Simple Explanation for Zakat Calculation:

Assets:

❖ Cash and Bank Balances   (1)

❖ Placements with Financial Institutions   (2)

❖ Investment Securities   (3)

❖ Property and Equipment   (4)

❖ Total Assets   (5)

Liabilities:

❖ Investors Fund   (6)

❖ Islamic Financing Liability   (7)

❖ Other Liabilities   (8)

❖ Total Liabilities   (9)

Equity:

❖ Share Capital   (10)

❖ Statuary Reserves   (11)

❖ Retained Earning   (12)

❖ Total Equity   (13)

$$\text{Zakat Pool} = X - Y = W$$

$$\text{Where } X = (1) + (2)$$

$$Y = (7) + (8)$$

$$\text{Zakat} = W \times 2.5\% = i$$

$$\text{Zakat per Share} = i \div \text{total Number of Shares}$$