A Blueprint for Deposit and Savings Innovation



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For banks, deposits remain the bedrock of lending capacity, customer trust, and long-term growth. But complacency can quickly erode that foundation, putting long-standing advantages at risk. Fault lines are already appearing, and the time for banks to act is now.

To stay relevant and resilient, they must reimagine savings and deposit products as strategic growth engines - built on bold innovation, not legacy thinking.

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Four structural forces are driving this urgency, each reshaping the rules of engagement in deposit mobilization.



Margin Pressures

The rising interest rate environment is compressing margins and making it harder for banks to retain and attract deposits without significantly raising costs and offering more and more competitive rates.



Shifting Customer Funds

Digitally empowered consumers are increasingly shifting funds toward alternate savings and investment options, from government bonds and mutual funds to digital assets.



New-Age Competition

Non-traditional players such as fintechs and neo-banks are gaining ground with seamless, hyper-personalized, and higher-yielding alternatives.



Regulatory Demands

Regulatory requirements around liquidity and funding ratios, such as LDR, LCR, and NSFR, are reinforcing the need for a stable and reliable deposit base.

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With banks being challenged on all four fronts, innovation in deposits is no longer optional. It is a strategic imperative for banks seeking to build a resilient, future-ready deposit franchise. Forward-thinking financial institutions have already started accelerating deposits-linked innovations through technology and reimagining business models to attract, retain, and deepen customer relationships.



“It is high time that traditional banks rethink their deposits business, which remains a top contributor to profitability and a vital source of funds.”

Innovation is not only required for energizing the deposits business, but also for improving banks' standing, which is clearly under threat.

According to the latest **Innovation in Retail Banking report** presented by Qorus and Infosys Finacle:



Only **27 percent** of respondents said that incumbent banks would lead innovation across business lines by 2030.



Only **8.5 percent** of banking executives confirmed that incumbent banks had managed to foster innovation ecosystems at scale.

How can incumbent banks make their deposits more appealing? More importantly, can they do this viably, at scale?

Banks are reimagining deposit innovation across three interconnected dimensions:

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Co-creation with Ecosystem Partners

Secondly, banks are increasingly **co-creating deposit solutions with ecosystem partners** - from fintechs to payroll platforms - embedding savings seamlessly into daily financial interactions and unlocking new value through shared capabilities.

1

In-house Innovation

Firstly, they are **driving in-house innovation,** leveraging data, AI, and digital design to launch high-yield and goal-based savings products.



3

Configured by Customers

Lastly, the latest move from banks has been about **empowering customers through self-service configurability,** enabling them to personalize deposit features via intuitive digital channels.

Together, these approaches are reshaping how deposits are designed, delivered, and experienced.



In-house Innovation

Banks driving deposits innovation internally for control, differentiation and margin protection.

Driving In-house Innovation

Co-creation with Ecosystem Partners

Configured by Customers



A recognized innovator, Liv, the digital-only bank from Emirates NBD, created Game on Deposit, a **gamified fixed deposit** that offered a higher interest rate to customers who correctly predicted the best-performing teams in a major football tournament.[1]



Investec's SmartRate Plus Notice Deposit introduces a notable innovation by offering **customizable notice periods** ranging from 15 to 120 days, along with **partial liquidity**, allowing up to 50% of the balance to remain instantly accessible. Interest rates are tiered based on the selected notice period and access level, with a **progressive bonus** of 0.10% awarded every 30 days if no withdrawal notice is placed - making it a flexible and rewarding deposit option.[2]



Banks are also delving into innovative **integrated offerings** for higher value delivery to customers. J.P. Morgan Premium Deposit **integrates high-yield FDIC-insured savings with fixed-income trading** in the same mobile app - allowing customers to shift seamlessly between deposit and investment vehicles.[3]



Similarly, as part of the 2025 vision, Revolut is entering the EU mortgage space with an innovative **integrated offering that links savings balances to mortgage accounts.** This allows users to reduce their interest payments in real time by offsetting deposits, while optionally maintaining access and earning interest.[4]

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Bank of America integrated AI and ML within its CashPro platform **to automate and refine corporate cash flow forecasts.** The system learns from each client's historical inflows and outflows, selects the optimal forecasting model, and retrains daily - delivering enhanced multi-bank visibility, scenario analysis, and category-level predictions across cash flow types.[5]

JPMorgan's AI-based Cash Flow Intelligence tool assists corporate clients in **forecasting daily balance positions.** With ML-driven categorization, classification, and pattern detection, the platform has reduced manual effort by nearly 90%, helping treasurers anticipate shortfalls or surpluses and manage deposits proactively.[6]

In 2024, U.S.-based Sunrise Bank introduced a Net Zero Banking program with one component being **net zero (green) deposits.** Customers could assign their deposits to net zero projects to support the reduction of carbon emissions. Soon after the launch, the bank's net zero deposits totaled up to more than $236,000.[7]

An Indian bank named Jana Small Finance Bank, has launched an innovative deposits scheme, offering **capital market instrument-like features** including partial withdrawal without exit load, instant overdraft facility and same-day redemption targeted at retail customers, high-net-worth individuals, and corporates seeking low risk, short-term investments.[8]

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Driving In-house Innovation

Co-creation with Ecosystem Partners

Configured by Customers



ICICI Bank Advantage Women's **Savings Account for financially independent women** in India with a range of exciting offers, shopping benefits, rewards and other features. Customers can earn higher interest by instructing the bank to automatically divert surplus funds (above a specified limit) from their savings account to a fixed deposit.[9]



Family / kids / teen banking is another type of savings product innovation. Most banks in the world offer **savings accounts for minors,** complete with educational tools to teach kids good money management practices. Parents can set up recurring deposits for their children to fund future expenses, for example, college tuition.



Launched in Germany in Feb 2025, N26's premium account offers **Shared Spaces sub-accounts for families or friends** to open together. Each participant can deposit, track progress, and see the shared goal's balance through the app—fully configurable and self-managed by users.[10]



Co-creation with Ecosystem Partners

Banks partnering with ecosystem players to accelerate deposit innovation through shared technology and customer reach.





Banks are increasingly integrating deposit offerings into **super-app ecosystems** by partnering with fintechs and digital-first players. For instance, Cross River Bank teamed up with Coinbase to support dollar deposits for crypto users, while Equitas Small Finance Bank partnered with Setu to offer digital fixed deposits via Google Pay's SPOT platform - enabling users to book, track, and withdraw FDs without opening a bank account.[11, 12]



On the other hand, there are **integrated super-apps** like Union Bank of the Philippines which offers an MSME-focused super app that consolidates deposit and other banking services on a single platform, streamlining access for business customers. The super app brings together the offerings and services from the ecosystem for MSMEs in Philippines.[13]



Raisin is Europe's top **deposits marketplace**, where customers can access and compare high-yield savings accounts and deposits from more than 70 financial institutions.[14]



Deposits have also been touched by the **embedded deposits revolution**, with providers offering deposits on ecommerce sites, social media, and other non-financial platforms. This partnership enables banks to embed their deposit offerings into the partner's broader consumer ecosystem, giving them access to a large, digitally savvy user base.

For example, non-banking financial companies, including Bajaj Finance and Shriram Finance, and Small Finance Banks such as Unity, Suryoday, and Utkarsh are offering **deposit services on popular consumer apps,** such as Tata Neu, Google Pay, Paytm, and Flipkart's Super.money.[15, 16, 17]

ING Bank in certain markets has **embedded deposit offerings** into retail loyalty programs, effectively packaging deposit products alongside lifestyle rewards. For instance, through branded retail loyalty initiatives, customers who accumulate points or maintain balances with partner retailers gain access to enhanced savings rates or bonus returns on deposits.[18]

DBS Treasures, the bank's premium relationship suite, **integrates deposit accounts with curated lifestyle privileges** for affluent clients. The benefits include - Airport pick-up/drop-off, domestic/ international lounge access, dining experiences via partners like EazyDiner, golf game access, and WeWork day passes among other privileges.[19]





Launched early 2025, NatWest's BaaS JV Vodeno (NatWest Boxed) now powers **savings accounts plus personal loans** for The Automobile Association's 14 million UK members marking Boxed's first live white-label deposit service and showing how consumer brands can extend into banking through tech partnerships.[20]

Banks also **integrate cross-border remittances directly into savings accounts,** allowing recipients to instantly receive international transfers as deposits. OFBank has partnered with Visa Direct to allow OFWs abroad to send remittances directly to OFBank Visa debit accounts in the Philippines.[21]

Stripe Treasury offers deposit accounts via a **banking-as-a-service partnership** with Goldman Sachs. Here, Goldman Sachs provides the regulated banking infrastructure, offering deposit accounts through Stripes' platform. This allows businesses to hold, move, and earn interest on funds embedded directly into Stripe's dashboard.[22]



Configured by Customers

Banks empowering customers with self-service tools to personalize their deposit experience.

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U.K.'s Revolut and U.S.-based Chime allow customers to automatically configure micro-deposit **products derived from daily spending activities.** Revolut's "Vaults" feature rounds up transaction values to put away tiny amounts into a deposit account. "Save When You Spend," rounds up Chime customers' debit card purchases into a savings account.[23, 24]

Monzo (U.K.) allows customers to **determine savings goals and track progress** visually. Similarly, HSBC UK's Savings Pots & Round-Up also includes Savings Pots and an automatic round-up feature. Customers can set these up themselves, assigning rules and funds movement without branch intervention.[25, 26]

IndusInd Bank's "INDIE" App offers **hyper-personalized savings management**, allowing users to configure smart nudges, goal-based targets, and select savings rules independently - truly DIY financial control through intuitive self-service tools.[27]

Bankwest's Hero Saver Account via Digital-Only App enables users to **self-configure Hero Saver accounts**, choosing interest-boost conditions (like no withdrawals or balance thresholds) and applying virtual one-time cards. Depositors tailor their savings behavior directly in the app.[28]

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LOTUS Bank provides Mudaraba **savings accounts with term deposits**, enabling customers to configure investment parameters and earn profit-sharing returns. Its ethical finance structure appeals to segments seeking sharia-compliant deposit products.[29]

Banks are reimagining deposit products through laddering tools that **automate maturity management** for better liquidity and returns, empowering savers with more control and flexibility. For example – HSBC Innovation Banking now offers a ladder term deposit while several Indian banks, including SBI, Axis Bank, PNB, and HDFC, implemented tiered short-term FD rates in 2024.[30, 31]

Hatton National Bank's HNB Fitness App uses p**roduct innovation to promote healthy lifestyles.** Customers can configure a daily step goal (example 10,000 steps), and upon achieving them, earn up to 8 percent additional interest.[32]

U.S. Bank's Smartly Savings Account empowers customers to **personalize their savings experience** by setting custom goals, automating transfers, adjusting deposit schedules, and tracking progress, all within the bank's native app.[33]

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Empowering Deposit Innovations through a Next-gen Platform

Innovating a deposit product in so many ways, and even personalizing some innovations at scale, would have been unimaginable just a few years ago. But today, banks have the advantage of implementing deposit solutions that balance modern technology with deep functional richness allowing them to innovate confidently without rebuilding core capabilities from scratch.

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Modern Technology Platform Capabilities



Cloud-native, Cloud neutral and Cloud-enabled to ensure agility and lower TCO



Massive scalability to manage increasing volumes



Component-based architecture to allow progressive upgrades



Configurability, localization and extensibility to adapt to market-specific deposit needs



Harnessing of data for improved pricing, personalization, and retention outcomes



Declarative and RESTful APIs to enable seamless ecosystem integration and open banking readiness



DevOps pipeline to roll out innovations at speed with minimal disruption



Extensive automation for reduced operational effort and lower cost-to-income ratio



Robust security foundation to protect customer trust and ensure regulatory compliance

Deep Functional Richness



Broad-Based Coverage Across All Customer Segments - Banks must support the diverse needs of retail, SME, corporate, and Islamic banking customers through:

- Flexible offerings like savings, term, recurring, and bundled deposits with differentiated pricing models.
- Support on complex mandates, liquidity management, and multi-signatory structures.
- Shariah-compliant products with embedded profit-sharing and compliance mechanisms.



Seamless Application Lifecycle Management - A streamlined journey, from origination to activation:

- Pre-configured and customizable workflows
- Integrated KYC, AML, e-signatures, and document management
- Real-time validations and omnichannel support



Robust Account Management Capabilities - Post-onboarding excellence:

- Full account lifecycle operations
- Dynamic pricing, sweep facilities, and bundling options
- Integrated servicing for mandates, alerts, and instructions



Summary

Deposits, long the backbone of banking, are undergoing their most significant transformation in decades. Innovation is emerging across three key dimensions: in-house, co-creation with ecosystem partners, and through customer configurability, with the goal to integrate deposits with the customers' broader financial journeys. Together, these models help banks stay relevant in customers' digital-first lifestyles - offering convenience, choice, and contextual experiences that strengthen engagement and loyalty.

For banking transformation leaders, these shifts represent more than product refreshes. They are strategic levers to strengthen customer relevance, diversify balance sheet growth, and future-proof against rising competition. Success will hinge on flexible, composable technology foundations, the ability to orchestrate multi-party ecosystems, and a culture of continuous innovation. By selectively adopting the three innovation models, banks can reposition deposits as dynamic growth engines that not only safeguard their role as a core funding source but also unlock new opportunities for customer engagement and long-term value creation.

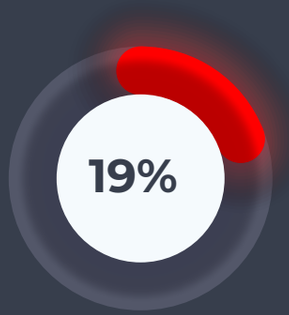
Introducing Finacle Deposits Suite

- A Cloud-native, componentized, and microservices-based deposits and accounts solution
- Offers extensive parameterization, product bundling and reusable business components, to help accelerate innovation
- A multi-segment (Retail, Corporate/SME, Islamic) digital deposit and accounts solution
- Truly multi-entity platform to drive speed to market and agility
- Real-time insights and automation help power hyper-personalized customer engagement.

An assessment of the top 1000 banks globally revealed that institutions powered by Finacle enjoy



reduction in cost of transaction processing



improvement in straight through processing rate – through automation, process optimizations, seamless integration

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