



blossom

Impact Investing through Blossom Finance

IFN



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1. Islamic Finance 101

Investment Not Debt

2. Blockchain Sukuk

Supporting Micro Investing

3. Case Study

Blossom Finance – Microfinance



*Islamic Finance 101:
Investment - Not Debt*



US Debt Clock.org

State Debt Clocks

World Debt Clocks

Get the iPhone App

Debt Clock Time Machine

US NATIONAL DEBT

\$21,129,316,201,875

DEBT PER CITIZEN
\$64,513

DEBT PER TAXPAYER
\$174,188

US FEDERAL SPENDING \uparrow 135%
\$4,066,455,893,171

US FEDERAL BUDGET DEFICIT
\$738,371,057,193

US FEDERAL BUDGET DEFICIT/SURPLUS TO GDP RATIO

1.797%

3.606%

1.863%

9.436%

3.711%

1980

1990

2000

2010

NOW

US FEDERAL TAX REVENUE \uparrow 77%
\$3,328,084,835,978

REVENUE PER CITIZEN
\$10,162

REVENUE PER TAXPAYER
\$27,443

INCOME TAX REVENUE
\$1,614,448,165,281

PAYROLL TAX REVENUE
\$1,170,445,589,317

CORPORATE TAX REVENUE
\$268,496,136,055

US FEDERAL REVENUE TO GDP RATIO
1900 - 3.137% 1950 - 14.06% 2000 - 19.14% NOW - 16.73%

TOTAL STATE REVENUE
\$1,650,497,778,888

TOTAL LOCAL REVENUE
\$1,310,127,769,162

REVENUE PER CITIZEN
\$9,040

REVENUE PER TAXPAYER
\$13,610

STATE DEBT
\$1,176,209,513,984

LOCAL DEBT
\$1,900,435,479,970

FEDERAL TRANSFER
\$1,202,382,115,705

PROPERTY TAX REVENUE
\$569,760,927,694

REVENUE PER EMPLOYEE
\$721,702

UNFUNDED PENSION LIABILITY
\$6,141,064,979,548

MUNICIPAL EMPLOYEES
19,483,908

Largest Budget Items

MEDICARE/MEDICAID
\$1,083,862,041,320

SOCIAL SECURITY
\$962,753,219,954

DEFENSE/WAR
\$606,891,178,635

INCOME SECURITY
\$294,527,849,332

NET INTEREST ON DEBT
\$290,976,014,616

FEDERAL PENSIONS
\$263,777,205,341

US GROSS DOMESTIC PRODUCT \uparrow 114%
\$19,895,749,894,857

TOTAL FEDERAL/STATE/LOCAL SPENDING
\$7,083,775,098,563

GROSS DEBT TO GDP RATIO
106.20%

REVENUE TO GDP RATIO
31.608%

SPENDING TO GDP RATIO
35.604%

US TOTAL INTEREST PAID
\$2,621,867,720,382

INTEREST PER CITIZEN
\$8,006

US TOTAL DEBT \uparrow 170%
\$69,909,417,416,345

TOTAL DEBT PER CITIZEN
\$213,453

TOTAL DEBT PER FAMILY
\$835,683

SAVINGS PER FAMILY
\$4,242

TOTAL PERSONAL DEBT \uparrow 139%
\$18,958,621,989,793

MORTGAGE DEBT
\$15,071,873,019,705

STUDENT LOAN DEBT
\$1,513,663,367,187

CREDIT CARD DEBT
\$1,031,398,868,997

PERSONAL DEBT PER CIT.
\$57,884

Money Creation

MONETARY BASE 2018 \uparrow 539%
\$3,867,493,898,314

M2 MONEY SUPPLY 2018 \uparrow 195%
\$13,966,002,058,478

TREASURY SECURITIES 2018 \uparrow 512%
\$900,976,052,103

CURRENCY AND CREDIT DERIVATIVES 2018 \uparrow 539%
\$573,633,474,897,057

MONETARY BASE 2000
\$604,944,994,081

M2 MONEY SUPPLY 2000
\$4,738,739,340,560

TREASURY SECURITIES 2000
\$147,234,506,270

CURRENCY AND CREDIT DERIVATIVES 2000
\$89,810,536,922,959

Trade Numbers

US DEBT HELD BY FOREIGN COUNTRIES
\$6,319,796,575,241

US TRADE DEFICIT
\$819,853,509,545

US TRADE DEFICIT - CHINA
\$388,260,581,357

US IMPORTED OIL
\$211,813,956,952

IMPORTED OIL - OPEC
\$69,264,000,723

SMALL BUSINESS ASSETS
\$11,688,402,739,859

CORPORATION ASSETS
\$25,308,933,600,020

HOUSEHOLD ASSETS
\$101,041,436,490,286

TOTAL NATIONAL ASSETS
\$138,038,772,829,756

ASSETS PER CITIZEN
\$421,465

US FEDERAL BUDGET DEFICIT (GAAP)
\$6,002,784,933,239

SOCIAL SECURITY LIABILITY
\$16,894,294,921,700

MEDICARE LIABILITY
\$27,881,564,714,545

US UNFUNDED LIABILITIES (GAAP)
\$112,738,287,948,834

LIABILITY PER TAXPAYER
\$929,450

US POPULATION
327,516,658

US WORK FORCE NOW
155,239,769

OFFICIAL UNEMPLOYED
6,567,877

DOLLAR SUPPLY ADDED 2018
\$537,056,422,076

US INCOME TAXPAYERS
121,282,455

US WORK FORCE 2000
156,801,400

ACTUAL UNEMPLOYED
12,907,156

DOLLAR SUPPLY ADDED 1913
\$657,701,467

PRIVATE SECTOR JOBS
122,817,042

NOT IN LABOR FORCE NOW
95,368,777

FULL-TIME WORKERS
127,488,669

DOLLAR TO CITIZEN RATIO NOW
\$1,640 PER CIT.

SELF-EMPLOYED
8,998,473

NOT IN LABOR FORCE 2000
80,104,801

PART-TIME WORKERS
27,864,251

DOLLAR TO CITIZEN RATIO 1913
\$ 6.73 PER CIT.

UNION WORKERS
13,565,872

MEDIAN INCOME NOW
\$31,779

MEDIAN NEW HOME NOW
\$321,826

DOLLAR TO OIL RATIO NOW
\$16.00 PER BBL.

GOVERNMENT EMPLOYEES
23,698,660

MEDIAN INCOME 2000
\$31,307

MEDIAN NEW HOME 2000
\$163,206

DOLLAR TO OIL RATIO 1913
\$ 2.13 PER BBL.

MANUFACTURING JOBS NOW
12,638,779

BANKRUPTCIES
829,954

PRISON INMATES
1,457,306

DOLLAR TO SILVER RATIO NOW
\$605 PER OZ.

MANUFACTURING JOBS 2000
17,234,357

FORECLOSURES
650,094

CONVICTED FELONS
6,877,579

DOLLAR TO SILVER RATIO 1913
\$ 2.67 PER OZ.

US RETIREES
51,985,876

US VETERANS
20,972,421

PUBLIC SCHOOL STUDENTS
50,752,785

DOLLAR TO GOLD RATIO NOW
\$4,736 PER OZ.

US DISABLED
10,375,604

US ARMED FORCES
1,295,897

CHARTER SCHOOL STUDENTS
3,266,903

DOLLAR TO GOLD RATIO 1913
\$29.11 PER OZ.

LIVING IN POVERTY
39,069,046

MEDICARE ENROLLEES
57,345,110

FOOD STAMP RECIPIENTS
40,871,449

PAPER TO SILVER RATIO NOW
178.95 TO 1

WITHOUT INSURANCE
27,517,262

MEDICAID RECIPIENTS
75,140,853

TOTAL RECEIVING BENEFITS
165,977,288

PAPER TO GOLD RATIO NOW
75.76 TO 1



MORTGAGE/LOAN CALCULATOR



GOLD SUPPLY/DEMAND



HOME SALES



SOURCES



AUTO SALES



ABOUT



ENERGY OUTPUT



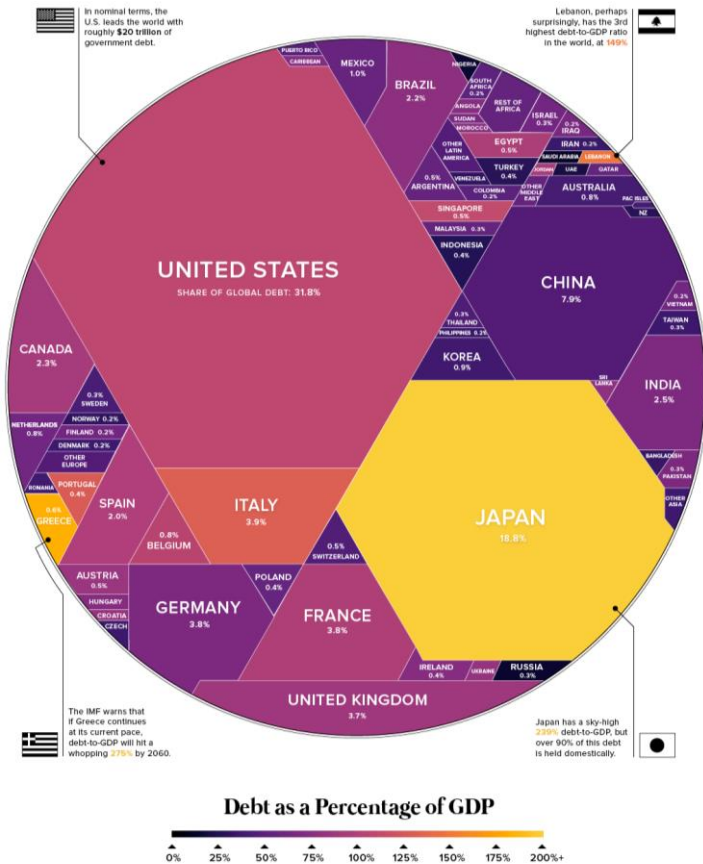
GOLD/PRECIOUS METALS

Debt is Growing and is a Global Issue

Global Debt \$247 Trillion
318% of Global GDP.

Govt Debt \$63 Trillion

Excessive, non-productive & consumption-based debt is helping to drive populism, social & financial inequality



Equity/Asset-Backed Investment is Favoured Over Debt

1. Prohibition of guaranteed, **interest-based** income (Riba) in favour of equitable risk and profit sharing-type cashflows.
2. Encouragement of tangible and ‘real-economy’ financing that discourages excessive / unsecured borrowing.
3. **Equity & Asset Backed** financing/investment is favoured but it is operationally **expensive** for **smaller investors, businesses and entrepreneurs to participate in this market.**





*Blockchain Sukuk:
Supporting Micro Investing*

What are Sukuk?



Financing
Instrument



Sharia
Compliant



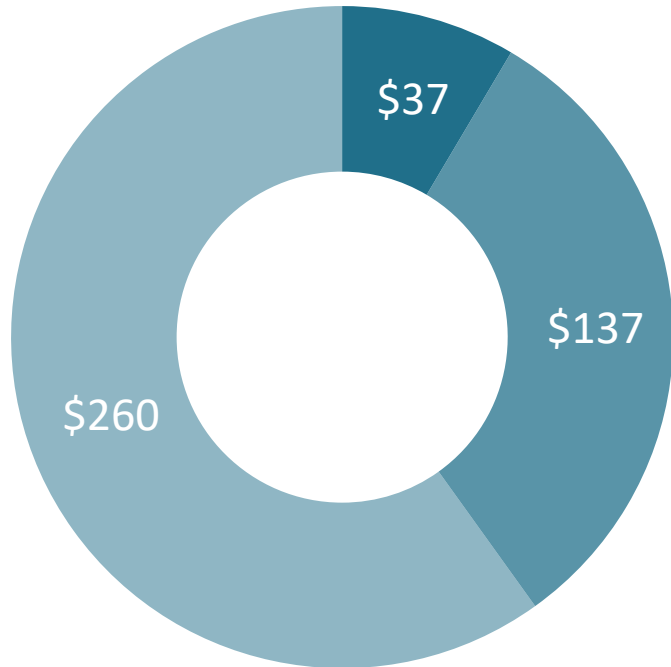
Securitized
& Tradable

Funding for 'Real-Economy' sectors, 'should' not be applied to unsecured debt financing



...but only for Large Institutions & Investors

Total Outstanding Value (Billions USD)



- Financial Institutions
- Corporate
- Sovereign

Public sukuk markets
inaccessible to small
issuers/projects & investors –
they largely ‘replicate’ debt



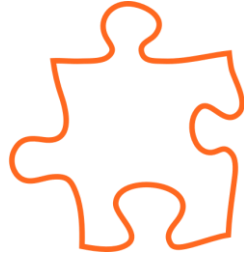
Source: IIFM Sukuk Database

Sukuk Barriers to Growth & Adoption



Expensive

high closing & operational costs



Complex

multi-party process, & extensive documentation



Inaccessible

due to geography & large investment sizes





Blossom Finance

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Islamic Microfinance in Indonesia



Challenge – Efficient MF Investment

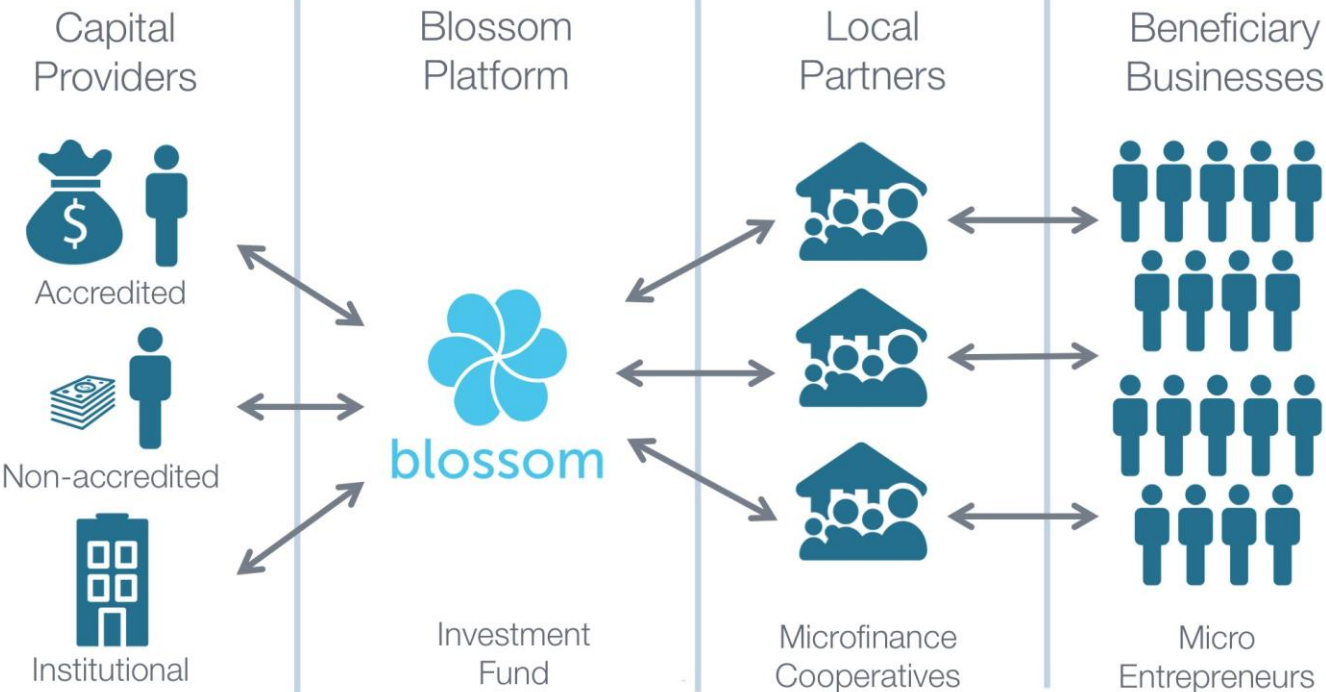
Islamic microfinance cooperatives in Indonesia face funding challenges for their microfinance business. Depositor withdrawals during peak periods tighten liquidity also borrower cashflow profiles can be volatile/fluctuate

Solution – Profit Sharing Sukuk

Blossom SmartSukuk™ Al-Mudaraba matches sukuk payment obligations to actual profit payments from the financing activity, thus reducing risk/mismatch. Guaranteed lockup of one year ensures liquidity/funding stability.



Connecting Small Investors & Investments...



...Using Blockchain Micro-Sukuk



Removes inefficiencies to facilitate smaller issuer & investor participation



*Blockchain Will Enable More Micro Social
Impact Investing*

Thank You!

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