

ICICI BANK CUSTOMER EDUCATION SERIES

A TIMES BUSINESS ASSOCIATE COMMUNICATION

Avoid Penalty! Maintain the required average balance in your account.

How is the Quarterly Average Balance (QAB) calculated?

First, the daily closing balances in the account over a calendar quarter are added. Then the total is divided by the number of days in the quarter. This gives the QAB for that quarter.

The required minimum QAB is different for different types of accounts. The minimum QAB required for each type of bank account is given in the bank's brochure on service charges and fees as well as on the bank's website.

If an account holder does not maintain the QAB required in his account, the bank levies a penalty. The amount of penalty varies from bank to bank.



Statement of Transactions in Savings Account 1234567 for the period 01-01-2010 to 31-03-2010
(Amounts in Rupees)

Date	Narration	Withdrawal	Deposit	Balance
01-Jan-10	B/F			8,950
01-Jan-10	Credit interest capitalised	-	350	9,300
01-Feb-10	ATM cash withdrawal	6,000	-	3,300
02-Mar-10	Cheque deposit MICR clearing	-	17,000	20,300
31-Mar-10	ECS credit	-	2,500	22,800

Calculation of QAB

Period	Balance x Number of Days	Amount (Rs.)
EOD balance from 01-Jan-10 to 31-Jan-10	9,300 x 31	2,88,300
EOD balance from 01-Feb-10 to 01-Mar-10	3,300 x 29	95,700
EOD balance from 02-Mar-10 to 30-Mar-10	20,300 x 29	5,88,700
EOD balance on 31-Mar-10	22,800 x 1	22,800
Total of EOD balances for the quarter Jan-Mar 2010		9,95,500
The number of days in the quarter		90
QAB for the quarter Jan-Mar 2010 (= 9,95,500 divided by 90)		11,061



BE AN INFORMED CONSUMER. Watch this space every Monday.