# Modern banking simplifying your zakat

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Zakat is far more than a simple act of voluntary charity; it is a fundamental pillar of Islam and a mandatory spiritual obligation for every eligible Muslim. At its core, Zakat serves as a divine mechanism for wealth redistribution, designed to bridge the gap between the affluent and the underprivileged. By donating a fixed portion of one's surplus wealth, a believer not only purifies their earnings but also fosters a system of socio-economic justice. In the context of a developing nation like Bangladesh, Zakat acts as a vital social safety net, providing the right of the poor over the wealth of the rich.

While Zakat is traditionally associated with the holy month of Ramadan, the season of Qurbani (Eid-ul-Adha) has emerged as a crucial period for many to reconcile their financial dues. As families prepare for the sacrifice of animals, they often engage in a deep reflection of their total annual assets. This makes the Qurbani season an essential time for people to clear their Zakat dues, ensuring that the spirit of sacrifice extends beyond the meat of the animal to the sustainable financial empowerment of the needy.


### TRADITIONAL CALCULATION VS. THE DIGITAL EASE

The fundamental principle of Zakat is the donation of 2.5% of one's surplus wealth held for a full lunar year (Hawl). This applies only if the wealth meets the Nisab—the minimum threshold equivalent to the value of 87.48 grams of gold or 612.36 grams of silver. Traditionally, this required complex manual bookkeeping, where individuals had to track gold prices, cash savings, and business inventory while deducting immediate debts.

Today, the digital revolution has simplified this process through authentic Zakat Calculators. Platforms provided by organisations like Islamic Relief Worldwide, National Zakat Foundation (NZF), Centre for Zakat Management Bangladesh (CZM) and even local Shariah-compliant banking apps allow users to determine their dues with precision. By simply inputting current market rates and asset values, these tools eliminate the margin of error, ensuring that every penny of the religious obligation is accurately accounted for and distributed.

### THE ROLE OF MFS AND BANKING INSTITUTIONS

The landscape of Zakat in Bangladesh has been transformed by the integration of financial technology. Previously, donating Zakat often required physical travel to remote madrasas or the homes of the poor. Now, the inclusion of "Donation" modules in Mobile Financial Services (MFS) apps like bKash, Nagad, and Rocket has made the process instantaneous and transparent.

Mainstream banking has also taken a proactive role in institutionalising Zakat. Islami Bank Bangladesh PLC (IBBL), Dutch-Bangla Bank, and Prime Bank are among the top commercial banks that facilitate Zakat collection through corporate funds and dedicated Shariah-compliant accounts. These institutions allow account holders to automate their annual payments or donate directly to reputable NGOs. This inclusion ensures that funds are handled with professional transparency, reaching verified organisations like Bidyanondo Foundation or the Centre for Zakat Management (CZM), where the money can be used for long-term poverty alleviation projects.

### HOW TO CALCULATE YOUR ZAKAT?

For first-time donors, Zakat begins with confirming the Nisab. You are only eligible to pay if your surplus wealth exceeds the market value of 52.5 tolas (roughly 612g) of silver. Once confirmed, calculate your total assets, including cash in banks or mobile wallets (bKash/Nagad), the current value of gold and silver jewelry, business merchandise, and the tradable value of stocks or insurance policies.

Next, deduct your liabilities. This means subtracting money you currently owe to others, such as short-term loans or overdue household bills, from your total wealth. This ensures you only pay 2.5% on your net surplus.

Crucially, verify the recipient. Your donation must reach those within the eight Shariah-mandated categories (Asnaf), primarily the poor and the destitute.

Finally, consider your timing. While Zakat is due once a lunar year has passed on your wealth, many donors utilise the Qurbani season to reconcile their dues. This allows you to pair your financial purification with the spirit of sacrifice, doubling your socio-economic impact by providing both essential cash assistance and meat to those in need during the festive period.

By leveraging modern banking and digital tools, we can move from simple charity to a structured system of economic empowerment, ensuring that our Zakat truly reaches those who need it most.

# Festive economy accelerates cashless transactions

NRBC BANK PLC

> Younger consumers are especially comfortable with QR codes, mobile apps and online payments, and merchants are increasingly accepting digital methods to reduce cash-handling risks and improve efficiency.

**DR MD. TOUHIDUL ALAM KHAN, FCMA**
Managing Director and CEO
NRBC Bank PLC

As Bangladesh readies for Eid-ul-Adha amid rising digital adoption and shifting consumer behaviours, festive expenditures are increasingly migrating from cash to mobile apps, QR payments, cards and internet banking. In an interview with The Daily Star, NRBC Bank Managing Director and CEO Dr Md. Touhidul Alam Khan, FCMA, outlined Eid spending patterns, the trajectory of digital banking, customer security measures, SME financing needs and how banks are responding to a rapidly evolving payments landscape.

**The Daily Star (TDS):** How do you expect overall consumer spending in Bangladesh to behave during this Eid-ul-Adha season compared with last year?

**Dr Md. Touhidul Alam Khan (TAK):** We expect overall consumer spending during this Eid-ul-Adha to remain strong and be moderately higher than last year despite inflationary pressures. Eid is both a religious observance and a significant economic occasion that stimulates demand across livestock, apparel, transport, food, electronics and remittances. Consumers are becoming more planned and value-conscious, while digital channels are enabling faster, more convenient transactions.

**TDS:** What major trends are you seeing in Eid-related digital transactions, such as card payments, mobile financial services, and online transfers?

**TAK:** A notable trend is the rapid adoption of QR-based payments and mobile app transactions, with customers preferring seamless, contactless methods across malls, cattle markets, restaurants and e-commerce platforms. Card transactions through POS terminals and online gateways are rising steadily, and internet banking and instant fund transfers are increasingly used for family support, Qurbani payments and travel expenses.

**TDS:** How are banks preparing to support the seasonal rise in cash withdrawals, digital payments, and customer demand during Eid?

**TAK:** At NRBC Bank, we are reinforcing ATM cash replenishment, extending customer service support and intensifying cybersecurity monitoring during peak activity. We ensure uninterrupted availability of our Planet App, internet banking and card payment systems, and coordinate closely with Bangladesh Bank, payment networks and merchant partners. Moreover, customers should remain vigilant because fraud attempts typically rise during peak seasons. They should never share OTPs, CVV numbers or mobile banking PINs, use only official banking apps, avoid suspicious links and fake promotions, and regularly monitor transaction alerts and account statements.

**TDS:** Do you think Bangladesh is moving toward a more cashless Eid economy? What is driving that shift?

**TAK:** Yes. Bangladesh is progressively becoming more cash-light and digitally connected during festive periods. Key drivers include rapid smartphone and internet penetration, heightened consumer preference for convenience, speed and security, and supportive government and Bangladesh Bank initiatives promoting digital financial inclusion.