



BANK ISLAM

198301002944 (98127-X)

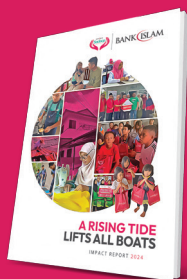


A RISING TIDE LIFTS ALL BOATS

IMPACT REPORT 2024

IMPACT REPORT

2024



The tagline
**A RISING
TIDE LIFTS
ALL BOATS**
beautifully
encapsulates the
philosophy and
mission of Sadaqa
House. It conveys the

idea that when opportunities and resources are shared equitably, the benefits are felt by everyone within a community. This metaphor highlights the interconnectedness of individuals and the collective strength that comes from lifting each other up.

At Sadaqa House, this principle is reflected in our commitment to empowering underprivileged individuals, particularly through initiatives focused on entrepreneurship and education. By providing tools, training, and financial support, we aim to elevate the economic and social conditions of those we serve. As each person achieves stability and success, the positive ripple effect uplifts families, neighbourhoods, and entire communities.

This tagline also aligns with our vision of social finance as a means of creating sustainable impact. Whether it is through micro-entrepreneurship, educational scholarships, or community development projects, Sadaqa House believes that growth and prosperity are most meaningful when shared. Together, we strive to create a society where everyone has the chance to thrive, ensuring that no one is left behind.

This philosophy underscores every initiative we undertake, making "A Rising Tide Lifts All Boats" a true reflection of our mission and values.

ABOUT

SADAQA HOUSE

Launched on 19 January 2018, Sadaqa House is a globally recognised social finance driver dedicated to mobilising philanthropic capital - including sadaqah (voluntary charity), and zakat (tithe) to create positive, tangible impacts for Malaysia's unbanked and underserved communities. Operating within an inclusive Islamic economic ecosystem, we strive to uplift individuals and families through sustainable financial inclusion solutions.

As an initiative of Bank Islam, Sadaqa House reimagines the role of an intermediary by offering not just financial aid but also hands-on support. We believe that entrepreneurship and education are the keys to breaking the cycle of poverty.

To ensure long-term success, we provide coaching, mentorship, training, and ongoing guidance, equipping our beneficiaries with the skills, confidence, and resources to build sustainable livelihoods.

Importantly, 100% of every donation goes directly to beneficiaries, with none retained or used for operating costs or management fees.

All operating expenses are fully borne by Bank Islam, ensuring that every ringgit donated makes a real impact.

Sadaqa House operates with the same high standards of corporate governance and risk management as a well-governed Islamic bank, ensuring transparency, accountability, and impact-driven results. With a firm commitment to the Social Finance Agenda, we uphold our fiduciary responsibilities to stakeholders and funders while maximising social good.

Fully operated by Bank Islam, Sadaqa House drives social impact within the welfare sector, embodying the vital third pillar of an Ijtima'i economy.



TABLE OF CONTENTS

02

FINANCIAL HIGHLIGHTS

- 5-YEAR FINANCIAL SUMMARY
- ITEKAD MICROFINANCE PORTFOLIO

06

MESSAGE FROM THE GCEO

10

OVERVIEW OF SADAQA HOUSE

- A RISING TIDE LIFTS ALL BOATS

22

TIDE OF IMPACT

- 2024 DISTRIBUTION OF SADAQA HOUSE FUNDS
- JOURNEY OF ENTREPRENEURS
- SADAQA HOUSE ORPHAN FUND
- SOCIAL BENEFIT PROJECTS
- KNOWLEDGE SHARING

62

IMPACT COVERAGE

64

DIARY OF 2024

- SIGNIFICANT EVENTS

68

HISTORICAL MILESTONES

- CHRONOLOGICAL DEVELOPMENT OF SADAQA HOUSE

70

ASSURING GOVERNANCE

76

SHARIAH SUPERVISORY COUNCIL REPORT

5-YEAR

FINANCIAL SUMMARY

RM	FY2024	FY2023	FY2022	FY2021	FY2020
Incoming Funds	22,180,042	15,755,070	7,318,909	3,343,747	5,348,627
By Fund Type					
Sadaqa House Orphan Fund	2,357,028	1,599,939	1,169,522	22,500	45,329
BangKIT Fund	10,860,463	7,799,080	5,012,321	2,000,000	2,000,000
iTEKAD Fund	1,504,465	-	-	-	-
Direct Fund	313,378	275,189	813,172	712,089	472,400
General Fund	7,144,708	6,080,862	323,893	609,157	2,830,899
Disbursement	15,116,185	12,811,637	5,123,327	3,628,875	922,404
Entrepreneurs' Development	9,660,259	6,664,755	3,160,372	1,891,803	-
iTEKAD BangKIT (Inclusive Grant)	5,534,957	3,125,920	3,062,000	1,572,000	-
iTEKAD Maju (Grant)	2,415,908	2,071,110	-	-	-
Funding Escalator	1,440,941	1,336,137	5,000	8,500	-
Business Coaching	268,452	131,588	93,372	311,303	-
Social Impact Projects	4,074,610	5,283,575	1,458,955	1,737,072	922,404
Community Empowerment	632,727	1,471,046	222,609	1,155,965	241,776
Education	2,972,869	3,514,138	708,437	198,341	319,129
Environment	118,295	-	97,000	202,000	-
Health	313,254	277,200	430,910	180,766	361,500
Others	37,465	21,191	-	-	-
Orphan Initiatives	1,381,316	863,307	504,000	-	-
No. of Beneficiaries	1,433	1,598	10,545	4,905	515

**The decrease in the number of beneficiaries in FY2023 onwards compared to FY2022 is due to the recalibration of social finance definition and measurement.

» FY2024 SUMMARY



In FY2024, our total funds collection reached RM22.18 million, marking a significant increase from RM15.76 million in FY2023. This growth reflects stronger support from both institutional and individual donors.

● Increase in incoming funds

- Enhanced visibility and proven results, notably within the Entrepreneur Development Programme, have attracted greater collaboration from organisations, funders, and philanthropies. This growth in incoming funds demonstrates donor trust and strengthens our capacity for meaningful social impact.
- Ihsan Sustainability Investment Account (ISIA): Investors can choose to contribute 2.50% of their profits to Sadaqa House. The ISIA is an innovative product designed to deliver positive social and environmental impact through Social Finance, alongside financial returns. It caters to clients seeking stable, short-term investments amidst market uncertainties.
- A continuing contribution of RM2 per card from Bank Islam Visa Debit Card-i annual and replacement fees. This indirectly allows customers to help make a difference just by renewing their debit card.
- This rise in incoming funds has facilitated the expansion of our support for both entrepreneurs and social impact projects.

● Growth in microfinance

- Increased funding from diverse sources has enabled expanded financing, while improved asset quality, now allows us to offer new financing to additional micro-entrepreneurs.
- The iTEKAD BangKIT microfinance fund operates on a revolving basis; customer repayments will be revolved by providing new financing to new eligible micro-entrepreneurs.
- Despite a high volume of applications, many were declined due to their existing credit constraints, which would have jeopardised the applicant's repayment ability.
- A fairly strict credit assessment was made to ensure the sustainability of this initiative.

● Number of beneficiaries

While slightly lower than last year, the increased funding and disbursements reflect our strategic shift towards deeper, more impactful support for each individual, ensuring long-term success.

In 2024, we realigned funds and refocused our strategy, prioritising impact over sheer numbers, as detailed later in this report.

Social reforms are achieved through collaborations with carefully selected changemakers, who facilitate fund distribution to beneficiaries.

We welcome your support to help change the lives, particularly the orphans through education.
Every donation brings hope for a better future.

iTEKAD

MICROFINANCE PORTFOLIO

	YEAR 2024							
	MAJU		BANGKIT		TOTAL		MAJU	
	RM	NOA	RM	NOA	RM	NOA	RM	NOA
Application Received	44,496,000	1,140	18,001,000	849	62,497,000	1,989	22,567,000	472
Application Approved	7,118,752	160	5,807,577	280	12,926,329	440	5,511,610	115
Disbursement								
Financing	4,330,000	151	3,314,000	262	7,644,000	413	3,135,000	108
Grant	2,415,908	114	2,220,957	196	4,636,865	310	2,071,110	90
Total Disbursement	6,745,908	151	5,534,957	262	12,280,865	413	5,206,110	108
Application Rejected	26,450,000	554	12,699,000	599	39,149,000	1,153	15,750,000	315
Total Outstanding (TOS)	8,387,555	384	3,992,410	480	12,379,965	864	6,207,648	261
Performing	7,121,761	318	3,742,008	431	10,863,770	749	5,374,816	223
Past Due but Not Impaired (PDNI)	383,416	21	95,310	16	478,727	37	293,328	12
Impaired	358,005	21	58,739	15	416,744	36	539,503	26
Non-Performing Financing	4.27%		1.47%		3.37%		8.69%	

In 2024 we have empowered 601 micro-entrepreneurs (Funding escalator and iTEKAD BangKIT and Maju Grant) with a cumulative total disbursement of RM9.66 million, driving social upliftment and financial inclusion.

During the year, 350 micro-entrepreneurs achieved upward mobility, demonstrating improvements in business and lifestyles.

YEAR 2023				YEAR 2022					
BANGKIT		TOTAL		MAJU		BANGKIT		TOTAL	
RM	NOA	RM	NOA	RM	NOA	RM	NOA	RM	NOA
10,174,000	550	32,741,000	1,022	12,771,000	273	12,604,000	714	25,375,000	987
3,152,620	163	8,664,230	278	2,940,000	80	2,787,000	225	5,727,000	305
1,853,000	177	4,988,000	285	3,170,000	86	3,062,000	234	6,232,000	320
1,272,920	118	3,344,030	208	-	-	-	-	-	-
3,125,920	177	8,332,030	285	3,170,000	86	3,062,000	234	6,232,000	320
5,220,000	261	20,970,000	576	7,108,000	152	8,996,000	480	16,104,000	632
3,011,447	382	9,219,094	643	4,573,939	184	3,590,608	361	8,164,546	545
2,586,260	331	7,961,076	554	4,073,134	157	2,802,230	290	6,875,364	447
81,151	11	374,479	23	274,851	12	238,424	21	513,275	33
344,036	40	883,540	66	225,954	15	549,953	50	775,907	65
11.42%		9.58%		4.94%		17.71%		10.56%	

Recognising that underbanked micro-entrepreneurs are from vulnerable segment, the Bank has established a Risk Appetite Statement with a prudent impairment rate of 30%. This reflects a balanced approach - managing risk responsibly while remaining firmly committed to expanding access to business financing for underbanked individuals.

This year, there was a significant reduction in impairments, down to 3.37% (FY2023: 9.58%), indicating that entrepreneurs are managing their repayments more effectively than previously.

Naturally, some entrepreneurs may encounter difficulties with timely repayments, hence recorded in the Past Due Not Impaired (PDNI) account. A primary driver of these arrears is often insufficient cash flow, stemming from factors such as sluggish sales, seasonal revenue fluctuations, or delayed customer payments.

To assist those facing repayment challenges, the Bank offered restructured and rescheduled (R&R) arrangements, designed to ease their financial burden.

MESSAGE FROM

THE GCEO



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

It is with immense gratitude to Allah SWT that I present the Sadaqa House Impact Report 2024. This year has been a testament to our unwavering commitment to empowering the community and uplifting the underserved, guided by the timeless principles of Islamic finance. Our achievements in 2024, including the prestigious **Global Islamic Finance Awards (GIFA) - Best Islamic Microfinance Product of the Year Award** inspire us to double our efforts. We have collected RM22.18 million and disbursed RM15.12 million, benefiting 1,433 individuals. This success would not have been possible without the unwavering support of our team, partners, and stakeholders.

As we reflect on the past year, we are reminded of the Prophet Muhammad (peace be upon him) who said, **"The believer's shade on the Day of Resurrection will be his charity."**
- Sahih Al-Tirmidhi 604



Dato' Mohd Muazzam Mohamed
Group Chief Executive Officer (GCEO)
Bank Islam Malaysia Berhad

During the year, we continued to reimagine Value-Based Intermediation (VBI), ensuring that our interventions are not merely transactional but transformative. Strengthening our intermediation role, we targeted beneficiaries with tailored solutions for lasting impact. The significant increase in incoming funds, particularly through support from institutional funders including the pioneering Ihsan Sustainability Investment Account (ISIA), demonstrate the growing trust in our ability to deliver positive social and environmental outcomes. This increased responsibility has driven us to maximise every resource, ensuring that the blessings we receive are channelled effectively to those who need it most.

Empowering Entrepreneurship through Opportunity

Our focus on entrepreneurship has yielded remarkable results. We are proud to report that 350 micro-entrepreneurs have achieved upward mobility, a testament to the effectiveness of our programmes. The iTEKAD BangKIT microfinance and grant from the Government, providing over RM12.28 million to 413 micro-entrepreneurs, has been instrumental in this success.

We also supported 225 asnaf micro-entrepreneurs through the Funding Escalator, distributing RM1.44 million to those who were not yet ready for iTEKAD BangKIT microfinance.

The development of initiatives like Hal-Cube, facilitating halal certification, and 'Hab Usahawan iTEKAD', creating supportive entrepreneurial hubs, has strengthened businesses and empowered aspiring entrepreneurs. We acknowledge that "The best of people are those who are most beneficial to people," and through these programmes, we strive to embody this noble principle.



The launch of Hal-Cube by YAB Deputy Prime Minister Dato' Seri Dr Ahmad Zahid Hamidi in Johor Bahru, Johor.

MESSAGE FROM

THE GCEO

Investing in Education to Break the Poverty Lifecycle

Education remains a cornerstone of our mission. By investing in education and sustainable livelihoods, we are creating a legacy of lasting benefit. In 2024, we distributed RM3.67 million to benefit 345 students, including 109 orphans pursuing tertiary education. Our collaboration with KMI Healthcare Holdings Sdn Bhd, providing practical training and employment opportunities for nursing students, exemplifies our commitment to securing the future of our beneficiaries. The inspiring story of Ahmad Nizam (stateless) from Buku Jalanan Chow Kit (BJCK), pursuing his university dreams through our support, reinforces our belief in the transformative power of education.

Furthermore, the opening of Restoran Sup Kawah Hitam Beratur at Buku Jalanan Chow Kit, transforming the ground floor into a sustainable income source, showcases our holistic approach to community development.

We believe, as the Prophet (peace be upon him) taught, **“When a person dies, his deeds come to an end except for three: ongoing charity (Sadaqah Jariyah), knowledge that is benefited from, and a righteous child who prays for him.” - Sahih Muslim 1631**



GCEO signed the wall plaque to officiate the launch of BJCK's Restoran Sup Kawah Hitam Beratur

Tribute to the Late Dato' Dr Abdul Halim Ismail

I extend our heartfelt appreciation and deepest respect to the late Dato' Dr. Abdul Halim Ismail, who passed away on 20 October 2024.

A visionary and pioneer whose profound contributions have shaped the landscape of Islamic finance in Malaysia.

As one of the founding figures of Bank Islam and the esteemed mind behind the Sadaqa House initiative, Dato' Dr. Abdul Halim's legacy lives on in our commitment to social finance and value-based intermediation.

His unwavering belief in banking with a soul - where profit is balanced with purpose - continues to guide our journey in serving the underserved and uplifting communities. May his enduring impact be a source of inspiration to all who carry forward his mission of doing good through finance.

2024 Highlights



Total Incoming Fund
RM22,180,042



Total Disbursement
RM15,116,185



Beneficiaries
1,433 recipients

2018 - 2024



Total Incoming Fund
RM55.4 million



Total Disbursement
RM38.1 million



Total Beneficiaries
8,486

Driving Collective Progress

Looking ahead, we remain steadfast in our vision to uplift communities and create lasting impact. We believe that progress should be inclusive, and as we continue our journey, we are committed to ensuring that every individual has the opportunity to rise. The principle that "A Rising Tide Lifts All Boats" will guide our strategies and initiatives, driving us to build a more equitable, resilient, and prosperous future for all.

We are particularly focused on strengthening our ESG initiatives, educating our customers, and implementing digital solutions to enhance our impact. We will also continue to nurture our micro-entrepreneurs, guiding them towards becoming successful SMEs.

Our success in 2024 would not have been possible without the dedication of our team, partners, and stakeholders who share our vision. We are grateful for your unwavering support and commitment to making a difference.

We would like to express our deepest gratitude for the support and cooperation given, especially by our funders - Tabung Haji, FELDA, Permodalan Nasional Berhad (PNB), Waqaf An-Nur Corporation Malaysia, Syarikat Takaful Malaysia Keluarga Berhad, and others.

As we move forward, we invite you to continue this journey with us, shaping a future where impact and purpose go hand in hand.

Sincerely,

Dato' Mohd Muazzam Mohamed
Group Chief Executive Officer
Bank Islam Malaysia Berhad



**Best Islamic
Microfinance
Product of
the Year
Award - GIFA
2024**

A RISING TIDE

LIFTS ALL BOATS

In 2018, Bank Islam launched Sadaqa House, a social finance initiative, as part of our commitment to Value-Based Intermediation (VBI).

Bank Negara Malaysia (BNM) defines VBI as an intermediation function that aims to deliver the intended outcomes of Shariah through practices and offerings that generate positive and sustainable impacts on the economy, community and environment.

In addition, the BNM-initiated Financial Sector Blueprint (FSB) 2022-2026 defines social finance as “financial structures or business models that aim to deliver tangible social outcomes by mobilising philanthropic capital”. This philanthropic capital encompasses Islamic social finance instruments such as sadaqah, waqf, and zakat.

“Social finance is able to give a new dimension to the socio-economic development of the people by applying the principles of an inclusive financial system, considering the long-term impact and uniting all stakeholders. Bank Negara Malaysia remains committed to highlighting social finance in the financial ecosystem, including leading the development of the next iTEKAD programme.”

**Bank Negara Malaysia Governor,
Dato’ Seri Abdul Rasheed Ghaffour**
iTEKAD Networking Session,
22 August 2023

Sadaqa House aims to integrate a participatory funding platform with Bank Islam’s robust governance, expertise, and infrastructure in traditional Islamic banking to drive positive social impacts.

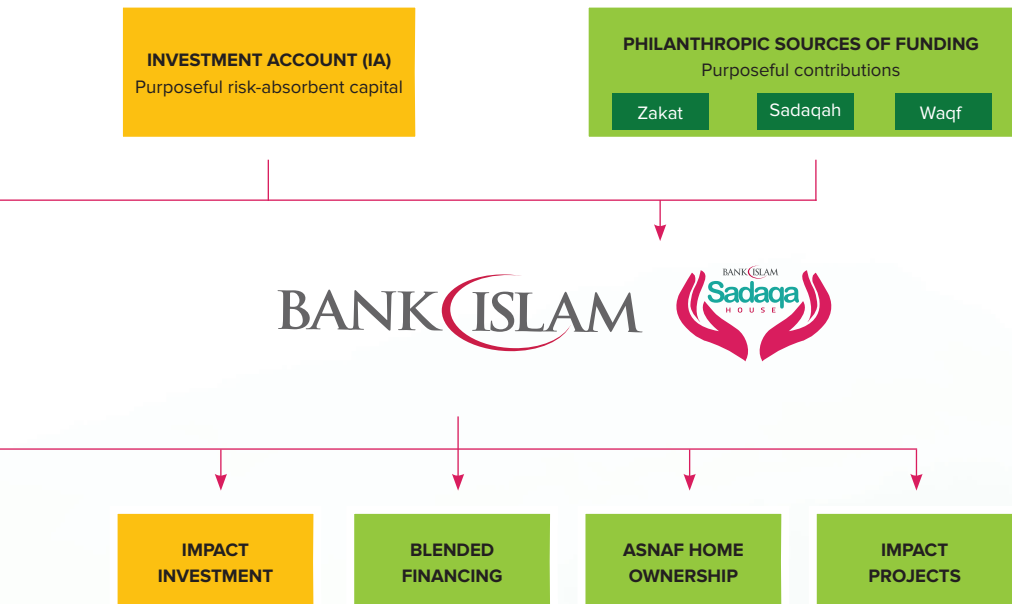


Throughout our 7-year journey, Sadaqa House continuously enhanced every facet of delivering funds within the Islamic banking framework, aiming to achieve upward mobility for our beneficiaries. Reflecting on our experience, Sadaqa House has reimagined

the intermediation role of an Islamic bank to advance VBI. The effort entails deploying philanthropic capital, to include the unbanked and underserved segments, as illustrated in the diagram below:

Value-Based Intermediation Model

Promoting Effective Wealth Circulation and Positive Impact Creation



- 100% of every donation is meant for beneficiaries. No portion of donations are retained for operating cost management fee.
- 100% of operating cost is borne by Bank Islam.

A RISING TIDE LIFTS ALL BOATS

» Focus on Impact



Over the past seven years, Sadaqa House has emerged as a global leader in social finance, delivering positive outcomes and benefits to underserved communities within Malaysia's Islamic economic ecosystem.

The transformative power of social finance has helped Sadaqa House drive the upward mobility of iTEKAD BangKIT

Sadaqa House Impact-Driven Fund Management Framework

Funds collected from internal and external parties are distributed to beneficiaries according to the approved programmes or projects as governed by the Sadaqa House and Zakat Committee. Programmes or projects are assessed based on the impacts intended or mandated by funders.

SADAQA HOUSE FUND MANAGEMENT FRAMEWORK

Fund Collection

Public Contribution

- Individual
- Institutional

BANK ISLAM

- Shariah Non-Compliant
- CSR Fund



Monthly allocation from SWADD [Fridays' Collection] channelled to Orphan Fund to complete the value chain of SWADD, as a waqf based mosque in ensuring perpetuality.

Fund Management

Entrepreneurs
Growth Fund (EGF)

Sadaqa House
Orphan Fund (SHOF)

Education Impact
Fund (EIF)

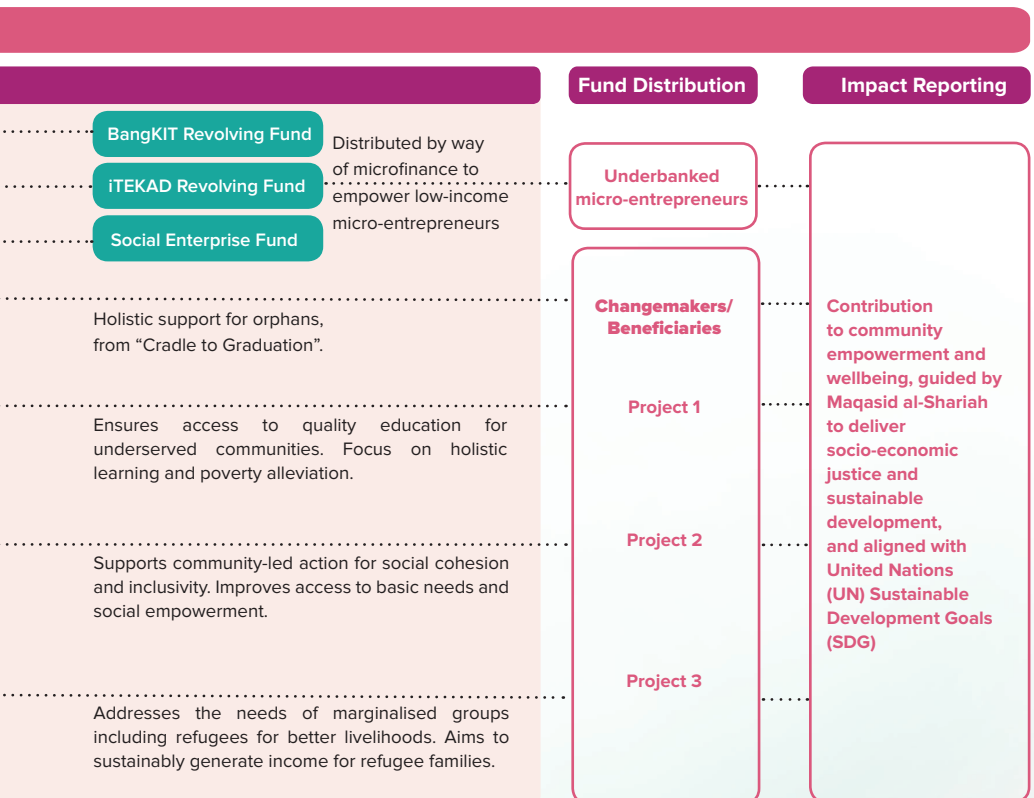
Social Benefit Fund
(SBF)

Marginalised
Group Benefit Fund
(MGBF)

microentrepreneurs and empower vulnerable children through Sadaqa House Orphan Fund (SHOF).

As we diligently evaluate the impact of our programmes, refine our collaborative models, and enhance our beneficiary management, we recognise the importance of an impact-driven approach.

At this juncture, with a humble heart and a commitment to continuous improvement, we have realigned our fund management to further amplify the effectiveness of Sadaqa House's initiatives, ensuring sustainable and meaningful impact for those we are privileged to serve.



A RISING TIDE LIFTS ALL BOATS

The new realigned fund represents the purpose of the fund and the intended impacts, rather than how the funds are managed or distributed. The aim is to clearly link it to the meaningful social change it seeks to bring about.

Realignment Strategy:



Focus on the fund's purpose and the intended social impacts.



Contribute to meaningful social change by ensuring the effective allocation of the contributed funds.



Improve impact measurement and management to emphasise greater accountability of Sadaqa House in managing social finance funds.



Tailor investment solutions for social impact investors.

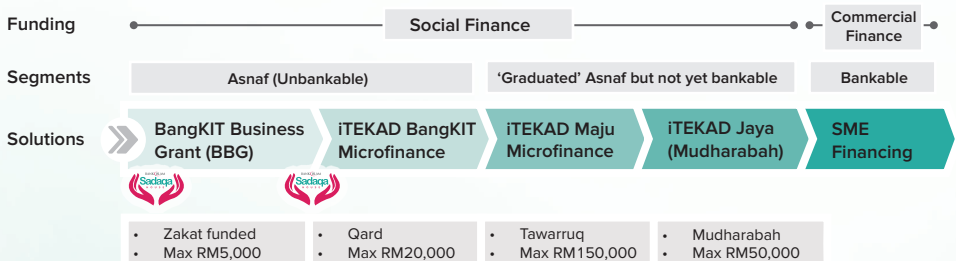


Give donors the opportunity to contribute to a specific impact and not a certain group.

» Entrepreneurs Growth Fund (EGF)

This fund aims to nurture underbanked micro-entrepreneurs to become bankable and empower low income micro-entrepreneurs in bolstering their financial management and business acumen to generate sustainable income through the comprehensive iTEKAD Entrepreneurship Programme.

Through this fund, Sadaqa House supports underbanked entrepreneurs from the pre-commercialisation stage until they attain bankability and readiness for commercial finance by leveraging on Funding Escalator and Blended Finance.



The funding for iTEKAD Microfinance is revolving. Financing payment received from participants will be accumulated back into the fund pool to be utilised and channelled to other eligible micro-entrepreneurs under iTEKAD Microfinance.

The Social Enterprise Fund is also designed to specifically support social enterprise micro-entrepreneurs. The fund aims to empower individuals or groups who are driving social change within their communities.

Throughout the iTEKAD Entrepreneurship programme, we have meticulously observed and learned the needs of micro-entrepreneurs. To enhance the programme's impact, alongside our ongoing efforts to foster upward mobility among micro-entrepreneurs, we are committed to providing them with a suite of Entrepreneur Development strategies.

“Hab Usahawan iTEKAD” (iTEKAD Entrepreneur Hub)

In collaboration with universities and agencies, we established centers nationwide, mobilising local partners to deliver ongoing development and support programmes to our entrepreneurs. The hubs are created as a Local Community Development initiative with agencies such as rural higher education institutions.

By end of 2024, we already developed 6 “Hab Usahawan iTEKAD”



In 2025, the hubs will be fully operational and focused on graduating more entrepreneurs to enhance their bankability. Additional hubs are also scheduled to launch throughout the year.

Launch of Hal-Cube

In collaboration with Department of Islamic Development Malaysia (JAKIM) and Perfect Triangle Sdn Bhd, Hal-Cube was launched as a social finance initiative to facilitate Halal certification for cottage industries among underbanked micro-entrepreneurs. This initiative directly supports the Malaysian government's aim to simplify Halal certification for Bumiputera entrepreneurs.

A RISING TIDE LIFTS ALL BOATS

Alternative credit assessment

We piloted an alternative credit assessment utilising psychometrics, tailored to the unique circumstances of underbanked micro-entrepreneurs. This innovative approach aims to enhance our credit evaluation process by measuring traits linked to a customer's ability and willingness to repay financing, thus providing a more equitable assessment for those without traditional credit histories.

ESG-i Assessment Framework

In preparation for the evolving economic landscape, we partnered with INCEIF University to promote the ESG-i Assessment Framework for iTEKAD entrepreneurs. This framework, integrating Maqasid Shariah, provides practical tools to guide entrepreneurs towards a Low Carbon, Circular, and Resilient future economy. We intend to share this framework with our micro-entrepreneurs in 2025, empowering them to embrace sustainable practices.

Intervention Suitability and Sustainability Practices

We reassessed our entire intervention initiatives using a structured approach developed by Sadaqa House based on on-the-ground experience to determine the real needs of micro-entrepreneurs. This included instilling sustainability practices among them to ensure effective outcomes.

» Sadaqa House Orphan Fund (SHOF)

Since its establishment in May 2022, the SHOF has been envisioned as a pivotal instrument in advancing greater financial inclusion by catalysing transformation in the lives of orphans and their respective communities.

This fund aims to safeguard the welfare, education, and future of orphans, from newborns to adolescents, regardless of race or religion.

The support provided under this fund includes:



Providing educational opportunities and support to orphans.



Improving the living conditions of orphans through infrastructure development.



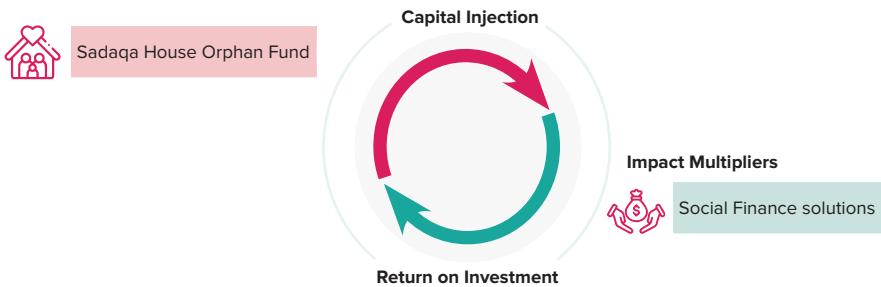
De-institutionalisation of orphans and re-integration efforts.

SHOF Enables Impact Multipliers

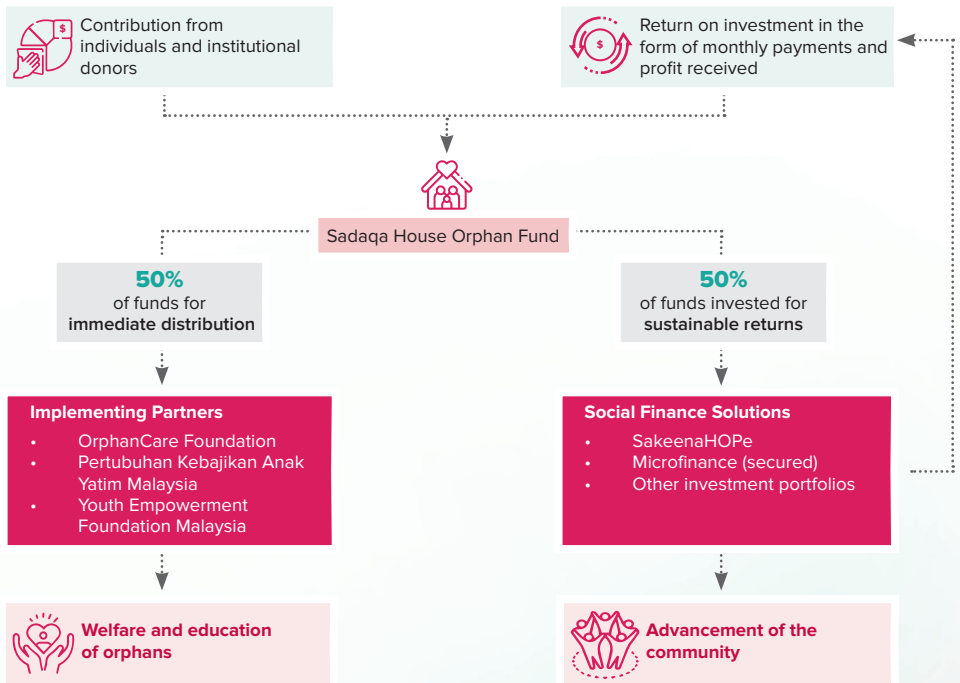
Each donation to the fund is designed to yield manifold impacts, resulting in a dual outcomes: safeguarding the welfare and educational needs of orphans, and the empowerment of communities, thereby breaking the cycle of multidimensional poverty. The SHOF offers zero-cost funding to support social finance initiatives.

Every ringgit donated to the fund creates multiple growth permutations through social finance solutions.

The cycle generates sustainable returns that benefit both the welfare and education of orphans, as well as the betterment of the community.



Operationalisation of the VBI Model for the SHOF is detailed below:



A RISING TIDE

LIFTS ALL BOATS

Beyond Sponsoring Education

Since 2022, we have sponsored 109 orphans with 100% scholarships to complete their tertiary studies. 23 of them are under the care of Pertubuhan Kebajikan Anak Yatim Malaysia (PEYATIM), pursuing further education at University College Bestari (UCB) in diverse fields such as nursing, early childhood education, plantation management, and Islamic studies.

To further enhance the impact of our intervention, we formed a partnership between UCB and KMI Healthcare Holdings Sdn Bhd to offer practical training and job opportunities to Sadaqa House Orphan Fund nursing scholarship recipients.

Incorporated in 2013, KMI Healthcare is a subsidiary of TDM Berhad's business division focusing on healthcare. KMI Healthcare manages five specialist hospitals which offer affordably priced secondary healthcare services to the community:

1. KMI Kelana Jaya Medical Centre (KMI Kelana Jaya) in Petaling Jaya, Selangor
2. KMI Kuantan Medical Centre (KMI Kuantan) in Kuantan, Pahang
3. KMI Kuala Terengganu Medical Centre (KMI KT) in Kuala Terengganu, Terengganu
4. KMI Taman Desa Medical Centre (KMI Taman Desa) in Kuala Lumpur
5. KMI Tawau Medical Centre (KMI Tawau) in Tawau, Sabah

This collaboration not only assists orphans in securing fulfilling careers but also contributes to meeting the healthcare sector's need for skilled nurses. We warmly welcome further collaborations to provide sponsored students with valuable training and employment prospects.

» Education Impact Fund (EIF)

Since its inception, Sadaqa House has prioritised education as a means of empowering those living in poverty. This year, we sought to expand our educational support beyond mere financial assistance, focusing on creating pathway to sustainable livelihoods.

This fund supports the efforts of communities in ensuring every child has access to quality education with emphasis on holistic learning outcomes, with poverty alleviation as the desired outcome. Support is provided through scholarships, educational financial assistance, and financial contributions towards developing, restoring, equipping and refurbishing facilities and buildings used for education, such as suraus (prayer rooms) at schools.

Projects under this fund includes:

Project	Changemaker/Collaborator
Financial Support Providing financial assistance for underprivileged higher education students facing financial challenges.	Brain For Future (BFF)
A Building for an Education Centre Providing financial assistance for the monthly rent of a four-storey building in Chow Kit, Kuala Lumpur which serves as an educational centre for underserved children, by providing access to quality education.	Buku Jalanan Chow Kit (BJCK)
Infrastructure Improvement Funding the cost to build or refurbish surau (prayer rooms) at selected rural schools, ensuring equal opportunities for all students, and providing them with well-equipped and comfortable spaces for prayers.	Pertubuhan Kegiatan Dakwah Islamiah Sekolah-Sekolah Malaysia (PEKDIS)
Producing Certified Accountants Providing scholarships for Association of Chartered Certified Accountants (ACCA) qualification.	Malaysia Professional Accountancy Centre (MyPAC)
Students Welfare Supporting student welfare funds at universities and colleges.	70 universities and colleges all over Malaysia
Research Grants Funding research to help generate insights and innovative solutions for social finance, zakat, waqf, and entrepreneurship.	Universities Researchers
Sulung Programme Scholarship for the first generation in their families to pursue university education, fostering inclusivity and social mobility.	Universiti Malaysia Kelantan
Other initiatives Funding projects that create positive impact, particularly by advancing knowledge and empowering communities.	Social Impact Organisations

A RISING TIDE

LIFTS ALL BOATS

» Social Benefit Fund (SBF)

This fund aims to support and drive community-led actions that strengthen social cohesion and inclusivity by:



Improving access to basic necessities and social empowerment within communities.



Supporting underserved communities with access to quality health treatment.



Protecting natural capital and resources among vulnerable communities.

Projects under this fund are:

Project	Changemaker/Collaborator
Healthcare Providing financial assistance to paediatric congenital heart disease patients from asnaf and B40 to undergo heart treatment and surgery at Institut Jantung Negara or other initiatives related to health issues.	Institut Jantung Negara Foundation (IJNF)
Environment Providing renewable solar energy systems for utilisation by the Orang Asli community and other underserved communities in rural areas.	Universiti Teknologi Malaysia (UTM)
Community Empowerment Funds are distributed to community projects that help improve living standards and empower marginalised and needy groups.	Community groups Organisations
Affordable Homes Sakeena Home Ownership Programme (SakeenaHOPE) developed to provide a hybrid funding model, combining personal financing with zakat funds, to enable salaried asnaf, often underserved by traditional banks, to achieve home ownership. In 2024, 8 homes were built, and 44 new applications were approved. This initiative is aligned with the SDG 11 (Sustainable Cities and Communities) aim of providing affordable housing. Sadaqa House intends to provide opportunities for more salaried asnaf from all over Malaysia to own their own homes. For that, we welcome collaborations in uplifting this group towards a more secure future.	Lembaga Zakat Negeri Kedah (LZNK)

» **NEW** Marginalised Group Benefit Fund (MGBF)

This fund caters to the education of children among marginalised groups such as Persons With Disabilities to obtain quality education for their future wellbeing. The fund also upskills these individuals so that they have higher chances of joining the workforce or embark on entrepreneurship ventures to sustainably generate income for their families.

Education Scholarship for AUG Student Mobility Program

MGBF's first project was in collaboration with Universiti Putra Malaysia (UPM). The fund will provide educational scholarships for 10 medical students from AUG Student Mobility Programme.

AUG Student Mobility Programme is a higher education institution that trains medical students. The ongoing conflict and deteriorating infrastructure in their country have prevented many final year students (Years 4, 5 and 6) from completing the essential clinical placements needed for graduation. This situation not only jeopardises the students' academic progression as healthcare professionals but also exacerbates the shortage of trained and qualified medical professionals in the country's struggling healthcare system.

In response to this urgent need, the programme seeks to extend solidarity and humanitarian support by providing displaced students the opportunity to complete their clinical placements and fulfil their graduation requirements.

The programme involves hands-on clinical training in Malaysia's high-quality and well-structured healthcare facilities, ensuring a robust practical learning experience. Upon graduation, the medical students will return to their country as skilled and trained medical professionals and contribute to improving the country's healthcare system.

The students will undergo clinical placements at Faculty of Medicine and Health Sciences, UPM. The duration of the clinical placements is approximately 1 year.

The estimated funds needed for this programme is RM174,700 (RM17,470 per student). This amount will cover the entire cost of the students' clinical placements, including necessary living expenses, accommodation, and other related expenses.

"A Rising Tide Lifts All Boats."

Sadaqa House aims to serve targeted beneficiaries and the community with desired impacts that empower and uplift their socioeconomic status and well-being.

We remain dedicated to empowering micro-entrepreneurs and supporting education for orphans and marginalised groups.

By ensuring that opportunities and resources are accessible to all, we strive to create a tide that truly lifts every boat, fostering a more just and prosperous society.

2024

DISTRIBUTION OF SADAQA HOUSE FUNDS



» Entrepreneurship Development Programmes **RM9.66 million** disbursed



Blended finance disbursed
RM7.95 million

For **376** iTEKAD micro-entrepreneurs

- **262** iTEKAD BangKIT micro-entrepreneurs
- **114** iTEKAD Maju micro-entrepreneurs (Grant recipients)



Funding escalator disbursed
RM1.44 million

109 asnaf micro-entrepreneurs assisted through BangKIT Business Grant
Other Funding escalator recipients: **116**



Total Upward Mobility

350
micro-entrepreneurs

- **84** Grade 1
- **266** Grade 2

19 business networking sessions held, involving **652** micro-entrepreneurs

» Orphan Initiatives **RM1.38 million** disbursed



Education Sponsorship
RM0.89 million

109 orphans received 100% scholarship to complete their tertiary studies



Infrastructure Improvement
RM0.31 million

For renovation and refurbishment of **5** orphanages



Operation Reintegration Cost
RM0.18 million

For **1** NGO and **3** families



RM15.12 million
Disbursed



1,433
Beneficiaries

» Social Impact Initiatives **RM4.07 million** disbursed



Education Sponsorship

RM2.78 million

For **236** recipients



Infrastructure Development

RM0.20 million

For **3** school surau and musolla



Community Empowerment Projects

RM0.63 million

For **269** beneficiaries



Healthcare

RM0.31 million

Assisted **183** recipients
include paediatric congenital
heart patients



Environment

RM0.12 million

For **21** Smart Eco-PV Boats
and **2** Orang Asli
communities (29 houses/families)

JOURNEY OF

ENTREPRENEURS



Nurturing underbanked micro-entrepreneurs to become bankable through entrepreneurship development programmes and training.

Total Disbursement

RM9.66 million

Funding Escalator **RM1.44 million**
Blended Finance **RM7.95 million**
Business Coaching **RM0.27 million**

Beneficiaries

601

Funding Escalator **225**
Blended Finance **376**

» Review of 2024

This review is not just about numbers and processes; it's about the lives we touch. It's about empowering individuals to build sustainable livelihoods, realise their entrepreneurial dreams, and contribute to their communities. We remain grounded in the understanding that true success lies in addressing the fundamental needs of our participants. Our commitment to continuous improvement, enhanced support, and collaborative partnerships will ensure that iTEKAD continues to be a catalyst for positive change in the years to come.

The iTEKAD Entrepreneurship Development Programme reflected significant progress and the persistent challenges inherent in empowering micro-entrepreneurs. This year, the programme received a heartening continuation of support from various organisations, a testament to its growing recognition and impact.

More importantly, the explicit commitment from the highest levels of government, as highlighted by the Prime Minister during the Global Forum on Islamic Economic and Finance (GFIEF) on 28 May 2024, underscores the vital role of Islamic social finance, including iTEKAD, in driving inclusive economic growth.

The year's surge in applications, exceeding 1,000, reflected a growing awareness and demand for iTEKAD benefits. Most of these applications were channelled through our changemakers and partners, with very few direct applications from the public. This means that independent channels such as word of mouth, social media and other media channels have much room for improvement.

Even though we have been bombarded with applications, the level of applications being rejected is quite high. In response, we are committed to strengthening our support mechanisms with "Celik iTEKAD," an introductory briefing session conducted in collaboration with our partners. By providing clear guidance on application requirements and fostering a deeper understanding of financial literacy, we hope to equip entrepreneurs with the tools they need to succeed.

Our commitment extends further through the Funding Escalator, a testament to the power of collaboration. The Funding Escalator initiative also provided crucial guidance and resources for entrepreneurs to navigate the complexities of financial management.

We are deeply grateful for the partnerships with global change organisations like Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), Yayasan Jariah Aafiyat (YJA), and Lembaga Zakat Negeri Kedah (LZKN), whose shared vision amplifies our impact. Together, we are reaching asnaf entrepreneurs, individuals often facing the most significant barriers to economic empowerment.

JOURNEY OF ENTREPRENEURS

» Funding Escalator



RM1.04 million

3 Special projects

- AIBIM MyZakat - Program Transformasi Usahawan Asnaf (PTUA)
- Yayasan Jariah Aáfiyat
- Projek Hassan (the anchor project for the Skim Smart Sawah Berskala Besar Asnaf (SBBA) programme by LZNK)



Business Coaching

RM268,452.23



109

Asnaf micro-entrepreneurs assisted through BangKIT Business Grant

RM405,500

Grant mobilised

Beyond the success stories of iTEKAD recipients, we are acutely aware of the plight of countless micro-entrepreneurs who have the drive, the skill, and the ambition, yet lack the

creditworthiness or established business track record that conventional funding demands. This reality has driven us to expand our vision, to look beyond the established pathways and create the BangKIT Business Grant. It's a recognition that entrepreneurship is a journey, not a destination, and that support must be available at every step.

Through BangKIT Business Grant, coupled with the structured entrepreneurship and monitoring programmes provided by our partners, we are building a foundation for sustainable economic growth.

Our shared objective is clear: to empower micro-entrepreneurs, to unlock their potential, and to create lasting economic value that combats poverty and socio-economic inequalities.

Our work is grounded in the belief that everyone deserves a chance to thrive. We are committed to continuing this journey, to expanding our reach, and to creating a ripple effect of positive change that resonates throughout our communities.

Funding escalator refers to the incubation of beneficiaries using social finance funds as they develop their creditworthiness and business track record, upon which they graduate to source for commercially-driven funding.



A SBBA participant who is a paddy farmer, being briefed on the Funding Escalator facility.

AIBIM - MyZakat Initiative

Supports asnaf micro-entrepreneurs under Program Transformasi Usahawan Asnaf (PTUA).

RM50,000 disbursed, benefiting **30** individuals.

Lembaga Zakat Negeri Kedah - Projek Hassan

SBBA project aims to uplift asnaf groups in Kedah by transforming them into agricultural entrepreneurs and producing rice for other asnaf.

RM200,000 disbursed for this project.

Yayasan Jariah Aafiyat

Empowers micro-entrepreneurs under a monitoring programme by YJA.

RM200,000 disbursed, benefiting **20** micro-entrepreneurs.

Paddy farmers under the SBBA programme are given a working capital of RM5,000 each to support their growing businesses.

RM330,000 disbursed under iTEKAD BangKIT financing, benefiting 66 farmers.

» Blended Finance



262

iTEKAD BangKIT
micro-entrepreneurs

RM5.53 million

Financing and grant disbursed



151

iTEKAD Maju
micro-entrepreneurs

RM6.75* million

Disbursed

* Total iTEKAD Maju microfinance and grant. iTEKAD Maju microfinance is funded by Bank Negara Malaysia (BNM) Micro Enterprises Facility (MEF), whereas the iTEKAD Maju Grant is channeled via Sadaqa House fund.

Blended Financing refers to the combination of commercial funding (e.g. microfinancing) and philanthropic capital (e.g. zakat or sadaqah) to fund beneficiaries based on adjusted risk acceptance criteria.

Via Blended Finance, we provide comprehensive support to micro-entrepreneurs through financial assistance, business coaching, and financial management education. This support is crucial in building resilient entrepreneurs who can compete effectively, contribute to their communities, and ultimately transition out of being underbanked.

JOURNEY OF ENTREPRENEURS

» Measuring the Performance

There are five (5) main components of the iTEKAD Entrepreneurs Development Programme to support the growth of micro-entrepreneurs and measure the impact of this fund assistance and development programmes.

Since inception:



Education and Training

- **80** pre-disbursement sessions have been organised to **1,387** micro-entrepreneurs
- **17** post-disbursement sessions have been conducted for over **695** micro-entrepreneurs



Engagement with Successful Micro-entrepreneurs

- **9** successful micro-entrepreneurs have been invited to share their journey during a business networking session:
 1. Nasi Lemak Saleha
 2. 2nd Cut BBQ
 3. Tender Touch Rehab Centre for Children
 4. ExpressionZ
 5. TN Consultancy & Service
 6. Tadika Daie Bestari
 7. MyAngkasa Amanah Berhad
 8. Starpark Business Resources
 9. Hharyati Hassan & Association
- **33** micro-entrepreneurs were identified as sub-mentors sharing their experience and success stories to the other entrepreneurs.



GCEO and Senior Management of Bank Islam being briefed by one of the iTEKAD micro-entrepreneurs who participated in the Booth Sales Karnival @ Menara Bank Islam.



Networking among Micro-entrepreneurs

- **19** sessions conducted by EDCHope Synergy for **272** iTEKAD Maju micro-entrepreneurs
- **10** sessions conducted by Startlah Innovation for **334** BBG and iTEKAD BangKIT micro-entrepreneurs



Support on Banking Facilities and Solutions

- **1,530** micro-entrepreneurs have opened current accounts with Bank Islam
- **102** customers have opened Al-Awfar investment accounts
- **345** customers have registered for BIMB Biz



Centralised Marketing and Market Penetration

- **31** FB posts uploaded through Pakat Sapot initiative
- **4** series of Booth Sales Karnival @ Menara Bank Islam participated by 30 micro-entrepreneurs during iTEKAD Maju Business Networking Session and iTEKAD BangKIT Workshop
- **7** micro-entrepreneurs were invited to open Bazar Ramadhan Booth for two weeks at Menara Bank Islam
- **2** micro-entrepreneurs were nominated to host a booth at BNM's iTEKAD Marketplace at Muzium Art Gallery, Sasana Kijang



A training and networking session conducted by iTEKAD trainers.



An iTEKAD micro-entrepreneur proudly displays her successful registration for the BIMB Biz facility, which provides a QR code to enable seamless business transactions.

JOURNEY OF ENTREPRENEURS

» Upward Mobility


350

micro-entrepreneurs
achieved upward
mobility


84

achieved Grade 1
Upward Mobility


266

achieved Grade 2
Upward Mobility

All iTEKAD micro-entrepreneurs are assessed using the Impact Measurement Framework: Details of impact and customer business performance are obtained in numerous ways - through site visits, during entrepreneur development programmes, via business networking, and even emails or phone calls.

Grade 1

Improvement in credit worthiness.

Grade 2

Improvement in any general dimension of impact measurement, such as business growth, job creation, financial management behaviour, digital adoption, and e-commerce activities in their business.



Chairman of Bank Islam, Tan Sri Dr Ismail Bakar and GCEO engagement session with one of the iTEKAD micro-entrepreneurs during a field visit to Melaka.

Programme	Grade 1	Grade 2
BangKIT Business Grant (BBG)	12	83
iTEKAD BangKIT	52	118
iTEKAD Maju	20	65



Dinie Zaini, showed off her cake decoration with Sadaqa House logo on it. Her café, Dessert Dreamy Creamy is a child-friendly cafe with an indoor playground located at Sungai Buloh, Selangor. Her business was recognised as Grade 1 upward mobility. She successfully improved from BangKIT to Maju for access to bigger financing amounts.

ITEKAD Microfinance 2020 - 2024



RM30.5 million

disbursed

1,259

micro-entrepreneurs empower

556

micro-entrepreneurs achieved upward mobility

Funding Escalator 2021 - 2024



RM2.79 million

disbursed

417

asnaf micro-entrepreneurs empowered

In 2025, a new grade will be introduced to measure the number of iTEKAD participants who have graduated and succeeded to become bankable, and are able to apply for SME Banking facilities.

» Challenges to Mobility and Arrears

The iTEKAD 2024 review brings into sharp focus the very real challenges faced by our micro-entrepreneurs, particularly concerning mobility and arrears. We have observed that business mismanagement, often stemming from inadequate financial planning, directly impacts repayment capacity. Cash flow volatility, whether due to slow sales or delayed payments, presents another significant hurdle. Unexpected expenses, the inevitable curveballs of entrepreneurship, further strain already tight budgets.

Perhaps most concerning is the mindset barrier. Some entrepreneurs are reluctant to share information, and others become uncontactable, hindering our ability to provide timely support. This highlights the need for a deeper, more trusting relationship, emphasising open communication and proactive problem-solving.

JOURNEY OF ENTREPRENEURS

» Future Outlook

Looking ahead, we are committed to strengthening our support network. We aim to establish more “Hab Usahawan” iTEKAD, ensuring nationwide coverage and bringing our resources and business coaches closer to those who need them most. We wholeheartedly welcome new collaborators, recognising that collective effort is essential to empower more micro-entrepreneurs and drive meaningful community economic upliftment.

Our focus remains on building resilience. We must address the root causes of financial instability, not just the symptoms. By fostering financial literacy, promoting sound business practices, and building strong, supportive relationships, we can empower entrepreneurs to overcome these challenges and achieve sustainable growth. We believe that by working together, we can create a more equitable and prosperous future for all.



To support more micro-entrepreneurs, scan the QR code to contribute to Sadaqa House Entrepreneurs Growth Fund

QR Code DuitNow



Sadaqa House
Usahawan iTEKAD

“Thank you Sadaqa House for giving us the opportunity to grow our business faster and stronger. iTEKAD is an excellent programme for micro-entrepreneurs, providing not just financial support but also coaching, mentoring, and guidance on how to make the best use of the funds provided.”

Ismail and Siti
CI Bakentrade, Alor Setar, Kedah.



» Patience Brings Success

For over 20 years, Jamaliah Ismail has been dedicated to the craft of tailoring, alterations, and handicrafts. Her journey began at home, but as her business grew, space became a challenge. Concerned for her husband and children's comfort, she dreamt of opening a shop. With support from the local government, Dewan Bandaraya Kuala Lumpur, and a business partner, she was close to making it a reality until she faced an unexpected hurdle.

Just before securing the shop, Jamaliah found herself short of RM300. She managed to gather the funds, but soon after, the pandemic struck, and her business partner withdrew, leaving her to bear the shop's full burden alone.

Despite the struggles, Jamaliah never gave up. Running a business came with financial pressures, from securing capital to covering bills like RM1,200 for electricity and RM200 for water. She leaned on her husband's unwavering support and worked tirelessly to promote her services, designing flyers, distributing them to mailboxes, and using social media to reach more customers.

Her turning point came when she received a personal WhatsApp message inviting her to a BangKIT Business Grant (BBG) briefing by Bank Islam. Unsure at first, she discussed it with her husband and decided to attend, hoping for an opportunity. To her surprise, the Bank not only offered her financial support but also helped her open a business account.

Before, her business was just surviving. With the financing, she purchased a sewing machine, improving efficiency and increasing her service capacity. Today, her business is thriving, and she is deeply grateful for the opportunity.

"Before this, I didn't even know about BBG, let alone imagine receiving its support. But now, my business has grown, and I can serve customers better. I am truly thankful. This support has not only helped me financially but also restored my confidence as an entrepreneur. It has given me hope that small businesses like mine can succeed with the right guidance and opportunities. I now believe that with perseverance and the right support, there is always a way forward."

Jamaliah Ismail,
Jemari Emas Collection, Kuala Lumpur.



JOURNEY OF ENTREPRENEURS

» Rise to Success

With over 15 years of experience in the electrical field and holding an A0 competency certificate, I never expected to venture into the food business. But in 2015, I took a leap of faith and started a small snack business from home, determined to create something of my own.

However, life took an unexpected turn. In 2017, I lost my job, and in 2020, my wife faced the same fate. The financial strain on our family was overwhelming. We struggled to make ends meet, but instead of giving up, we turned our hardship into motivation.

It was my wife who came up with the idea of producing seaweed chips, which became the foundation of our business. With her creativity and our shared determination, we focused on Research and Development to enhance our product's quality and market potential.

When I discovered Bank Islam's iTEKAD programme, I saw an opportunity to push our business further. The programme not only provided funding but also mentorship and business-matching opportunities. This support allowed us to participate in over 10 international business exhibitions and trade fairs, opening doors we never imagined. With increased demand, we managed to boost our production capacity by 25%.

Our hard work was finally recognised when we won the STAR OUTSTANDING BUSINESS AWARD (SOBA) 2024 under the "Micro Recognition Award" category. This achievement validated our perseverance and proved that small businesses like ours could succeed with the right support.

Today, our efforts have paid off. We now operate from a Halal-certified processing workshop spanning 650 square feet, employing five workers, including persons with disabilities (OKU), youth, and single mothers.

"Losing our jobs was devastating, but it pushed us to build something meaningful. iTEKAD gave us the support we needed to grow, and now, our business is not just about making a living - it's about creating opportunities for others as well."

Muhammad Zulkhairi Zulkefli
Atthahiri Trading



» From the Trainers' Perspective



"Based on what I've noticed, entrepreneurs value a number of benefits after enrolling in the programme. One important aspect is that these business owners want to access additional funds, which might be hard to get through typical financial institutions because of market rates. Sadaqa House Bank Islam has the advantage of offering continuous education in addition to financial access. To assist them in making better business decisions and ensure that their businesses are more organised and capable of expanding, entrepreneurs receive professional support, business coaching, and training. Furthermore, Bank Islam does not restrict involvement to particular business sectors or industries. Compared to other banks that solely concentrate on specific industries, this flexibility offers more chances and helps both the bank and businesses.

Left - Zusuff Kan Zainal Kan
Director/Business Designer, Startlah Innovation Pte.
iTEKAD Trainer

"We have found that iTEKAD Maju entrepreneurs have a strong passion for education. They are more responsive and highly value entrepreneurial education. However, for iTEKAD BangKIT entrepreneurs, we need to raise more awareness. Some already have the awareness, while others need further encouragement. Based on our data, more than 60% have shown good cooperation. The positive aspect is that these entrepreneurs are grateful for the opportunity given to them. The networking programmes organised by Sadaqa House Bank Islam have significantly helped entrepreneurs expand their connections, meet new business partners, and open their minds to greater opportunities in the business world."

Right - Mohd Yusry Mohamad Yusop
Director/Business Designer, Startlah Innovation Pte.
iTEKAD Trainer

SADAQA HOUSE

ORPHAN FUND



Providing orphans
with opportunity, resources,
support and family.

» Raising the Dignity of Orphans

2

changemakers

109

orphans supported

RM889,418

amount contributed

5

orphanages refurbished

523

orphans

RM309,449

amount contributed

3

baby hatches

RM130,200

operation cost supported

3

families (reintegration)

RM52,250

reintegration cost supported

» Orphans' Education

Our focus is on ensuring orphaned children receive adequate support for their educational needs, enabling them to pursue tertiary education without falling behind.

As most orphans grow up in orphanages, and are obliged to leave when they turn 18, they work from an early age to survive and unable to continue their studies. Tertiary education provides them the opportunity to qualify for better jobs and thus, a more secure future.



Sadaqa House scholarship for orphans' in collaboration with Pertubuhan Kebajikan Anak Yatim Malaysia (PEYATIM).



23 scholarship provided:

- 21 students in University College Bestari (UCB)
- 2 students in Kolej Teknologi Yayasan Sabah (KTYS)



Total Amount Distributed

RM323,454



GCEO being briefed by Puan Norazlinawaty, Director of the Faculty of Nursing Sciences, UCB on the facilities funded by Sadaqa House.

SADAQA HOUSE

ORPHAN FUND



Sadaqa House scholarship for orphans in collaboration with Youth Empowerment Foundation Malaysia (YEF)



84 scholarships for **3** batches
of students beginning 2022



Total Amount Distributed

RM538,479



Intervention camps are organised by YEF to ensure that the orphans are ready for tertiary education.



Education for Orphans 2022 - 2024

RM1.52 million

► The Golden Opportunity

History was made when Ahmad Nizam, a child from the Buku Jalanan Chow Kit (BJCK) programme, was successfully accepted into University College Bestari in Setiu, Terengganu in collaboration with PEYATIM.

He is pursuing his Foundation studies in Management under the Sadaqa House Scholarship Programme. We are very proud of Nizam's resilience and determination to succeed and change the fate of his family.

May Nizam be the first child from BJCK to successfully obtain a degree and become an inspiration to other BJCK children.



Total Amount Distributed **RM15,430**



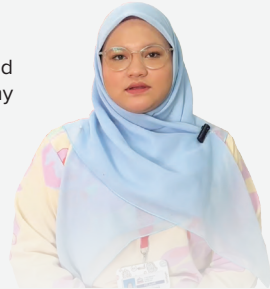
GCEO handing over the Sadaqa House Scholarship offer to Nizam.

SADAQA HOUSE

ORPHAN FUND

"Sadaqa House's sponsorship has immensely assisted me in paying for my studies, allowing me to complete my education and become a teacher."

Nur Aqilah binti Mohd Zaidi
Diploma in Early Childhood Education,
University College Bestari (UCB), Terengganu



"Sadaqa House has been a great help in supporting my studies at UCB, making it easier for me to continue my education. Thank you, Sadaqa House Bank Islam."

Nurul Nurain binti Samsuddin
Diploma in Nursing, UCB, Terengganu



"With Sadaqa House Fund via YEF, I can concentrate on my education without worrying about finances. Without the support, I might have had to work part-time to finish my studies."

Nur Syarinaa
Semporna, Sabah
Study in Real Estate, Universiti Teknologi Malaysia,
Johor



» Congratulations to all Sadaqa House Graduates in 2024!



Che Muhammad Amir Farizi, a student from the first batch (Batch 1) of asnaf sponsored by Sadaqa House, has graduated with a Level 3 Skills Certificate in Sijil Lanjutan Teknologi (Maintenance) from Institut Kemahiran Belia Negara (IKBN) Kuala Perlis. He remains on the sponsorship list for the current batch, as he is now pursuing a Diploma in Mechanical Engineering.



Six out of seven students from Batch 1 attended the convocation event on 2 November, 2024, after finishing their studies at University College Bestari (UCB).

1. Ahmad Fikri Daniel Muhd Asri, Diploma in Farm Management
2. Alya Nabilah Mohd Sanusi, Diploma in Nursing
3. Nor Ain Syazwani Abarudin, Diploma in Nursing
4. Nur Fadhilah Mazelan, Diploma in Nursing
5. Nurulastiwin Ahmad Zamahasari, Diploma in Nursing
6. Ebratun Nur Mohd Tahar, Foundation in Islamic studies

SADAQA HOUSE

ORPHAN FUND

» Orphans' Welfare

To ensure the comfort and safety of orphans in orphanages, funds were allocated to refurbish and renovate orphanages.



Collaboration with PEYATIM

In FY2024, funds were distributed to assist 5 orphanages in improving their infrastructure.



Total Distribution

RM309,449



Benefitted

523 orphans



Pertubuhan Anak Yatim Darul Aminan, Negeri Sembilan

RM54,380 to cover additional costs to repair damage in the dining area due to severe thunderstorm. In 2023, renovation was done to the ceiling, roof, and electrical wiring due to the very old and deteriorating state of the facilities.



Kompleks Rumah Anak Yatim (RAY) As Sakinah, Papar, Sabah

RM50,000 for the construction of the orphan and asnaf complex.

RAY As Sakinah was the first orphanage created in the districts of Papar, Putatan and Penampang, Sabah. There are 34 orphans (17 males and 17 females) under the care of RAY As Sakinah.



Pertubuhan Kebajikan Anak-Anak Yatim Terengganu (PERKAYA)

RM70,000 to refurbish their badly damaged orphanage dormitory walkway.

PERKAYA was established in 1980, as an organisation dedicated to the welfare and education of orphans in Terengganu.

Lembaga Pengurusan Anak Yatim/Miskin (PAYASUM), Melaka

RM5,068.50 additional cost of repairing the roofing at the canteen area and refurbishment of the laundry area.



SADAQA HOUSE

ORPHAN FUND

This year, for the first time, SHOF sponsored new equipments at the Faculty of Nursing Sciences laboratory in UCB.

UCB, a private higher education institution owned by PEYATIM, is specifically designed to provide orphans and underprivileged children with access to a wide range of academic programmes, including skills certificates, undergraduate degrees, postgraduate degrees, and doctoral studies.

Since 2021, the enrolment of nursing students at UCB has increased by 14% compared to the preceding three years. This increase in student numbers has resulted in more frequent use of the equipment in the nursing laboratory. Consequently, the equipment, particularly the mannequins used for practical simulations, have become worn and less effective for clinical training.



Total Amount Distributed

RM130,000



Benefitted

166 students



**Orphanage Infrastructure
Development 2022 - 2024**

RM0.85 million

Benefitted 17 orphanages and 166 nursing students at Nursing Faculty, UCB.

» Other Initiatives

Another initiative embarked on is supporting operations that care for unplanned newborn babies and children in institutional settings, with the goal of providing them with the opportunity to grow within a family environment (reintegration into the family).

This initiative is a collaborative effort with the OrphanCare Foundation, which operates three centres in Petaling Jaya, Selangor, Johor Bahru, Johor, and Sungai Petani, Kedah.

TOTAL AMOUNT DISTRIBUTED:



Operation cost:

RM130,200



Re-integration cost:

RM52,250



Total number of
babies saved

94



Total number of
babies adopted

53



Total number of
babies being taken
care of by their
biological mothers

35



Total number
of counselling
sessions conducted

45



Total number of
trainings sessions
for prospective
adoptive parents

8



Total number of
prospective parents
being trained

108



Reintegration of
beneficiaries

3 families



Others

6



Source: OrphanCare Foundation



Other Initiatives 2022 - 2024

RM0.37 million

Benefitted **4** recipients

SOCIAL BENEFIT

PROJECTS



Supporting community-led actions that improve social empowerment for underserved communities. These include access to quality education and health treatment, as well as protection of natural resources.

Funds Disbursed

RM4.07 million

Beneficiaries

714

» Education



RM2,776,985

disbursed to **236** scholars



RM152,200



62 students in **13** local universities



RM195,882.80



3 schools

Sadaqa House Education financial assistance ensures that every child has access to quality education with an emphasis on holistic learning outcomes, and poverty alleviation as the desired outcome.

Financial assistance for underprivileged higher education students

This project is a collaboration with Brain For Future (BFF). It identifies financially underprivileged students facing financial challenges in all over local universities in Malaysia, most of whom are in their third or final year of studies.

The objective of the assistance is to ensure that these students are able to complete their studies without any financial setbacks.

Ensuring access to improved prayer rooms

Our collaboration with Pertubuhan Kegiatan Dakwah Islamiah Sekolah-Sekolah Malaysia (PEKDIS) funds the building and refurbishment of suraus and musollas in selected schools, ensuring Muslim children have access to well equipped and comfortable spaces to perform their religious obligations.

This can assist schools to diversify teaching and learning processes. It also can contribute to shaping and nurturing the discipline and attitude of the children.

SOCIAL BENEFIT

PROJECTS



RM112,500



133 children benefitted

Quality education for a brighter future

Financial assistance was provided for the monthly rent of a four-storey building in Chow Kit, ensuring underserved children under supervision of Buku Jalanan Chow Kit (BJCK) have access to quality education.

Transformation of BJCK restaurant



RM40,000

disbursed for the transformation and

RM20,000

for painting of the building

Since 2019, the Sadaga House Education fund has assisted BJCK's efforts to provide learning spaces for children around Chow Kit who do not have documentation and are therefore not eligible to attend formal education in public schools.

Through Empower Tomorrow, additional funds were provided to finance the transformation of the Sup Kawah Hitam restaurant. The new look and operation aimed to add the BJCK's source of income and generate employment opportunities for the local marginalized community.



Bank Islam's Senior Leadership Team at the launch of Restoran Sup Kawah Hitam Beratur BJCK.

"Restoran Sup Kawah Hitam will generate income for BJCK to sustain the ongoing operations of the learning centre, benefiting underprivileged children in the surrounding area. A total of 86 students attended our school, where we provide free meals. They receive free education as well as free food. Additionally, there will be job opportunities for the community, especially those who have finished school. I hope this business runs smoothly and achieves the goals we have envisioned."

Ustaz Amin
Executive Director, BJCK



Producing certified accountants

Scholarship collaboration with the Malaysia Professional Accountancy Centre (MyPAC).



RM723,475



33 students

Fortifying welfare funds

Supporting students' welfare funds at universities and colleges nationwide.



RM1,310,000



70 universities and colleges
all over Malaysia

Providing research grants

Funding research that help generate insights and innovative solutions for social finance, zakat, waqf, and entrepreneurship.



RM211,000



18 recipients

Sulung 2.0 Scholarship Programme

The goal of this scholarship programme, spearheaded by the Ministry of Higher Education, is to foster inclusivity and social mobility by financially supporting children from underprivileged low-income families who are the first in their family to pursue higher education at the bachelor's degree level in public universities.

The term Sulung itself refers to the first child in the family to attend university.

Supporting Universiti Malaysia Kelantan in this initiative, funding is provided to cover the education fees (registration, tuition and service fee) for these students.



RM155,730



38 students

Other initiatives

Funding projects that create positive impact, particularly by advancing knowledge and empowering communities.



RM112,080



14 recipients

SOCIAL BENEFIT

PROJECTS

Meet Freddie, a final-year student at Universiti Teknologi Malaysia (UTM), pursuing a bachelor's degree in Sports Science and Education.

Freddie first discovered Sadaqa House changemaker, 'Brain for Future (BFF)', through social media. A close friend had also applied, which led Freddie to check the requirements and realise he was eligible. Knowing that financial assistance would ease his burden, he decided to apply. *"I tried my luck, I was accepted. I have been receiving this aid since my third year, and now, as a fourth-year student, I am still benefiting from BFF's support."*

Freddie recently received an offer from UTM to fast-track into a PhD programme, allowing him to skip the Master's level. However, he is aware that financial constraints or personal commitments might affect his decision. If pursuing a PhD becomes unfeasible, he plans to enter his field of expertise - physiotherapy. However, the desire to continue studying was somewhat disrupted by thoughts of his family in Pitas, Sabah.

"My mother frequently travels to Kota Kinabalu for medical treatment due to an ovarian cyst. At the same time, my father is the sole provider for my younger siblings who are still in school. The financial strain on my family made it difficult for me to manage my own expenses." To help his family, Freddie sends most of his scholarship money home, ensuring his siblings can buy school supplies such as books. This leaves him with little to cover his daily expenses.

That's where Sadaqa House Education fund became a game-changer. The monthly financial assistance has allowed Freddie to manage his own needs, including food and essential items. Additionally, as a final-year student working on a research project, the support has helped him purchase the necessary equipment and materials for his Final Year Project (FYP). *"I am incredibly grateful for the support. Without it, balancing my education and financial responsibilities would have been even more challenging. This assistance has truly made a difference in my journey."*

Freddie Juhanes
Bachelor of Science with Education
(Sports Science), UTM.



» Congratulations Graduates 2024!

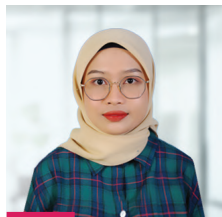
Students under changemaker Brain For Future



Nurin Afrina Binti Guntoro
Universiti Islam Antarabangsa Malaysia
Bachelor of Nursing



Siti Erni Natasha Binti Mat Yamin
Universiti Teknologi Mara
Bachelor of Administrative Science



Nur Syahida Binti Zakariya
Universiti Malaysia Kelantan
Bachelor of Business Communication with English



Awang Hakim Bin Maidin
Universiti Malaysia Sabah
Bachelor of Social Work



Siti Nadia Zulikha Binti Kassim@Mapol
Universiti Malaysia Sabah
Bachelor of Social Science (Industrial Relations)



Nurul Syahirah Afiqah Binti Amat@Ahmad
Universiti Malaysia Sabah
Bachelor of International Finance (International and Offshore Banking)



Muhammad Iqsham Bin Romiu
Universiti Malaysia Sabah
Bachelor of Business (Marketing)



Firdawati Binti Samleh
Universiti Malaysia Sabah
Bachelor of Economics (Human Resource Economics)



Muhammad Aliff Hadi Bin Mohd Zahari
Universiti Malaysia Terengganu
Bachelor of Maritime Operations Management



Ahmad Haiqal Bin Syamizar
Universiti Malaysia Perlis
Bachelor of Business



Hisvaarani a/p Krishna
Universiti Sultan Zainal Abidin
Bachelor of Accounting



Yogadarshini a/p Manimaran
Universiti Sains Malaysia
Bachelor of Civil Engineering

SOCIAL BENEFIT

PROJECTS



Siti Zulaikha Binti Mohd Tang
Universiti Sains Malaysia
Bachelor of Communication



Nurfarah Ellyana Binti Rusdin
Universiti Sains Malaysia
Bachelor of Interior Architecture



Yogeswary Santhanam
Universiti Teknologi Malaysia
Bachelor of Chemical Process Engineering



Nasuha Binti Mazlan
Universiti Teknologi Malaysia
Bachelor of Chemical Process Engineering



Boy de Freddie Juhanes
Universiti Teknologi Malaysia
Bachelor of Science with Education (Sport Science)



Syahidah Binti Mazlan
Universiti Malaysia Terengganu
Bachelor of Applied Science (Fisheries)

Rachel Sebastimall a/p Aloysius
Universiti Malaysia Kelantan
Bachelor of Business Communication with English

Hanif Qhuzairee Bin Mohd Asri
Universiti Malaysia Sabah
Bachelor of International Finance (International Financial Economics)



» Healthcare



RM313,254

disbursed to **183** recipients

Since 2019, Sadaqa House Healthcare fund was mainly for paediatric congenital heart disease patients, in collaboration with Institut Jantung Negara Foundation (IJNF). This year the fund also contributed to other patients who needed financial assistance for medical treatment.

In addition, funds were contributed towards distributing sahur and iftar food packs to 150 caregivers of children with congenital heart disease and warded in IJN during Ramadan.

RM223,503.59

Surgery and treatment for **30** paediatric congenital heart disease patients

RM27,000

Sahur and iftar food packs for **150** caregivers

RM30,000

Financial assistance and support to underprivileged cancer patients and their families in Tunku Laksamana Johor Cancer Foundation (TLJCF)

RM30,000 disbursed, benefiting 2 individuals

- Financial assistance for **1** heart surgery patient
- Medication for **1** OKU patient

“Thank you to everyone who kindly donated to Sadaqa House. With your support, my child was able to get heart surgery. My hope is that, with the help we’ve gotten, my child will grow up healthy and well.”

Mhd Faizal Husaini (Father)

Noor Fatimah Mohd Noordin (Mother)

Affan Mubarak (Paediatric patient)



SOCIAL BENEFIT

PROJECTS

» Environment



RM118,255

disbursed to **23** beneficiaries

Sadaqa House's collaboration with the Faculty of Electrical Engineering, University of Technology Malaysia (UTM) since 2018, has led to the successful installation of solar power systems to four Orang Asli communities and one fisherman village. These provide vital and affordable electricity supply to their villages.

In 2024, a part of the fund was used to maintain the solar power systems of two villages. We also began a pilot project in the fisherman community at Mersing, Johor, by installing solar photovoltaic (PV) systems in 21 boats belonging to underbanked fishermen in that community.

The 'Smart Eco-PV Boat' not only ensures cost savings among the fishermen but also helps reduce carbon emissions and increase the number of fish captured.

The installation also saves the fishermen an estimated RM150 per month on diesel.

The money saved can be used for more important things in their lives.

For the first time in the history of collaboration with UTM, the installation of solar panels was assisted by 13 other vocational and higher education institutions.

RM12,400 Kampung Orang Asli Woh Intake, Tapah, Perak

Maintain and repair the aging solar power system as well as broken electrical equipment.

RM4,000 Kampung Orang Asli Tewowoh, Mersing, Johor

Repair the solar power systems of 3 homes which were damaged when struck by lightning.

'Smart Eco - PV Boat'

RM101,895



The process of installing solar panels on 21 fishing boats in Mersing, in collaboration with lecturers and students from 14 institutions.

“On behalf of the fisherman in Mersing, Johor, I am thankful to Sadaqa House and all of the donors for helping us fishermen get solar aid. The support has great significance since solar PV systems are exceedingly costly and beyond our capabilities. With solar energy, the money we would normally spend on electricity-related charges may now be utilised to buy additional necessities like food supplies”

Rosli Abdul Ghani
Recipient of 'Smart Eco-PV Boat'



“Being able to utilise solar energy instead of using batteries makes me happy and peaceful. Nowadays, batteries are costly and have a limited lifespan. I can now purchase food, necessities, and extra supplies for my seafaring excursions with the money I used to spend on batteries because of solar power.”

Sabri Ali
Recipient of 'Smart Eco-PV Boat'



“I would like to express my heartfelt gratitude to Sadaqa House, our main sponsor, for the installation of solar PV systems on 21 boats in Mersing. A special thanks also goes to our collaborative partners, 177 participants from 14 institutions who worked together to install these solar systems. This initiative has greatly benefited the fishermen of Mersing, allowing them to enjoy free electricity, significantly reducing their financial burden. Thank you, Sadaqa House”

Dr Madihah Md Rasid
Smart Eco-PV Boat Project Leader
Faculty of Electrical Engineering
Universiti Teknologi Malaysia



SOCIAL BENEFIT

PROJECTS

» Community Empowerment



RM632,727.10

disbursed to **269** recipients



RM45,000

contributed to **100** families in
2 schools



Kamaruzaman Ishak, Bank Islam's Kangar Branch Manager, handing over the 'Feed to Educate' box.

Addressing Malnutrition

Funds are distributed to community projects to help improve living standards and empower marginalised and needy groups.

This initiative, part of the 'Charity Right' project by Mercy Mission Malaysia (MMM), addresses malnutrition among school children, promotes regular school attendance, and strengthens relationships between teachers and parents.

Food assistance was provided to 100 low income families to ensure their children were motivated to attend school and were provided good nutrition.

The children's educational achievements will be able to change the life status of the family.



Some of the parents receiving food assistance.

» Other Initiatives

RM165,000

Financial assistance to **19** mosques and mussollas for development or renovation.

RM66,000

Financial support to **103** institutions for Ihya' Ramadan activities and programme.

RM172,000

Financial assistance for **15** institutions to support dakwah activities and programme.

RM88,000

Financial assistance for the development, renovation or facilities improvement for **18** schools and educational institutions.

RM24,171.05

Financial assistance to **4** organisations to purchase funeral vans.

RM72,556.05

Financial assistance to **11** individuals and institutions for other charitable initiatives.

SOCIAL BENEFIT

PROJECTS

» Empower Tomorrow

The Empower Tomorrow programme was introduced in 2023 to support 'one-off' fundraising for identified projects or campaigns independent of any collaboration with any changemakers. This year, 1 project were supported under this initiative.

New carpet for Surau Al-Falah

Through Empower Tomorrow, funds were contributed to purchase a new carpet for Surau Al-Falah at Sekolah Menengah Pendidikan Khas Vokasional (SMPVK), Kampung Padang, Kuantan, Pahang.

The school serves a unique role in providing education to special needs students, with a current enrollment of 288 students (144 males and 144 females), 70% of whom are from B40 families. The school offers a comprehensive educational experience that nurtures not only academic growth but also the social, emotional, and spiritual well-being of the students.

Surau Al-Falah at this school serves as a central space for the Muslim students. The condition of the surau especially the carpet, did not fully meet the needs of these students who required a comfortable environment to perform their religious obligations.

The campaign succeeded in collecting **RM30,000** to fund the replacement of the carpet.

Thank you to all donors for making this happen!



Social Benefit Fund
2019 - 2024

RM13.93
million

Benefitted 6,921



Scan the QR code
to contribute

QR Code DuitNow



Sadaqa House

Before



After



KNOWLEDGE

SHARING

» Prominence of Social Finance

Over the past six years, we have been continuously learning and experimenting to establish ourselves as a global leader in social finance.

There is still much to learn, refine, and share with fellow social finance practitioners in Malaysia. However, what matters most is ensuring that Bank Islam staff have the necessary understanding and readiness in social finance, particularly in achieving impact-driven goals each year.

To support this, our team regularly visits branches and departments to provide staff with insights into social finance and the ongoing projects under its umbrella.

Additionally, we frequently participate as speakers or panellists to share our knowledge and experiences on social finance with the public and academia.



Briefing branch staff helps deepen their understanding of Sadaqa House's mission and aspirations.

We hope that these efforts will further invigorate the social finance initiatives in Malaysia, ultimately helping to eradicate poverty and empower communities, especially orphaned children.

KNOWLEDGE

SHARING

Bank Islam's leadership continues to champion the social finance agenda across various platforms. Below are the list of talks, workshops, and conferences we participated in:

Event	Date
Zakat Intellectual Discourse Series organized by Lembaga Zakat Selangor	5 February 2024
Malaysia International Non-Profit & Development Summit 2024 organized by International Islamic University Malaysia	6 March 2024
Assalamualaikum slot, TV Al-Hijrah	22 March 2024
ESG-I Framework launch panel: Sustainable and Ethical Growth for SMEs and Startups in Malaysia organised by ISRA Research Management Centre of INCEIF University.	30 May 2024
National Zakat Muzakarah organised by Universiti Sains Islam Malaysia	6 June 2024
My Halal Programme, TV1, RTM	6 June 2024
Regional Zakat Muzakarah organised by Lembaga Zakat Selangor	3 July 2024
Empowering Communities, Building Dreams, TV1, RTM	19 August 2024
2024 National Symposium: Eradicating Poverty organised by Ministry of Economy	30 September 2024
2 nd International Conference on Islamic Financial Literacy organised by International Islamic University Malaysia	2 October 2024
Sadaqa House Supports BJCK Sustainability at Bernama Radio	15 October 2024
Live radio interview & pocket talk: Empowering Communities Through Entrepreneurship at RTM Sarawak radio & Financial Literacy Carnival by Bank Negara Malaysia at Kuching, Sarawak	16 November 2024
Halal Talk organised by An Nur Radio, Johor Islamic Religious Council	9 December 2024
Munaaqasyah Workshop: Waqf End Financing organised by Wakaf Penang, Penang State Islamic Religious Council (MAINPP)	11 December 2024

Event	Date
95 th Islamic Banking and Finance Discussion Series: Reimagining the Intermediation role of an Islamic Bank to advance VBI through Sadaqa House organised by International Islamic University Malaysia	20 December 2024
The Impact of Islamic Social Finance on Economic Development in Malaysia: The experience of Bank Islam	30 December 2024



At the 95th Islamic Banking and Finance Discussion Series, GCEO shared the journey of Sadaqa House in reimagining the Islamic bank's intermediation role.



Group Chief of Social Finance, Mohd Nazri Chik, spoke in several live TV programmes and forums sharing the social finance agenda of Bank Islam.



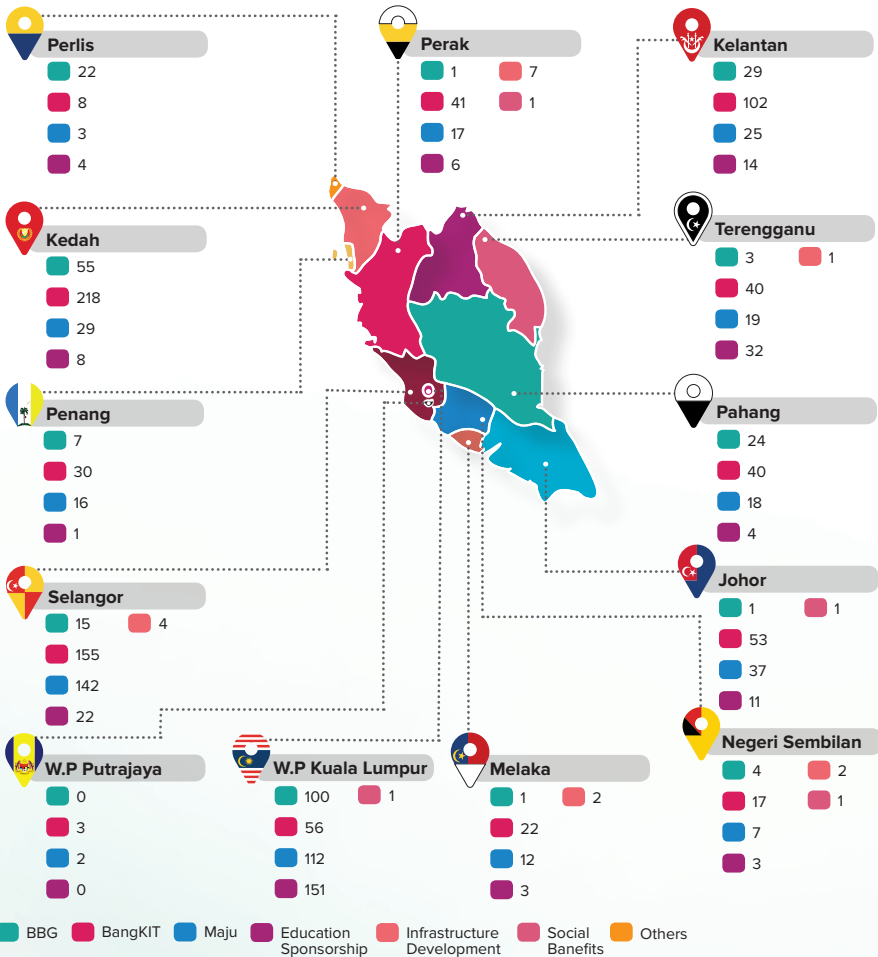
Director of Social Finance, Mohd Zikri Mohd Shairy actively engaged in media and public forums, highlighting Bank Islam's initiatives and impact in social finance.

IMPACT

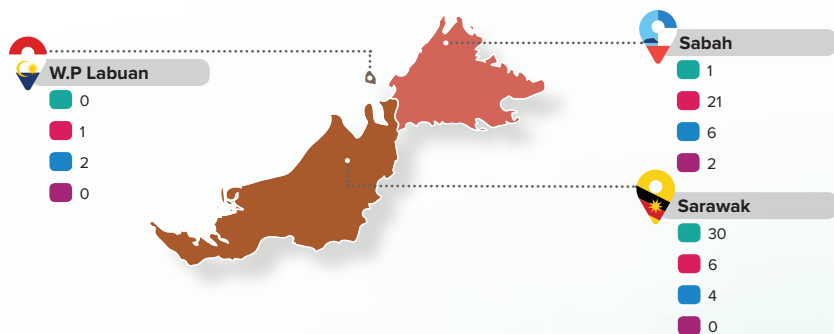
COVERAGE

» Where are our Beneficiaries

State	BBG	BangKIT	Maju	Education Sponsorship	Infrastructure Development	Social Benefits	Others
W.P Kuala Lumpur	100	56	112	151		1	
Johor	1	53	37	11		1	
Melaka	1	22	12	3	2		



State	BBG	BangKIT	Maju	Education Sponsorship	Infrastructure Development	Social Benefits	Others
N. Sembilan	4	17	7	3	2	1	
Pahang	24	40	18	4			
Selangor	15	155	142	22	4		
Perak	1	41	17	6	7	1	
Penang	7	30	16	1			
Perlis	22	8	3	4			
Terengganu	3	40	19	32	1		
Kelantan	29	102	25	14			
Kedah	55	218	29	8			
W.P Putrajaya	0	3	2	0			
W.P Labuan	0	1	2	0			
Sabah	1	21	6	2			
Sarawak	30	6	4	0			



SIGNIFICANT

EVENTS



12 JANUARY 2024

Sealed a strategic collaboration agreement with Sabah Social Entrepreneurs Association (SOSEA) to support the growth of social entrepreneurs and provide members with greater access to financing.



31 JANUARY 2024

Handover ceremony of the renovated surau of SK Sg. Jernih, Ipoh, Perak.



1 FEBRUARY 2024

Sadaqa House and Sultanah Bahiyah Foundation 2024 Women Small Entrepreneur Grant Donation Ceremony.



4 MARCH 2024

Handover Ceremony of Siti Khadijah Central Market Surau Improvement Project.



4 MARCH 2024

Handover of Education Sponsorship of Sulung Programme 2.0 to 38 students at Universiti Malaysia Kelantan.



15 MARCH 2024

Under the Sadaqa House Empower Tomorrow initiative, a van was successfully delivered to Pertubuhan Kebajikan Anak Yatim/Miskin Dahikmah at Gopeng, Perak, for their school's transportation.



26 MARCH 2024

Sadaqa House supported an initiative from IJN Foundation to sponsor Meal packs (Sahur and Iftar) to 150 caregivers of congenital patients at Institut Jantung Negara during the month of Ramadan.



1 APRIL 2024

GCEO, visited the Pertubuhan Anak Yatim Darul Aminan, Negeri Sembilan to view the infrastructure refurbishments sponsored by Sadaqa House fund.



23 MAY 2024

Received Best Islamic Microfinance Product of the Year from Global Islamic Finance Awards 2024 (GIFA 2024).



4 JUNE 2024

Launch of Hal-Cube, a solution that empowers micro-entrepreneurs to obtain halal certification in cooperation with Islamic Development Department (JAKIM).



29 APRIL 2024

Sadaqa House team witnessed the installation of solar PV systems on 21 fishing boats in Mersing, Johor by Universiti Teknologi Malaysia team, assisted by 14 institutions of skills and higher education.



28 MAY 2024

Launch of the Sadaqa House Book, 'Sadaqa House: Inspiring Adl and Ihsan in the Realm of Islamic Banking'.



20 JUNE 2024

Mock Cheque Handover of Student Welfare Fund to 4 Institutes of Higher Education in Melaka.

7 JULY 2024

Mock Cheque Handover of Sadaqa House Sponsorship Programme to Youth Empowerment Foundation (YEF) in conjunction with Closing Ceremony and Fundraising Dinner of YEF Intervention Camp.

SIGNIFICANT EVENTS



23 AUGUST 2024

Visitation of the Board of Directors and Management of Bank Islam to 4 entrepreneurs in Melaka.



30 AUGUST 2024

Handover ceremony of newly refurbished Surau at SK Pulau Bum Bum K9, Semporna, Sabah.



30 SEPTEMBER 2024

Handover of 3D prosthetic hands to Adik Muhammad Fahim Luthfi Bin Faizi together with changemaker, MyVista.



13 OCTOBER 2024

1st ITEAD Entrepreneurship Programme briefing session in collaboration with Permodalan Nasional Berhad and Jabatan Agama Islam Sarawak.



27 AUGUST 2024

Handover ceremony of newly refurbished musolla SK Sukau, Kinabatangan, Sabah. Funded by Sadaga House fund and officiated by Tuan Haji Mohamad Zaki, Deputy Director of the Islamic Education Division, Ministry of Education Malaysia.



30 SEPTEMBER 2024

Mock Cheque Handover of Sadaga House Fund to Institut Jantung Negara Foundation, benefiting 26 pediatric heart patients from underprivileged families for their treatment and operation cost at Institut Jantung Negara.



7 OCTOBER 2024

Launch of Restaurant Sup Kawah Hitam Beratur by Buku Jalan Chow Kit that is financed by Sadaga House.



22 OCTOBER 2024

Historical moment - the first kid from Buku Jalan Chow Kit who successfully pursued higher education at Universiti College Bestari (UCB), Terengganu.



8 NOVEMBER 2024

Handover ceremony of the newly refurbished Surau of SK Gemuan Meradong, Sarawak.



16 NOVEMBER 2024

Handover of financial support to Harakah Islamiah Sarawak in conjunction with Karnival Celik Kewangan Bank Negara Malaysia in Kuching, Sarawak.



21 NOVEMBER 2024

Launch of Hab Usahawan ITEKAD #4 at Universiti Malaysia Sabah, Labuan International Campus.



16 DECEMBER 2024

Briefing session of SBBA Programme, in collaboration with Lembaga Zakat Negeri Kedah to provide financial assistance for paddy farmers.



11 NOVEMBER 2024

Launch of the Hab Usahawan ITEKAD #2 at Institute of Poverty Research and Management (InsPeK), Universiti Malaysia Kelantan (UMK).



16 NOVEMBER 2024

Launch of Hab Usahawan ITEKAD #3 at Universiti Teknologi MARA (UITM) Sarawak Branch, during the Financial Literacy Carnival at Vivacity Megamall, Kuching, Sarawak.



12-13 DECEMBER 2024

Handover Ceremony of Food Box for 100 students from SK Titi Tok Bandar and SK Padang Keria, and their families, under the "Feed to Educate" programme in collaboration with Mercy Mission Malaysia.



24 DECEMBER 2024

Majlis Jalinan Kasih with MYPAC, Ministry of Education, Sultan Idris Education University and Malaysian Prisons Department.

CHRONOLOGICAL DEVELOPMENT OF

SADAQA HOUSE

2 SEPTEMBER 2014

Dato' Dr. Abdul Halim Ismail, the first Managing Director of Bank Islam, first proposed the idea of Sadaqa House in his acceptance speech of the Royal Award for Islamic Finance 2014.

Note: The Royal Award for Islamic Finance (The Royal Award) is a distinctive award recognising leaders and visionaries who inspire others to create a positive impact in the world through the shared values and principles of Islamic finance. This Royal Award is jointly organised by the Securities Commission Malaysia and Bank Negara Malaysia, under the Malaysia International Islamic Financial Centre (MIFC) initiative. The Royal Award is given once every two years. The inaugural award was presented in 2010.

29 OCTOBER 2015

Seminar on Sadaqa House was held at Menara Bank Islam, Kuala Lumpur, organised by Bank Islam and IRCIEF.

19 JANUARY 2018

Sadaqa House was launched during Karnival Kewangan Bank Negara Malaysia at Alor Setar, Kedah, as a strategic initiative under the VBI agenda.

NOVEMBER 2020

The launch of BangKIT Microfinance programme, an initiative to assist underbanked micro-entrepreneurs.

Note: BangKIT Microfinance is known as iTEKAD BangKIT beginning 2023.

The Sadaqa House website was launched in November 2020.

20 OCTOBER 2014

Inspired by Dato' Dr Abdul Halim Ismail vision, Bank Islam cooperated with Universiti Islam Selangor (UIS) through its International Research Centre of Islamic Economics and Finance (IRCIEF) to initiate a study on the viability of the idea of implementing it within a banking framework.

The study covered Shariah, legal, taxation, and governance aspects. Bank Islam's former Chief Shariah Officer, Ustaz Mohd Nazri Chik along with Dato' Dr Abdul Halim and UIS Rector, Professor Dato' Dr Abdul Halim Tamuri, served on the steering committee.

19 APRIL 2017

Seminar on Zakat, Waqf and Sadaqah and the launch of Sadaqa House Green Report organised by Bank Islam and IRCIEF in Kuala Lumpur.

In November, the Sadaqa House Book was launched at the World Islamic Economic Forum 2017 in Kuching, Sarawak, sponsored by Bank Islam.

21 NOVEMBER 2019

Sadaqa House received international recognition as the Best Social Finance Initiative Award from Cambridge International Financial Advisory in conjunction with the Islamic Retail Banking Award 2019.

DECEMBER 2021

Sadaqa House gains recognition and acclaim with the achievement of two prestigious awards:

1. Excellence Award for Islamic Social Finance 2021 (IRBA)
2. Company of the Year for Outstanding Community Support 2021 (CSR Malaysia)

MARCH 2022

Sadaqa House's BangKIT Microfinance participated in The Royal Award for Islamic Finance: Impact Challenge Prize 2022 and emerged as one of the 17 finalists for the award.

27 MAY 2022

The launch of the Sadaqa House Orphan fund. The fund aims to deliver a holistic "From Cradle to Graduation" solution to ensure that orphans are afforded equal opportunities to succeed.

9 MAY 2023

Received the CIBAFI Award for Sustainable Development, Inclusive of Environmental, Social, and Governance (ESG) Practices

The CIBAFI Award recognises Islamic banks and financial institutions that excel by adhering to Islamic finance principles. The theme for this edition was "Sustainable Development, Inclusive of Environmental, Social, and Governance (ESG) Practices." Bank Islam through Sadaqa House was honored as the best Islamic bank globally at this prestigious award.

8 DECEMBER 2022

The Board of Directors of Bank Islam approved a Mudarabah based microfinancing named iTEKAD Jaya.

This remarkable offering allows micro-entrepreneurs to fund their operating expenses and simultaneously offers them an opportunity to share the benefits with Sadaqa House.

1 NOVEMBER 2023

The World Bank launched a report titled "Tracking Progress: Impact Monitoring of Social Finance." Drawing on international best practices, the World Bank's latest report examines the benefits of monitoring the impact of Social Finance in Malaysia and how it can drive positive social progress. Sadaqa House's iTEKAD was one of the case studies in the report.

23 MAY 2024

Received Best Islamic Microfinance Product of the Year from Global Islamic Finance Awards 2024 (GIFA 2024).

Note: The GIFA Awards are prestigious annual ceremonies held globally, designed to highlight, encourage, and reward exceptional performance and contributions to the growth of the international Islamic banking and finance community, with the ultimate objective of promoting social responsibility, adherence to Shari'a authenticity, and commitment to Islamic banking and finance.

Piloted an alternative credit assessment with psychometric tailored for Funding Escalators to enhance our credit evaluation process.

5 AUG 2024

Launched the first Hab Usahawan iTEKAD at Universiti College Bestari, Terengganu, in providing continuous development and support programmes to micro-entrepreneurs nationwide

ASSURING

GOVERNANCE



DONATION AND DISTRIBUTION PROCESS

Sadaqa House ensures that good governance is adopted and implemented throughout the end-to-end process of managing donation funds from the public.

At Bank Islam, there is a dedicated internal oversight management sub-committee named the Sadaqa House and Zakat Committee which provides oversight and direction on the strategies, processes, and activities of Sadaqa House.

No portion of the public contribution is retained for Sadaqa House's operations. Since its inception, Bank Islam has borne all costs incurred by Sadaqa House.

» Management of Fund

Sadaqa House is operated by the Social Finance Division and is guided by the Sadaqa House Management Guideline, which was approved by the Board Risk Committee and the Shariah Supervisory Council.

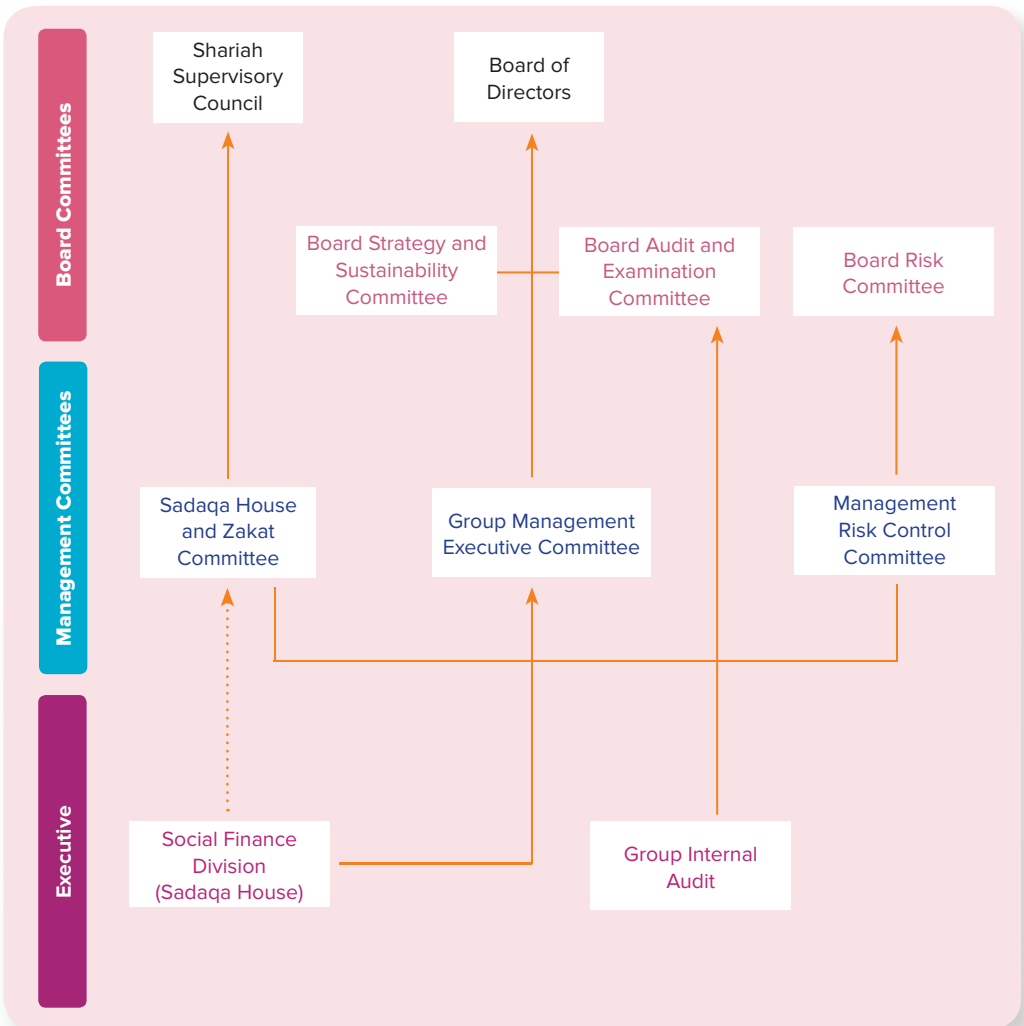
» Governance of Sadaqa House

In managing the public donations of Sadaqa House, the Bank remains steadfast in promoting and sustaining a strong culture of corporate governance to protect the interests of all stakeholders, including donors and beneficiaries.

The Bank is fully committed to adopting high business integrity, ethics, and professionalism standards, guided by exemplary executive leadership and strategy. Simultaneously, the Bank ensures that internal controls, risk management, and compliance with Shariah rules and principles govern all of its initiatives, including Sadaqa House.

To achieve these objectives, the Board adheres to the requirements of BNM's Corporate Governance Policy issued on 3 August 2016, the Malaysian Code of Corporate Governance 2021, and other relevant conditions outlined in respective policy documents by BNM.

The governance structure in managing Sadaqa House is illustrated below:



ASSURING GOVERNANCE

» Governance Organisations, Roles and Responsibilities



Board of Directors

- The Board is responsible for establishing an effective governance arrangement to facilitate effective monitoring and control of the Bank's overall management and conduct, including Sadaqa House.



Shariah Supervisory Council (SSC)

- Advise and clarify relevant Shariah rules and principles in operating Sadaqa House funds.
- Issue an annual confirmation report on the Shariah compliance status of Sadaqa House.



Board Strategy and Sustainability Committee (BSSC)

- Assist the Board in overseeing, supervising, and monitoring the implementation of identified key strategic matters that the Board has endorsed or approved, including the Bank's initiatives to become the leading Islamic bank for social finance.
- Sadaqa House is one of the strategies that BSSC closely monitors through frequent updates for deliberation.



Board Risk Committee (BRC)

- Assist the Board in ensuring that a sound and robust risk management framework, as expected by BNM, is in place and effectively implemented. The BRC provides independent oversight of Sadaqa House activities in managing credit, market, operational, legal, Shariah, and other risks, ensuring the risk management process is in place and functioning.
- Approve the establishment of guidelines and procedures for the management of Sadaqa House.



Management Risk Control Committee (MRCC)

- Responsible for performing oversight functions to ensure effective risk management of critical issues related to the overall risk management of Sadaqa House.



Sadaqa House and Zakat Committee

- Perform independent oversight and providing direction regarding the management, operations, and performance of Sadaqa House.
- Evaluate and approve the selection of changemakers, projects or campaigns, and any relevant third-party service providers for Sadaqa House.
- Evaluate and approve investment and placement of Sadaqa House funds.
- Monitor the progress of fund collection and project performance.
- Evaluate and approve requests for disbursement of funds.



Social Finance Division

- Responsible for operationalising Sadaqa House, Bank Islam's social finance agenda, encompassing entrepreneurship development, education, and other social impact projects.



Group Internal Audit Division

- Responsible for providing independent assurance to the Board of Directors and Senior Management that risk management processes and tools of Sadaqa House are effectively implemented.
- Undertake an annual audit exercise on Sadaqa House operations and issue an annual audit report to the Board's Audit and Examination Committee for deliberation and decision-making.

ASSURING GOVERNANCE

» Sadaqa House and Zakat Committee

Chairman

• Mohd Nazri Chik
Group Chief Social Finance Officer
Group Social Finance Division

Vice Chairman

• Maziah Mokhtar
Assistant General Manager
Group Credit Management Division

Members

• Mohd Zikri Mohd Shairy
Director
Social Finance Division

• Wan Mazlan Wan Johari
Head, Assurance
Group Compliance Division

• Sazrin Mohd Razak
Assistant General Manager Strategic Planning
Group CEO's Office

• Rohazida Mohamed
Head
Group Corporate Communications

• Cairul Hisam Mohd Hashim
Assistant General Manager
Group Risk Management Division

Sadaqa House performs due diligence on behalf of donors through the following processes:

Assessment and annual review of changemakers

To ensure integrity, accountability, and alignment with Sadaqa House's mission, every on-boarded changemaker undergoes a thorough assessment. This includes background and governance checks, Anti-Money Laundering (AML) screening, and a detailed evaluation of their capacity to deliver scalable and sustainable social impact.

Changemakers must demonstrate a clear Theory of Change, a track record of responsible fund management, and the ability to uplift underserved communities - particularly in the focus areas of entrepreneurship and education.

All changemakers are subject to approval by the Sadaqa House and Zakat Committee (SHZC), ensuring their values and operations are consistent with Islamic social finance principles. To maintain this standard, an annual review is conducted to assess each changemaker's impact performance, financial stewardship, and continued strategic fit. This review also informs decisions on future collaboration, funding eligibility, and capacity-building support where a culture of continuous improvement and trust.

Charity project viability and deliverables

Sadaqa House thoroughly assesses impact projects for viability, alignment with entrepreneurship and education, and potential for measurable, sustainable outcomes, evaluating strategic fit, partner capacity, scalability, and socio-economic upliftment.

For programmes like iTEKAD Microfinance, additional credit assessments are conducted to ensure responsible fund distribution and repayment. Progress is tracked against deliverables like business establishment and income improvement. Regular reports to the SHZC ensure accountability, timely decisions, transparency, and effective impact management.

Assessment of beneficiaries

Beneficiaries too undergo careful assessment to ensure they meet eligibility criteria and demonstrate genuine need. This assessment includes socioeconomic profiling, verification of financial hardship, and AML checks to uphold transparency and regulatory compliance.

Beneficiaries are evaluated based on the intervention type - be it education, entrepreneurship, or other approved causes - and must be endorsed by the SHZC. This rigorous screening process ensures that every ringgit distributed delivers meaningful impact and reaches those most in need.

SHARIAH SUPERVISORY COUNCIL

REPORT



In the name of Allah, the Most Compassionate, the Most Merciful.

All praise is due to Allah, the Lords of the Worlds, and peace and blessings be upon the Prophet Muhammad whom Allah send as mercy to the universe, which Allah make him a guiding and a rightly guided man, and an illuminating lamp.

And peace and blessing on his family and companions, and those who followed them benevolently until the Day of Judgment and then after.

‘Salam Sejahtera’

In carrying out the roles and responsibilities of the Shariah Supervisory Council (SSC) as prescribed in the Shariah Governance Policy Document (SGPD) issued by Bank Negara Malaysia (BNM), and in compliance with our letter of appointment, we hereby submit our report for ‘Sadaqa House’ for the financial year ended 31 December 2024.

The Bank’s management ensures that the conducts, operations, business, affairs, and activities of Sadaqa House follow the relevant Shariah rules and principles as outlined in the Group Shariah Compliance Policy, Shariah Compliance Guideline and Sadaqa House Management Guideline approved by us. Our responsibility is to form an independent opinion based on the review of conduct and businesses of Sadaqa House in producing this report.

In performing our roles and responsibilities, we had obtained all the information and explanations which we considered necessary in providing us with sufficient evidence to give a reasonable assurance that the management of Sadaqa House has complied with the applicable Shariah rules and principles, that includes three (3) Sadaqa House management reports during the financial year in which we reviewed, among others, its fund collection, fund management and fund distribution.

In addition, we had also reviewed the reports of Shariah control functions i.e. Shariah Audit with regards to Sadaqa House.

At the management level, Sadaqa House is operated by the Social Finance Division on day-to-day basis and is overseen by the management level committee, Sadaqa House and Zakat Committee, chaired by the Group Chief Social Finance Officer.

We had approved in our meetings several initiatives undertaken by the Bank in strengthening its Shariah governance, including the Sadaqa House Distribution Plan 2024 (Wakalah Zakat) and Allocation of Business Zakat FYE2023 to State Zakat Authorities. Such initiatives aimed, among others, to set out the Shariah governance framework within the Bank and its Group to ensure our business operations were in line with the Shariah rules and principles

Throughout 2024, we confirmed there were no reported incidence of Shariah Non-Compliance event in the management of Sadaqa House.

Based on the above, we, the members of the Shariah Supervisory Council of Bank Islam Malaysia Berhad, do hereby confirm that, to the best of our knowledge, the operations of Sadaqa House for the year ended 31 December 2024 have been conducted in conformity with the applicable Shariah rules and principles.

We bear witness only to what we know, and we could not well guard against the unseen! (Surah Yusuf, verse: 81)

Allah knows best.

On behalf of the Shariah Supervisory Council Members:
Ir. Dr Muhamad Fuad Abdullah (Chairman)

Kuala Lumpur
Date: 4 March 2025



THANK YOU

Thank you to all our funders, changemakers and partners:



Majlis Agama Islam Wilayah Persekutuan | Majlis Agama Islam Selangor |
 Majlis Agama Islam Melaka | Majlis Agama Islam Negeri Johor |
 Majlis Agama Islam Negeri Kedah | Majlis Agama Islam Negeri Sembilan |
 Majlis Agama Islam Negeri Pulau Pinang | Majlis Islam Sarawak |
 Majlis Agama Islam dan Adat Istiadat Melayu Kelantan |
 Majlis Agama Islam dan Adat Istiadat Melayu Perlis |
 Majlis Agama Islam dan Adat Melayu Perak | Majlis Agama Islam dan Adat Melayu Terengganu |
 Majlis Ugama Islam dan Adat Resam Melayu Pahang | Majlis Ugama Islam Sabah

Lembaga Zakat Negeri Kedah | Lembaga Zakat Selangor |
 Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan | Pusat Kutipan Zakat Pahang |
 Zakat Pulau Pinang | Zakat Melaka | Tabung Baitulmal Sarawak

Malaysia Professional Accountancy Centre (MyPAC) | Persatuan Pengasih Malaysia

ACCESS OUR WEBSITE AND YOUTUBE

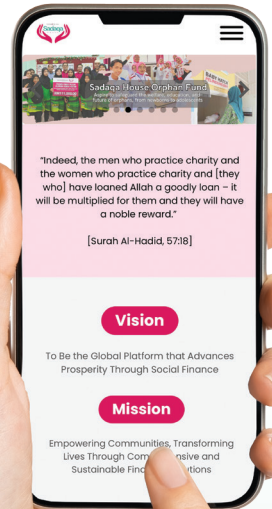
To learn more about Sadaqa House, scan the QR codes below:



www.sadaqahouse.com



Sadaqa House YouTube



EVERY CONTRIBUTION **COUNTS**

Scan to donate and be part of the journey! Together, we are shaping a future where no one is left behind - because when the tide rises, we all rise.



SADAQA HOUSE Usahawan iTEKAD



SADAQA HOUSE ORPHAN FUND BANK ISLAM



SADAQA HOUSE MALAYSIA






BANK ISLAM


198301002944 (98127-X)


Sadaqa House


Bank Islam Malaysia Berhad
Level 21, Menara Bank Islam
No 22, Jalan Perak
50450 Kuala Lumpur

 sadaqahouse@bankislam.com.my

 [sadaqahouse](https://www.facebook.com/sadaqahouse)

 [sadaqa_house](https://www.instagram.com/sadaqa_house)

 [SadaqaHouse](https://www.youtube.com/SadaqaHouse)

 [sadaqa-house](https://www.linkedin.com/company/sadaqa-house)