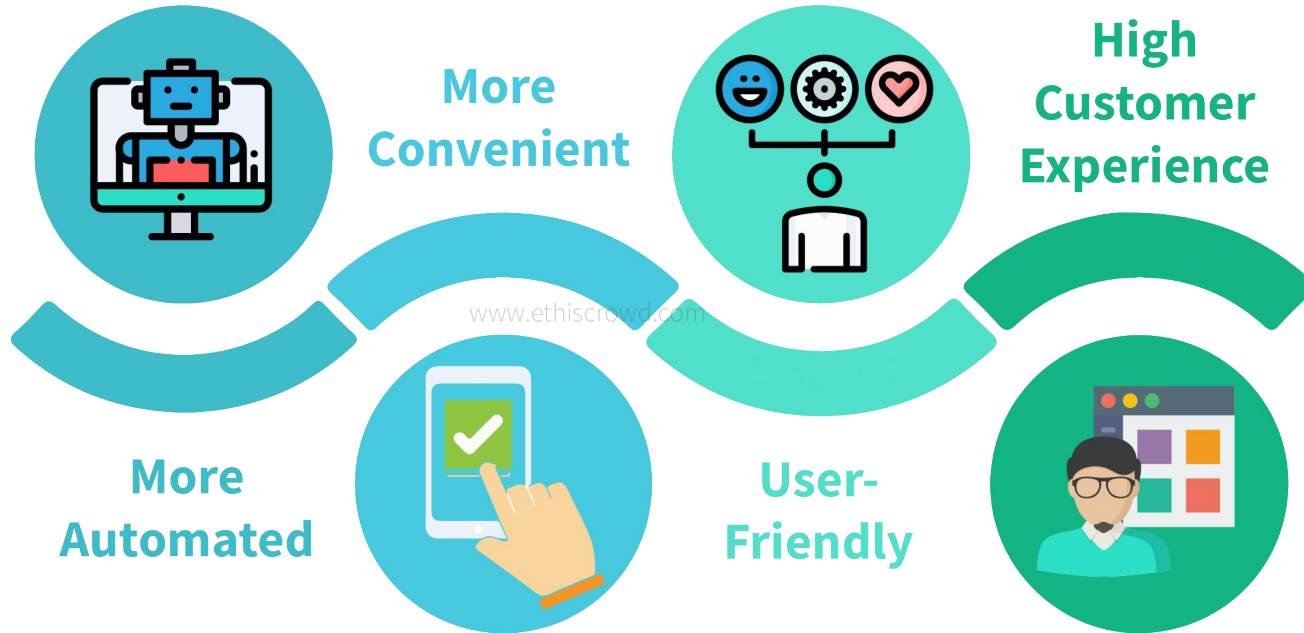


A faint, light green world map is visible in the background of the slide, centered behind the text.

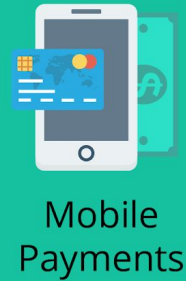
# **EthisCrowd.com - Crowdfunding for Affordable Housing**

Yousuf Sultan, Head of Infrastructure & Shari'ah at Ethis Ventures

# Advantages of Financial Transactions Using Fintech



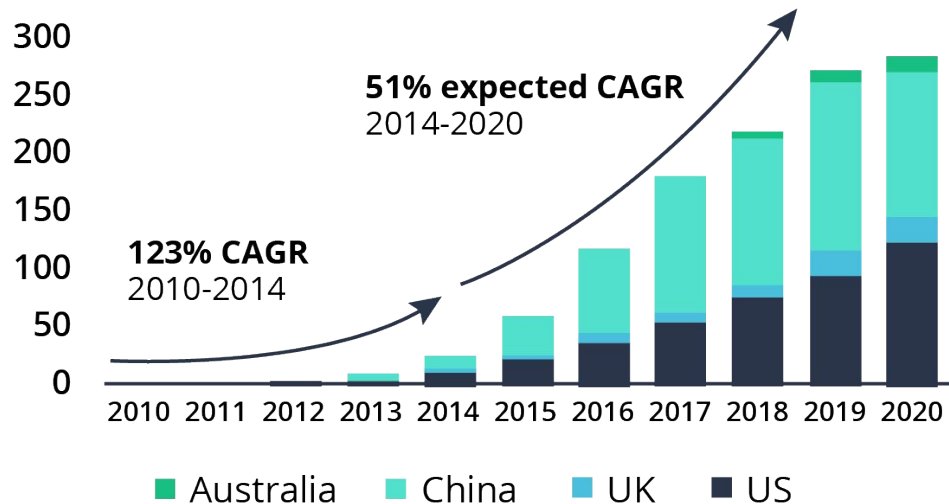
# Main Types of Services Offered by Fintech



# Crowdfunding Industry Trend

**We estimate global marketplace lending can reach \$290 billion by 2020 (base case)**

Global Marketplace Loan Insurance (\$bn)



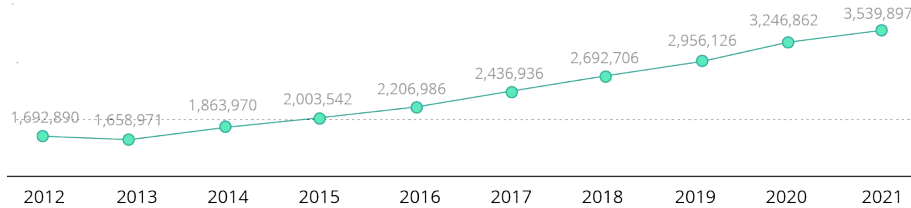
Source: Company Data, Morgan Stanley Research

P2P Crowdfunding is growing strongly in a number of countries, led by the US and China.

Indonesia is one of the hottest P2P markets, with the financial services authority reporting that US\$16bill was funded in 2018.

# Islamic Economy Trend

Islamic Finance Asset Growth From 2012 and Projection till 2021 (US\$ Mn)



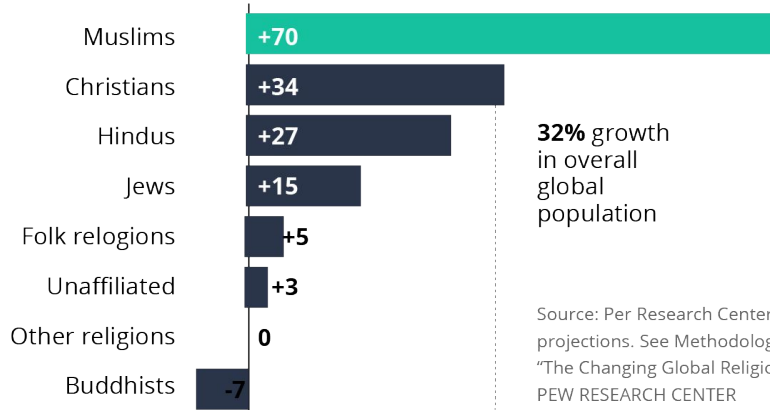
ICD - THOMSON REUTERS ISLAMIC FINANCE DEVELOPMENT REPORT 2016

The Islamic economy is a large global segment with 2 factors driving growth:

1. Adoption of technology especially through mobile
2. Increased awareness and understanding of Islamic principles

## Muslims projected to be fastest-growing major religious group

Estimated percent change in population size, 2015-2060



32% growth in overall global population

Source: Per Research Center demographic projections. See Methodology for details. "The Changing Global Religious Landscape" PEW RESEARCH CENTER

# Problems

Direct investments and charity in emerging nations and the Muslim world is broken

1. Incumbent financial institutions serve limited preferred segments, not the masses
2. Islamic finance has had little social or community impact, and is viewed with suspicion
3. Local capital flows are poorly organised, global flows lack intelligence and facilitation



# Solution - Ethis Islamic Crowdfunding



Digital platform links funders globally to projects by providing transparency and timely reporting



Ethis focuses on specific project types, countries and sectors to develop better screening intelligence and relationships



True Islamic finance models based on universal ethics and with a focus on social impact and justice





### BABAN BAYE PERMAI

Subsidized Housing West Sumatra, Indonesia

Raised : 26.82%



Goal SGD \$334,951.00 Raised SGD \$89,840.57

Projected Return 10-11 % Duration 9-10 Months

Time Remaining 24 day(s) to go

VIEW



### INDOMARET WAREHOUSE 2

Construction Bandung Region, Indonesia

Raised : 66.04%



Goal SGD \$554,000.00 Raised SGD \$365,844.80

Projected Return 11-12% Duration 10-11 Months

Time Remaining 35 day(s) to go

VIEW



### PESONA PRIMA CIKAHURIPAN

Affordable Housing West Java, Indonesia

Raised : 100.00%



Goal SGD \$274,923.00 Raised SGD \$274,923.00

Projected Return 11-12% Duration 10-11 months

Time Remaining 0 day(s) to go

VIEW

Feedback





# Impact in numbers (\$\$)



ETHISCROWD

**26,000**

Growing  
Community

**65**

Countries  
Globally

**7,319**

Affordable  
Houses Built

**29,276**

People with  
a new Home

**\$52,798,091**

Total Value of  
Projects

**\$6,250,000**

Crowd-investments  
Made

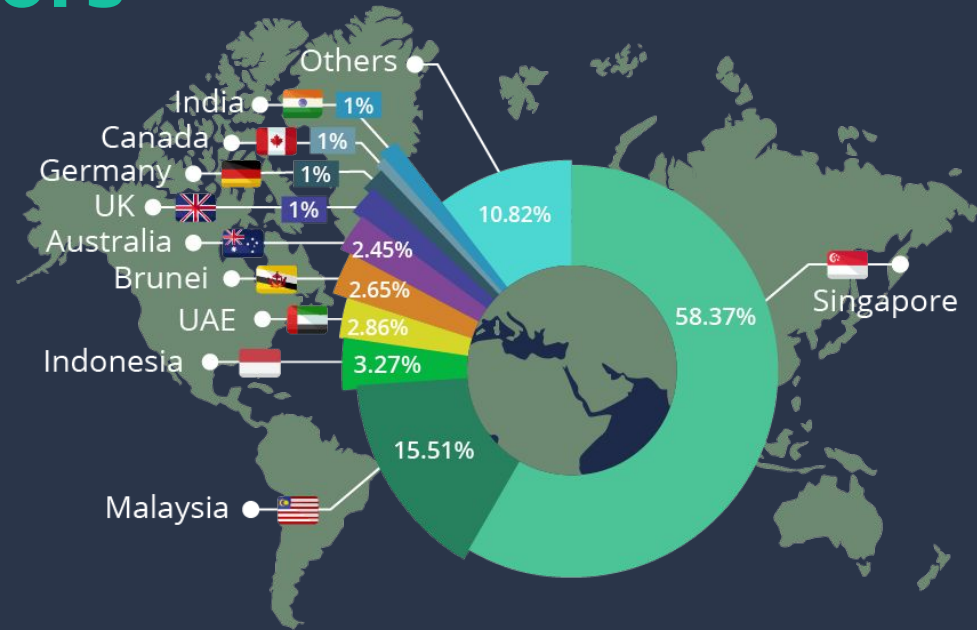
**\$1,640,347**

Paid Out to  
Crowd-investors

# Crowd-Investors

The Ethis community includes global and local

- ❖ Islamic Private Equity firms, Venture Capital
- ❖ Islamic foundations and community groups
- ❖ High networth individuals
- ❖ Angel investors



Our community of 26,000 from across the world has made more than 2,000 crowd-investment transactions to Indonesian campaigns. The majority of our investors are new to crowdfunding and first-time investors in Indonesia.

# Ethis Crowd



**Main Focus: Bridging finance for affordable housing development in Indonesia**

**Sub-focus: Working capital financing for infrastructure projects in Indonesia**

**Pilot: Bridging finance for commercial property development in Malaysia**

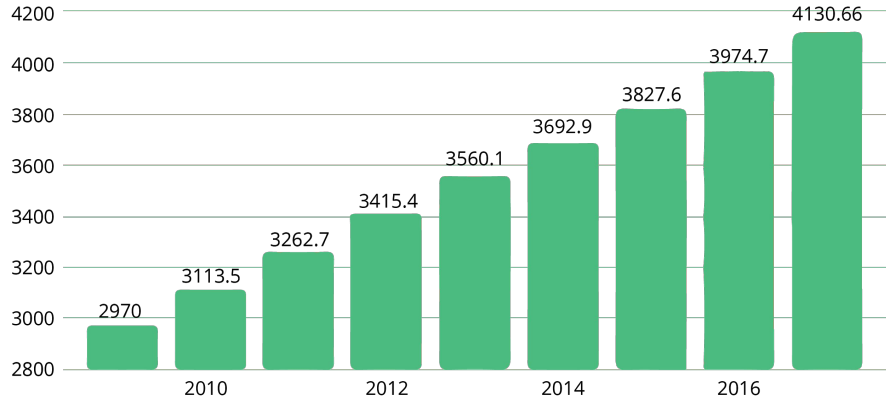
**Pilot: Bridging finance for commercial property development in South Africa**

# INDONESIA'S GROWING MIDDLE CLASS

In the last couple of years, Indonesia's economy has grown steadily.

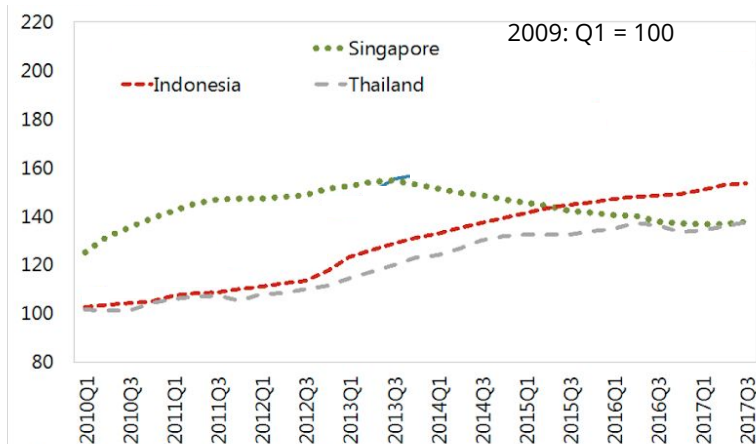
However, between 2015 – 2017 the GDP per capita increased from USD 3,827 to USD 4,130. Significantly more young and middle-class urban Indonesians will now afford to buy homes.

## GDP Per Capita



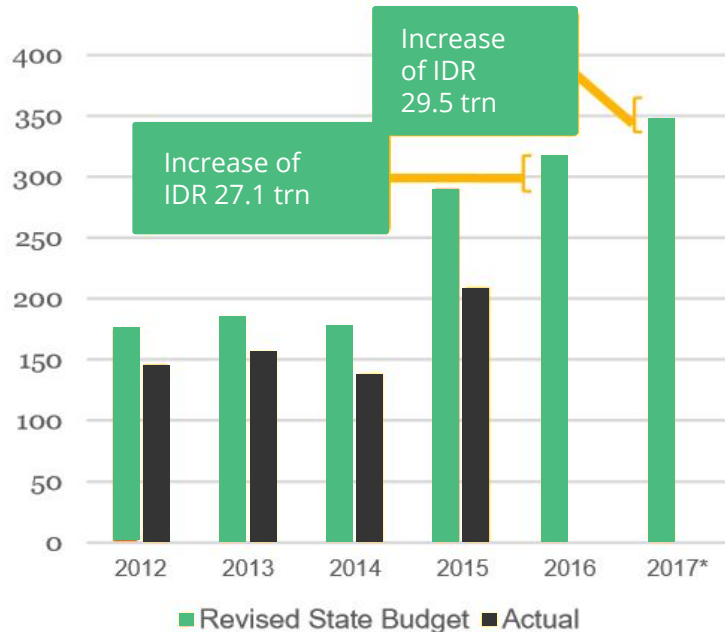
Source: tradingeconomics.com | World Bank

## House Price Index



Sources: CEIC Data Co. Ltd; and IMF staff calculations.

## Government Spending on Infrastructure (IDR trn)



Source: PWC, Indonesian Infrastructure Stable foundations for growth, 2016

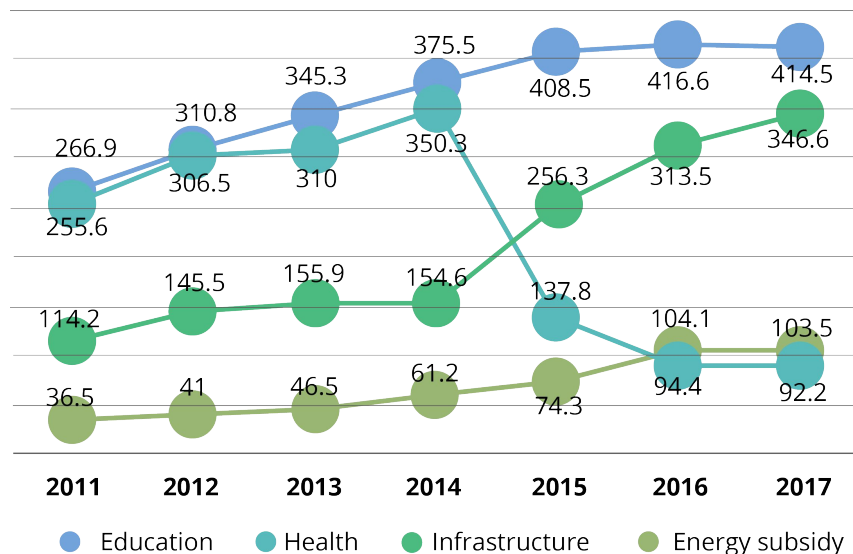
# GOVERNMENT SPENDING

The world's fourth largest population, Indonesia has high demand and a massive shortage of houses.

This housing crisis affects approximately 11.8 million Indonesians who do not have homes till today,



## Shift on State Budget Allocation, 2011-2017 (Rp trillion)



*Note: 2016 and 2017 figures are based on projections*

*Source: Ministry of Finance*

# BUDGET ALLOCATION

To cope with this housing shortage, the Indonesian government launched the One Million Homes programme in 2015. This programme targets to reduce the housing shortage from 11.8 million to only 6.9 million homes.

# Evolution of Ethis

**CLUB  
Ethis**

1

**Singapore, Mar 2014**

Islamic investment club in Singapore that invested in SMEs and property



2

**Singapore, Jan 2016**

We implemented a pilot model of matching funds directly to another Ethis entity, PT Ethis, in Indonesia



3

**Malaysia, Jul 2016**



4

**Malaysia, Sept 2017**  
New talent base to operate EthisCrowd.com and bring new solutions to market

5



6



**Today - 2019**

**Malaysia, Feb 2018**  
Launched GS beta platform, and formed partnerships with Islamic banks



# Leadership

Umar Munshi  
**Founder**

- ❖ CEO, EthisCrowd
- ❖ Managing Director, Ethis Ventures M'sia
- ❖ Chairman, Islamic Fintech Alliance



Ronald Yusuf Wijaya  
**Founder**

- ❖ CEO, Ethis Indonesia
- ❖ Advisor, Kapital Boost Indo
- ❖ President, Syariah Fintech Assn Indo



Datuk Mohd Radzif  
**Chairman**

- ❖ Corporate Transformation, Development Finance Leader
- ❖ Former MD, SME Bank (Malaysia)



Maritz Mansor  
**COO**

- ❖ Islamic Funds Manager and Legal Professional
- ❖ Former Head of Corp Services at Keppel DC REIT (Singapore)



# Advisors and Global Partners



**Mohd Al-Aidaros**

**Dubai**

*Property Investor and  
Financier*



**Hendarin Sukarmadji**

**Indonesia**

*Islamic Banking Pioneer  
in Indonesia*



**Daud (David) Vicary**

**UK-Malaysia**

*Global Islamic Finance  
leader and influencer*



**Rehan Noor Pathan**

**Bahrain**

*Institutional investment  
advisor and entrepreneur*



**Dato' Fadzli Yusof**

**Malaysia**

*Founding CEO of the  
first Takaful operator*

# Awards & Accolades



GIFA Award for Best Islamic Crowdfunding Platform 2016



Islamic Economy Award 2016 from the Crown Prince of Dubai



World Islamic Fintech Awards 2018 for Best Islamic Peer to Peer Finance Platform & Best Social Impact Islamic Fintech Platform





# Awards & Accolades



**Ethis beat 2,000 applicants to be one of the winners of the US\$100,000 'Innovation for Impact' grant.**

Ethis will be profiled in Expo Dubai's promotional activities and featured in the World Expo 2020.



### ETHIS ISLAMIC CROWDFUNDING REPORT

#### Performance of Indonesian Affordable Housing Campaigns

Indonesian Housing outperforms other campaigns.

- Successful** Completed with capital and profits paid out successfully to crowd-investors. Realised returns range from 12% to 16% on an annualised basis.
- Ongoing** Still under construction or development. On time allows campaigns that are progressing according to the original timeline, while extended refers to campaigns that encountered delays or challenges that pushed back the timeline.
- Cancelled** Funds raised but not disbursed to project when pre-agreed criteria or milestones were not fulfilled. All investors' capital have been returned in full.
- Failed** Campaigns that have faced insurmountable issues leading to project owners defaulting. Some or all investors' capital may be lost.

### ETHIS ISLAMIC CROWDFUNDING REPORT

#### 8 Things To Know About Ethis Islamic Crowdfunding For Social Housing

##### 7. Focus Country - Indonesia

Ethis focuses mainly on Indonesia, the largest emerging economy in the world after China and India. Foreign investment into Indonesia has been growing strongly, at more than 8% a year over the past few years. It has also secured investment grade ratings; last year from all three major debt-rating agencies, further attracting foreign capital. Even as the country becomes more investor-friendly, its real estate industry is still protected and largely dominated by domestic investments.

- Population 287 million
- US\$ 1 trillion-dollar economy\*
- One of the most stable politics in the world
- Shortage of more than 10 million houses
- >4.5% annual growth for the past 15 years\*

Source: World Bank, Indonesian Ministry of Finance, World Bank



# Thank You

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[www.EthisCrowd.com](http://www.EthisCrowd.com)



ETHISCROWD