



## Representative example of APR calculation on Riyad Bank Credit Cards

### **INTEREST CALCULATION FOR REGULAR CARDS**

#### Finance Charges (Service Charges)

These charges are payable at the monthly percentage rate as follows:

1. On all purchase transactions from the statement date in the event of the Cardholder choosing not to pay his balance in full.
2. On all cash transactions from the transaction date. This interest is charged even if the cardholder pays the full amount in which case the interest is calculated from the transaction date to the payment date.
3. This charge, if applicable, is calculated and debited to the cardholder's account every time a statement is produced until the outstanding balance is settled in full.

#### Interest Free Grace Period

The interest free credit period on purchases could range from 24 to 54 days subject to the transactions being received by the bank.

Example:

If the Cardholder statement is generated on the 3rd day of every month and he does the following transactions between the period 3rd November and 3rd December of the same year.

- Cash withdrawal for SAR 3,000 on 4th November
- Retail purchases for SAR 5,000 on 4th November
- Cash withdrawal for SAR 4,000 on 3rd December

Assuming No Previous Balance carried forward to the 3rd November statement, the cardholder will get his 3rd December statement showing SAR 12,000 of transactions. The payment due date is the 27<sup>th</sup> of each month. The Cardholder needs to make payment, either the full amount outstanding or 5% of the amount outstanding. In case the balance outstanding on the statement date is paid in full by the payment due date (27<sup>th</sup> December), no interest is charged on the SAR 5000 purchase amount.

Where a partial payment of e.g. SAR 3600 is received on the 27th December the interest is calculated as follows:

#### Retail Transaction (oldest transactions are cleared first)

Retail Transaction (From Cycle Date to Payment Date)

$$\text{SAR } 5000 \times 23.4\% / 365 \times 24 \text{ days} = \text{SAR } 76.93$$

Retail Transaction (From Payment Date to next Statement Date)

$$\text{SAR } 4400 \times 23.4\% / 365 \times 7 \text{ days} = \text{SAR } 19.75$$

#### Cash Transaction (oldest transactions are cleared first)

Cash Transaction 1 (From Transaction Date to Payment Date, paid in full)

$$\text{SAR } 3000 \times 53 \text{ days} \times 23.4\% / 365 = \text{SAR } 101.93$$

Cash Transaction 2 (From Transaction Date to Statement Date, full amount outstanding)  
 $\text{SAR } 4000 \times 31 \text{ days} \times 23.4\% / 365 = \text{SAR } 79.50$

### Charges on Foreign Transactions

Transactions made in non-Riyal currencies attract finance charges of 2% for Classic cards, 1.5% for Gold Cards and 1% for Platinum Cards.

Example:

Transaction Amount: 1000 in a currency other than Saudi Riyal.

Transaction Currency: A

Conversion Rate from currency A to SAR: 4.5

SAR Amount =  $1000 \times 4.5 = \text{SAR } 4500$

Foreign Transaction finance charge:  $\text{SAR } 4500 \times 2.00\% = \text{SAR } 90$

The conversion from the foreign currency to Saudi Riyal is done by the respective schemes that are VISA / MasterCard as per their prevailing rates for that day.

## **PROFIT CALCULATION FOR ISLAMIC CARDS**

### Commission/Profit (Service Charges)

A Murabaha contract is produced every month based on the following calculations:

1. Profit is taken on all transactions from the first payment due date in the event of the Cardholder choosing not to pay his balance in full.
2. The profit, if applicable, is calculated and debited to the cardholder's account every time a statement is produced until the outstanding balance is settled in full.

### Profit Free Grace Period

The profit free credit period on purchases could range from 30 to 54 days subject to transactions being received by the bank.

Example:

If the Cardholder statement is generated on the 27th day of every month and he does the following transactions between the period 27th November and 27th December of the same year.

- Cash withdrawal for SAR 3,000 on 28th November
- Retail purchases for SAR 5,000 on 28th November
- Cash withdrawal for SAR 4,000 on 27th December

Assuming no previous balance carried forward to the 27th November statement, the cardholder will get his 27th December statement showing SAR 12,000 of transactions. The payment due date is the 27<sup>th</sup> of the following month. The Cardholder needs to make a payment, either the full amount outstanding or 5% of the amount outstanding. In case the balance outstanding on the statement date is paid in full by the payment due date (20<sup>th</sup> January), no profit is charged.

Where a partial payment of e.g. SAR 3600 is received on the 20th January the profit is calculated as follows:

### Retail Transaction (oldest transactions are cleared first)

Retail Transaction (From Due Date to next Statement Date)

$$\text{SAR } 4400 \times 23.4\% / 365 \times 7 \text{ days} = \text{SAR } 19.75$$

### Cash Transaction (oldest transactions are cleared first)

Cash Transaction 1 (From Transaction Date to Payment Date, paid in full)

No profit.

Cash Transaction 2 (From Due Date to Statement Date, full amount outstanding)

$$\text{SAR } 4000 \times 7 \text{ days} \times 23.4\% / 365 = \text{SAR } 17.95$$

### Charges on Foreign Transactions

Transactions made in non-Riyal currencies attract Commission/Profit of 2% for Classic cards, 1.5% for Gold Cards and 1% for Platinum Cards.

Example:

Transaction Amount: 1000 in a currency other than Saudi Riyal.

Transaction Currency: A

Conversion Rate from currency A to SAR: 4.5

SAR Amount =  $1000 \times 4.5 = \text{SAR } 4500$

Foreign Transaction finance charge:  $\text{SAR } 4500 \times 2.00\% = \text{SAR } 90$

The conversion from the foreign currency to Saudi Riyal is done by the respective schemes that are VISA / MasterCard as per their prevailing rates for that day.