An 'Investment Agency' agreement is established prior to the contract in order to notify the customer about the request detail and repayment plan for approval
- Executing deals through sale notifications in order to notify the customer that the deal has been sold to the bank itself
- Customer payments are logged in the 'Customer Cash - in' section including total items price, brokerage fees and settlements.

## **Swaps:**

Swaps are transactions that enable a fast cash flow occurring under certain conditions.

Four kinds of Swaps are available in **iSHRAQ\*Islamic Treasury** based on common parameters such as transaction date, value date, maturity date, customer and financier contact details, rating types, paying and receiving principles and currencies, which are:

- Foreign Exchange
- Exchange of Deposits
- Placement
- Borrowing

## **Next phase in iSHRAQ\*Islamic Treasury two kinds of Swaps will be available:**

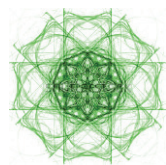
- Plain Vanilla Swaps
- Flavored Swaps

## **Plain Vanilla Swaps parameters are as follows:**

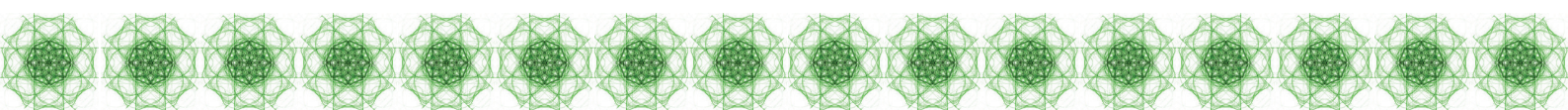
- Interest Rate / Equity Swaps
- Foreign Currency Swaps
- Commodity Swaps
- Total Return Swaps
- Volatility / Variance Swaps

## **Flavored Swaps parameters are as follows:**

- Accreting / Amortizing Swaps
- Seasonal Swaps



- Forward Swaps
- Extension Swaps
- Basis Swaps
- Yield Curve Swaps
- Corridor Swaps.



# iSHRAQ\*Invest

**iSHRAQ\*Invest** is an advanced investment management solution that offers a clear and concise way of managing multiple accounts under one umbrella.

**iSHRAQ\*Invest** allows you to deal with different regions, countries, stock markets, nationalities, currencies, fees schemas and accounts and provides you with lot of tools to run your investment business more efficiently.

**iSHRAQ\*Invest** consists of three main modules: Portfolio Management, Asset Management, and Fund Management with SWIFT Interface.

## **iSHRAQ\*Invest components:**

- Portfolio Management
- Asset Management
  - Equity Market (Common Stock, Fund Units)
  - Derivative Markets (Options, Futures and Forward Contracts)
  - Bond Market (Treasury Bonds and Notes)
  - Money Market (Treasury Bills, Time Deposits)
  - Real Estate
  - User Defined Assets (to support other assets)
- Fund Management
- Custodian Management with SWIFT Interface
- Back Office (Entries, Cash Settlement, Back Date).

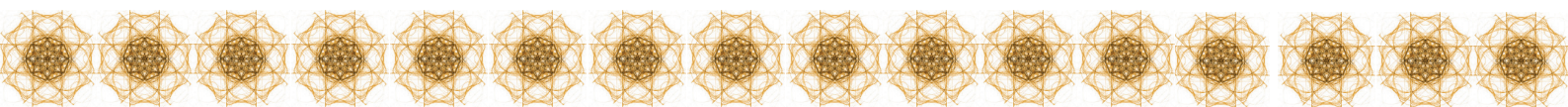
## **The system presents useful Functional Features, such as:**

- Web Application
- Multi User Support
- Multi Tasking Support
- Database Consistency
- Task List Facility
- Favorites List
- Tabbed Interface
- Multi-Record Grid
- Customized Layout
- Inquiry Screens.

## **And Business Features, such as:**

- Multi Currency Support: Create portfolio with a currency, invest in different currencies, and collect management and other fees with other currencies
- Multi Market Support: International markets, GCC markets, regional markets
- Multi Clearance Company Accounts for each Portfolio
- Multi Charging Scheme: Management and other fees schemes
- Detailed Stock Location Tracking for Clearance company, custody, and other locations (subscription allocation, bonus shares, capital increase / decrease).







# iSHRAQ\*General Ledger

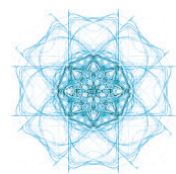
**iSHRAQ\*General Ledger** provides an automated and integrated application to investors by enabling end-to-end processing with fast and efficient reporting. It will also help to obtain a global and consistent view of the business lines through an orderly process that results in the production of useful financial books and records.

## The system presents basic features such as:

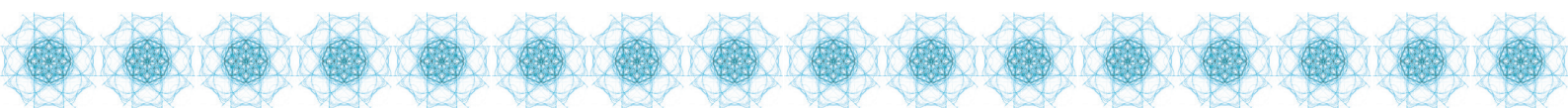
- Flexible General Ledger Account Creation:
  - Multiple-segment for multiple-business dimensions
  - Validation / cross validation on segment accounts creation
  - Multiple-segment options like segment account structure, length, name, qualifier, etc.
  - Hierarchical representation for parent / child account
- Multiple General Ledger Formats defined according to:
  - Account Calendar
  - Currency
  - Chart of Accounts
- Various Types of Journals available:
  - Basic Journal
  - Reversal Journal
  - Batch Journal
  - Recurring Journal
- Dynamic Reports Creation:
  - Specific design templates for each financial report.

## iSHRAQ\*General Ledger Key Features:

- Total solution from one vendor
- One-stop shop
- Efficient reporting system
- Easy processing
- Simply automated
- Front-end applications
- Business geography track
- Dynamic reports creation.







# iSHRAQ\*Fund Management

## **iSHRAQ\*Fund Management module includes:**

- The full fund management cycle starting from the initial public offering through periodic subscriptions and redemptions
- Automatic NAV calculation
- Unit transfers and adjustments
- Applying company corporate actions.

**iSHRAQ\*Fund Management** allows users to manage funds acting as the fund manager, custodian, owner or agent for other customers to record all operations performed by the fund manager.

**iSHRAQ\*Fund Management** parameters such as fund currency, par value, NAV in addition to subscription and redemption rules are set up prior to creating a new fund. **iSHRAQ\*Fund Management** monitors all these rules while subscription and redemption transactions occur to prevent any violation.

## **Sample of fund with NAV affecting preceding requests by units or amount:**

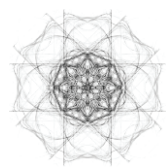
• When a customer requests to subscribe to a fund or buy new units, the subscription amount is calculated based on the current NAV. Once the new NAV is calculated, **iSHRAQ\*Fund Management** will allocate units according to the paid cash tacking fees.

If the new NAV is higher than the old one, allocated units will be less than the requested ones. There might be refund amount based on the actual one either because the new NAV is less than requested or allocated units are less than requested.

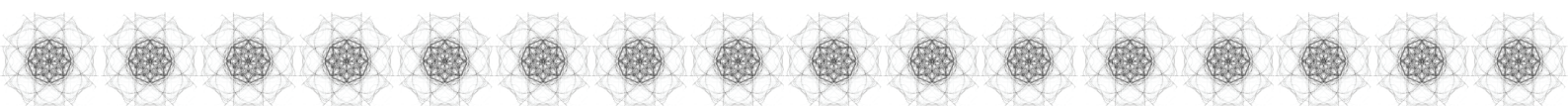
• Some funds allow allocating requested units regardless of the new NAV. If the new amount is higher than the previous payment, the customer should pay the difference to get the units. In this case, **iSHRAQ\*Fund Management** allows to set up the fund to allocate the requested units for each subscription request as per customer needs.

## **iSHRAQ\*Fund Management Business Features:**

- Calculates automatically the fund agent subscription and redemption fees based on preset rules when a customer deals with the fund through that agent
- Calculates the subscription amount based on par value per unit prior allocation
- Offers several automatic allocation methods once the subscription period expires
- Records all subscription and redemption requests made by customers
- Validates subscription and redemption rules while entering the request
- Calculates net asset value (NAV) for all funds automatically according to NAV period in fund definition
- Gives facility to transfer units from a customer to a clearance account that becomes the new shareholder
- Gives facility to track fund shareholders to apply bonus units or cash dividends



- Allows a fund manager to adjust clearance account balances according to the periodical report of the clearance account balances of the fund units, where the manager can enter them manually or upload them if available electronically with a specific format
- Calculates all bonus units or cash dividends for funds for all unit shareholders based on their balances as of committee date.



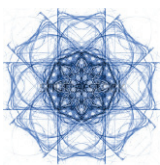
# iSHRAQ\*Private Equity

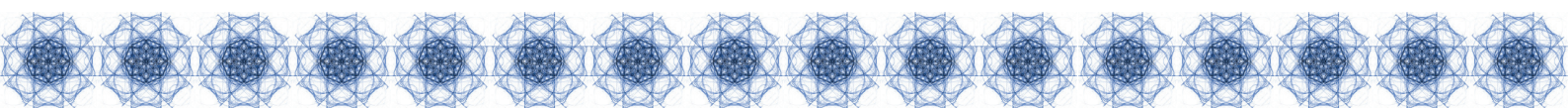
**iSHRAQ\*Private Equity** enables venture capital and buyout firms to organize, automate and simplify their private equity workflow. As a web based solution, it offers an integrated platform to handle all the business operations of general partners, limited partners, investors and fund of funds from fund raising to account posting.

**iSHRAQ\*Private Equity** with its flexible user friendly interface, enables investors to customize the offering to their unique specifications, facilitating the incorporation of each partnership's added business requirements.

## **iSHRAQ\*Private Equity Business Features:**

- Enabling users to create fund templates for faster deal structure creation and retrieval
- Enabling automatic calculation of NAV, incentive and management fees, expenses and liability payments
- Enabling company to create templates with preset accrual base, evaluation method and rules
- Enabling company to create / edit a deal structure using fund and company templates with the option of displaying all subsidiaries' deals through an editable chart
- Enabling deal manager to announce initial public offering and log investors' requests for subscription with preset conditions such as minimum amount, minimum number of requested shares, minimum exit period and redemption fees
- Enabling deal manager to allocate requested units among investors / portfolios requests after the subscription period is over whether the allocation method is minimum / maximum units first or ratio of total
- Enabling deal manager to manage deal redemptions and units transfers from one investor / portfolio to another
- Enabling deal manager to manage partial and full deal exits with automatic calculation of exit amount by multiplying number of exit units by the NAV value
- Enabling deal manager to calculate and distribute dividends among deal investors
- Enabling deal manager to validate that the number of deal units equals the total amount of invested units in all subsidiaries (funds and companies).





# iSHRAQ\*Sukuk Management

**iSHRAQ\*Sukuk Management** supports the full business cycle of Sukuk management from initial public offering to management of Sukuk assets.

**iSHRAQ\*Sukuk Management** supports all types of Sukuk, mainly the:

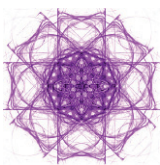
- Zero Coupon (discount) Sukuk
- Puttable (retractable) Sukuk
- Callable (redeemable) Sukuk
- Convertible Sukuk
- Sukuk which distribute additional amount on obligatory buy back and maturity dates according to the current assets of the Sukuk, but limited to certain ratio of the Sukuk par value.

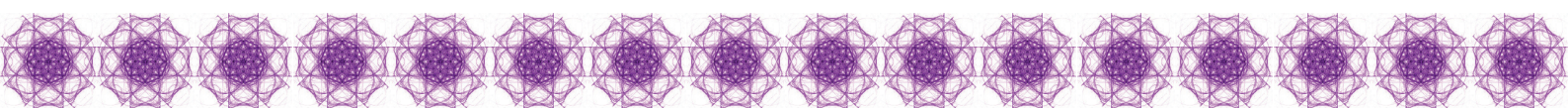
**The system supports the following transactions after defining the Sukuk:**

- Initial Public Offering
- Distribute Sukuk Profits
- Redemption Requests
- Call for Buy Back
- Exercise Sukuk
- Announce Net Asset Values.

**iSHRAQ\*Sukuk Management Key Features:**

- Full business process
- Full management of Sukuk assets
- Flexible tool for the holder.







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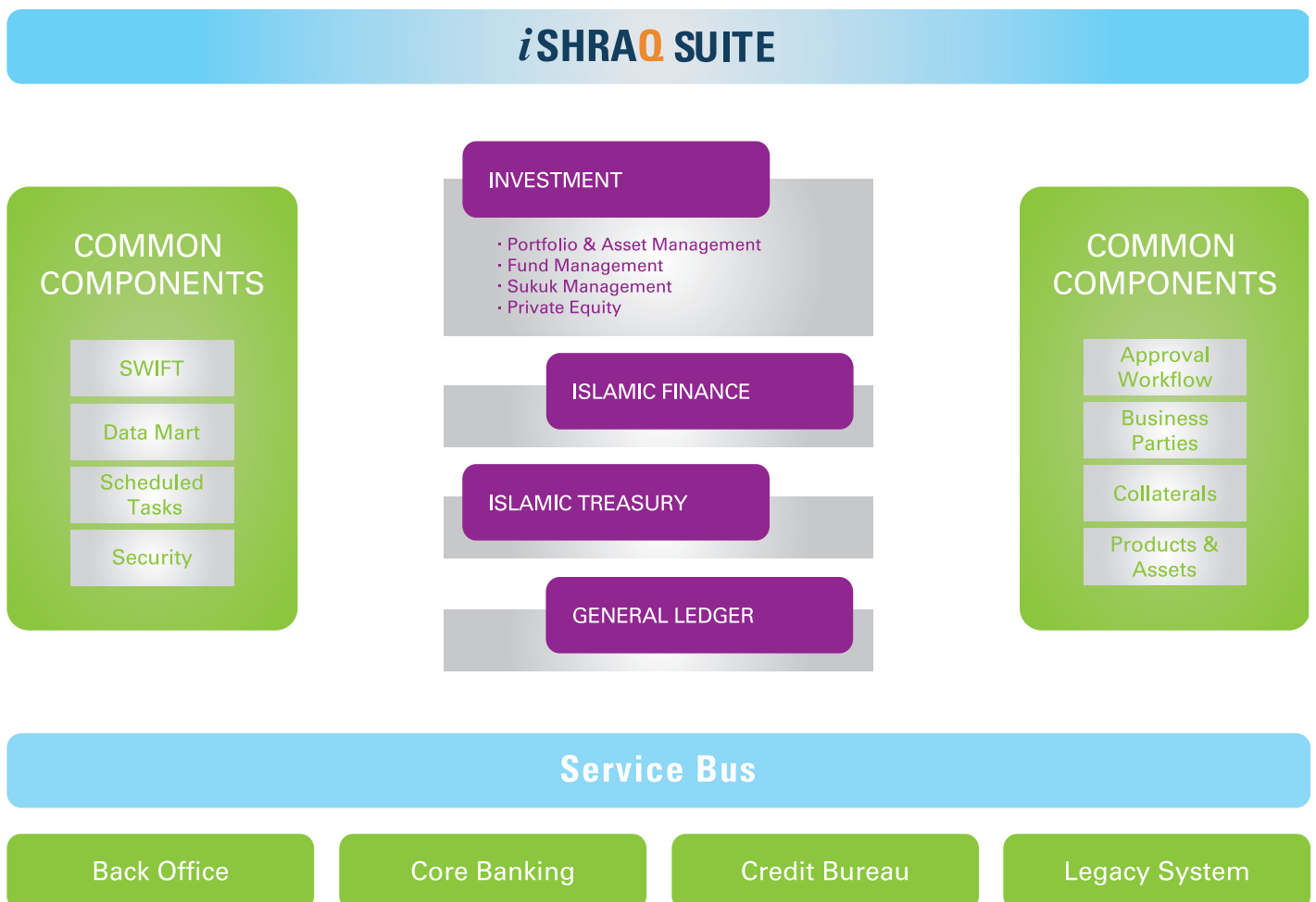
Path Solutions

Path Solutions' **iSHRAQ** suite consists of 7 modular products:

- **iSHRAQ\*Invest**
- **iSHRAQ\*Fund Management**
- **iSHRAQ\*Sukuk Management**
- **iSHRAQ\*Private Equity**
- **iSHRAQ\*Islamic Finance**
- **iSHRAQ\*Islamic Treasury**
- **iSHRAQ\*General Ledger**

**iSHRAQ Suite Key Features:**

- Web interface, N-Tier .NET based architecture
- Comprehensive solution for investment, financing, and microfinance institutions
- Flexible and easily adaptable
- Complete solution for end-to-end business processes
- Modern and efficient reporting solution
- Competitive with dynamic pricing strategy



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