

APEX GLOBAL BANK: MINIMUM BALANCE & SERVICE CHARGES POLICY

Document Classification: Customer Service & Regulatory Disclosure

Effective Date: February 4, 2026

Jurisdiction: Retail Banking Division

1. Objective and Scope

The purpose of this policy is to provide clear, transparent guidelines regarding the maintenance of minimum balances across various savings account types at Apex Global Bank. This document outlines how balances are calculated, the penalties associated with non-maintenance, and the standard service charges applied to account holders.

2. Understanding Average Monthly Balance (AMB)

Unlike a "minimum daily balance," Apex Global Bank utilizes the **Average Monthly Balance (AMB)** method to provide customers with greater flexibility.

2.1 Calculation Formula

The AMB is calculated by summing the closing balance of the account for every day of the calendar month and dividing that total by the number of days in that month.

$$AMB = \frac{\sum(\text{Daily Closing Balances})}{\text{Number of Days in Month}}$$

Example:

If a customer has \$1,000 for 15 days and \$0 for the remaining 15 days in a 30-day month, their AMB is \$500.

3. Minimum Balance Requirements by Account Type

Account Category	Required AMB	Initial Funding Requirement
Basic Savings	\$500	\$100

Premium Savings	\$5,000	\$2,500
Elite Savings	\$25,000	\$10,000
Student Accounts	\$0	\$10
Salary Accounts	\$0	\$0
Senior Citizen Special	\$250	\$100

4. Penalties for Non-Maintenance of AMB

If the AMB falls below the required threshold, a "Non-Maintenance Fee" (NMF) is levied. The fee is tiered based on the percentage of the shortfall to ensure fairness.

4.1 Basic Savings Penalty Tiers

- **Shortfall < 25%:** \$2.00 per month
- **Shortfall 25% - 50%:** \$4.00 per month
- **Shortfall > 50%:** \$5.00 per month (Maximum)

4.2 Premium & Elite Penalty Tiers

- **Premium Savings:** Flat fee of \$25.00 per month if AMB < \$5,000.
- **Elite Savings:** Flat fee of \$100.00 per month if AMB < \$25,000.

5. Standard Monthly and Quarterly Charges

Beyond balance requirements, certain operational costs are recovered through standard service fees.

5.1 Account Maintenance Fees

- **Standard Service Fee:** \$2.00 per quarter (Waived for Elite and Salary accounts).
- **Dormancy Processing:** \$10.00 one-time fee when an account transitions from Inactive to Dormant status.

5.2 Statement and Notification Fees

- **E-Statements:** \$0 (Free of charge).
- **Physical Statements:** \$5.00 per request (via Post).
- **SMS Alert Services:** \$0.50 per quarter (Mandatory for security).

6. Policy Exceptions and Waivers

Apex Global Bank offers exemptions to ensure banking remains accessible to vulnerable or

specific segments:

- **Zero-Balance Accounts:** Student and Salary accounts are strictly "Zero-Balance" and will never incur non-maintenance penalties.
- **Government Schemes:** Accounts opened under specific financial inclusion programs are exempt from all AMB requirements.
- **Senior Citizens:** Individuals aged 60+ receive a 50% discount on all non-maintenance penalties.
- **First-Month Grace Period:** No penalties are levied during the first calendar month of account opening to allow for initial funding.

7. Communication and Transparency

- **Advance Warning:** If a customer's balance is trending toward a shortfall, the bank will send an SMS/Email alert on the 20th of the month to allow for corrective action.
- **Charge Notification:** Any penalty debited from the account will be accompanied by an immediate SMS notification explaining the reason for the charge.

8. Frequently Asked Questions (FAQ)

What is the minimum balance for a standard account?

For a Basic Savings account, the Average Monthly Balance (AMB) required is \$500. For Student or Salary accounts, the requirement is \$0.

What happens if I don't maintain the balance for just one day?

Because we use the **Average Monthly Balance** method, falling below the limit for a single day does not automatically trigger a penalty. As long as your average across the whole month stays above the requirement, no fee is charged.

How are the penalties calculated?

Penalties are calculated at the end of the calendar month. The system looks at the percentage of the shortfall. For example, if you are supposed to keep \$500 but only kept \$400, your shortfall is 20%, placing you in the lowest penalty bracket.

Can I avoid fees by closing the account?

Yes, if you choose to close your account, no further maintenance fees will apply once the closure process is finalized. However, any accrued penalties for the current month must be settled before closure.

Institutional Notice: Fees and limits are subject to change with a 30-day prior notice to all customers via registered email.

End of Policy Document