

The Growth Blueprint Podcast

Smarter deposits, stronger relationships: A new approach for banking in 2026

[00:00:07] **Narrator** Welcome to the second series of The Growth Blueprint, a podcast from Simon-Kucher, a global consulting firm with 40 years of experience in helping companies unlock smarter, more sustainable growth. As the world's leading pricing and growth specialist, we work with clients to increase both revenue and profits, helping them turn commercial strategy into measurable results. Throughout this series, we will look at the key trends shaping the future of business. We will cover all major sectors, giving you a panoramic view of what's happening in the market and what you can do to stay ahead.

In today's episode, Jens Baumgarten, Senior Partner, speaks with Rohan Shah, Partner in New York, and Silvio Struebi, Partner in Singapore, about how banks are rethinking deposit management in a changing rate environment. Together, they explore how financial institutions are shifting from chasing volume to managing value, using smarter pricing, simpler products, and better data to build stronger, more loyal client relationships.

[00:01:06] **Jens Baumgarten** Today we are diving into deposit management, not just as a cost issue, but more as a powerful lever for client centric growth, what this topic and what this podcast is actually all about. With me are two of my esteemed colleagues, Rohan Shah, Partner in our New York office in the US, and Silvio Struebi, who is heading our banking practice in APAC, based out of Singapore.

[00:01:29] **Rohan Shah** Rohan here. Thank you so much for having me. Looking forward to the conversation.

[00:01:32] **Silvio Struebi** Silvio here, Jens. Great pleasure to share a few insights about what's going on here in the different markets in the region.

[00:01:40] **Jens Baumgarten** Very glad to have you. So maybe just to jump right into it, Rohan, what's happening in the US? What dynamics are shaping the deposit management landscape over there?

[00:01:49] **Rohan Shah** Let's set the scene for North America, right? We've been stable over the course of the year, and now we're entering a declining rate environment. And that really changes the game. Margins are getting tighter and it's becoming harder to grow deposits. At the same time, we're seeing client expectations are fundamentally changed. Post pandemic, digital habits are now fully baked in. Customers are more informed, they're more mobile, and they're way less tolerant of friction, right? They still care about rate, of course, but increasingly they're looking for simplicity, value, and personalization. And so from a bank's perspective, the strategy is shifting. And let's also not forget about competition. FinTech, neo banks still certainly pushing the envelope here in North America. But what's really interesting is how traditional banks are responding, investing in personalization, tightening or simplifying product design, trying to win on the full relationship and not just on the rate. To summarize, I think the battleground has shifted a little bit. It's now about who understands their client best and uses that behavior to price and design smarter.

[00:02:55] **Jens Baumgarten** Lots of things happening over there in North America for sure. Not a boring time, Rohan. How does that compare to what's going on in Southeast Asia right now?

[00:03:02] **Silvio Struebi** The Southeast Asian markets are rather heterogeneous. Let me maybe focus a bit on Singapore and also Malaysia, right? So over the last few months, the deposit rate have eased as well. We see less generous promotional rates. There we still see quite some competition going on because many banks still have a funding gap and they try to chase maturing balances so that customers then maybe shift the bank, are shopping around and are trying to get a good deal. But generally, I would say that the rate war phase is ending and is also the focus on deepening customer relationships. Digital banks are maybe an exception, but also their advantages, of course, narrowing. And they have to focus even more on convenience and experience, not just rate alone. So I would say moving from price a bit more to proposition and those that are able to offer better value, better engagement. These are the winners, right? Not just those that still try to out pay the rivals. This is a short-term strategy. The key focus really in the market is around wealth, so with affluent or private banking segments of the retail banks, because there you can win higher tickets. And I would say almost every retail bank in the region has a dedicated well strategy to win dies customers.

[00:04:38] **Jens Baumgarten** Super. Thank you, Silvio. In this first set of answers we already covered a lot of different aspects. Let's sort those out a little bit. Let's talk about pricing and product design a little bit. What is different today than it was a couple of years ago? Maybe Rohan, you want to start out again.

[00:04:51] **Rohan Shah** That's a great question, Jens, because this area of product and pricing design is where we're seeing obviously a lot of innovation, but also at the same time a lot of missed opportunity. And let's start maybe with pricing a little bit. Most banks still in North America are paying blanket rates across products. But the leading banks are now saying, wait, hold on. All deposits are not equal. And so they're using now data to segment their base, looking at things like behavioral stability, elasticity, funding value. And then they're setting their rates accordingly. So, for example, you might reward a customer who has long-term loyalty with a targeted offer that actually recognizes that full relationship while designing more compelling acquisition offers for segments that you are trying to penetrate or grow into. And so it's certainly not one size fits all. The phrase I've been using a lot lately is one size fits none. On the product side, a lot of banks we see have accumulated clutter. And so you're seeing 10, 12, 15 deposit products that are actually almost the same, barely differentiated. It creates confusion for clients internally. It's a nightmare to manage between the front book and back book. And what the best players are doing is simplifying, consolidating where needed, designing products that reflect clear client needs. And so the bottom line from my perspective is if your product shelf is a mess, your pricing will be as well. And so the banks that are getting this right are aligning both of them. Clean product design paired with precise targeted pricing.

[00:06:26] **Jens Baumgarten** So it sounds like designing, pricing, but also product for purpose. I think that's a catchy phrase that you just mentioned. Silvio, is Asia even going beyond that?

[00:06:38] **Silvio Struebi** Same over here. First, we get in with a clear idea to optimize pricing. But first thing is almost in every case that we have to clean up a little bit. That's maybe

another area. So how they pay interest so that we can tighten the terms of for example when we see early redemption or breaks of deposits, that we also address that and not, for example, pay the full interest. Then optimizing the volume tiers is also an area that frequently comes up because the constructs they have been maybe built years ago. They have not been actively maintained and managed. And there we typically have quick wins that we can realize relatively fast. And that means actually really fitting the volume tiering and also the tenors to the real client behavior. So that we align that. Then of course, redesigning the shelf. So over here, a lot of the banks have this tiered offers, like across the privilege type of banking, and then you go up to wealth management, like three or four categories. And also here, typically there is a suboptimal structure that we can address, how the pricing is set across these different segments. One area that goes along what Rohan said is when we have so many products, we see a lot of unnecessary cross product cannibalization between the different products that we can address. And this is maybe for customers is easier, is less confusing. But also for the bank to manage and maintain.

[00:08:10] **Jens Baumgarten** So it's definitely not only pricing, but it's really the whole mix, the whole flower bouquet of you have to understand the segments, you have to optimize which products you're pushing and which channels. What I really liked about your answer, what a lot of banks are probably overlooking is the discipline that it takes to make the right decisions, because products are mushrooming. You're never really grandfathering closing a product. You're just basically put another one on top. So it sounds a little bit like banks need to try to do more with less, with a more streamlined product portfolio, but they also have to do more with more in the sense that obviously the discipline requires data, requires insights, requires analytics. And everybody obviously is talking about AI and advanced analytics these days, behavioral data analytics. So I'm just curious how is that playing into what we just discussed, into setting the right rates and making the right decisions on the product shelf.

[00:09:05] **Rohan Shah** Yeah, this is where Jens, it's getting very exciting. And I think we're still at the very early stages of being able to use AI for this use case. It's already moving so rapidly, right? I mean, we're moving in an era now where we are no longer talking about static tables that are updated, maybe quarterly. It's becoming much more dynamic, much more real-time, much more data-driven. AI is enabling banks to analyze very granular client behavior, things like flow of funds, how they are moving their money between the different products or accounts they have at your bank, account activity, channel usage, and really respond in near real time. So instead of reacting after balances walk out the door, banks can now predict which customers are most likely to leave and then adjust rates accordingly. But we're certainly seeing the rise of now personalized pricing or one-to-one pricing. And so if I just look forward to the next 12 months, I see deposit pricing really evolve into an engagement tool. It's not just about managing funding cost or margin, but it's about creating personalized value at scale for every single client that you have at the bank.

[00:10:13] **Jens Baumgarten** Same trend in in Asia?

Silvio Struebi Absolutely. So I mean it's a hot topic, it's a buzzword as well. Everybody likes to talk about it, personalization, but in reality, it sounds maybe simple, but it means actually a whole review of what we usually call the pricing operating model. Because what Rohan just mentioned, to analyze the things, that's one thing. But then how do I get it to the frontline? How can I connect the data? How can I link it with discount requests that come in? How can I be smarter about approvals? One customer, maybe you are a bit more generous because of

the total activity with the bank, and another one a bit less, the analytics capability, etc. So this is usually when we talk about AI. So let's really look front to back. And the first is that we need to be able to really pull the data together. And then this helps us to get a better view for the price sensitivity of the customer. So build the data foundation. That's for me always the first and rather big challenge in many projects. And then it's the analytics piece itself for decisioning. To also here think about how do we analyze, what's the frequency, how do we update, how do we bring in the customer feedback? Because in many cases, a lot of customers are not even aware of this type of rewards that the bank is trying to give them. So we need to loop that in and then have a feedback loop. And what's very important in Asia, maybe also in many other parts of the world, is that we capture the client entity correctly, that we don't just look into one account, so that we try to capture the relationship construct holistically. That means maybe a family, but that means maybe also affiliates and other people the customer is interacting with, because you do not want to give one side of the relationship a different rate than the other. So there must be a certain consistency. Otherwise, and then the last one is really that all these capabilities can reach front of.

[00:12:22] **Jens Baumgarten** So listening to you guys, specifically to what you just said, Silvio, it's kind of a myth that AI can basically solve from one day to the other all your pricing or deposit management topics? What I'm hearing as well from what you just said is that AI can help a lot along those different steps that you just mentioned, from data cleaning, data organization, all the way then obviously to doing the analytics, the calculations and the price deployment, so to say, the rate deployment to the customer. But it's not an easy task. Maybe to start summarizing our discussion up a little bit. We talked about AI, we talked about the importance of pricing, of cleaning the product shelf, understanding segment needs. Is there a cooking recipe what banks can actually do to get from this concept, from these ideas to practical implementation based on your experience in both North America and Asia? What is key when executing that better way of managing deposits?

[00:13:16] **Rohan Shah** This is a really good question because I think this is where things often fall apart. I mean, banks, our clients I see very often get very excited about the vision, one-to-one pricing, smarter products, real-time tools. But the challenge, of course, as Silvio mentioned, is always in execution. And so, how do you actually start? Here's how I would do it. First, run a very quick, what I call a rate leakage audit. You don't need sophisticated analytics. You don't need AI. Just identify which customer segments are receiving premium rates, but aren't contributing to either growth or to loyalty or to product holdings. That alone very often will uncover inefficiencies. Next segment your customer base, use available data, balance trends, tenure, transactional behavior, group clients into a sticky versus mobile, loyal versus opportunistic, very broad segments at this point. Then take a hard look at product shelf. Most banks we work with, we find redundant or overlapping products that confuse customers and cannibalize each other. Rationalizing this will simplify operations, sets you up for pricing very clearly. And then finally, this is something that banks have been doing for a long time, but test and learn. Don't wait for the perfect setup. Pick one product. Try a pilot strategy based on elasticity. Use simple Excel tools if needed, measure the outcome, iterate. And so I think the bottom line is you don't need a full tech overhaul. With clear data, focused pilots, internal alignment, you could really start to see incredible impact in under eight weeks.

[00:14:51] **Silvio Struebi** In the end you can just take maybe a group of customers. And when you do such, let's say targeted campaigns, you can of course attract those new assets. But the learnings you have, what it means for the refinement of models, because many banks

they are rate followers. They just wait and look at each other until the first one is lowering the rate, or the central bank is typically goes first and then everybody is moving. So building your own data to train the models in a way that you get better over time. And then you can prove the impact fast. And then what has also is probably quite helpful, yeah, you start on deposits, but then maybe you can think about bringing this to a different market, thinking about the different products, especially the regional banks in Asia that operate in many different markets, then that's then super helpful, right? Every market and every bank is different. This is something we also need to understand.

[00:15:46] **Jens Baumgarten** Yeah, but each bank, it sounds, can really find their safe spaces, their first initial steps to start to crawl before they walk, before they run. It's a journey, obviously, right?

[00:15:57] **Silvio Struebi** Absolutely. Even rules based just start with rules based if you say, okay, we do not have these modeling capabilities. So that's very clear because also already that it will help you to achieve strategic goals.

[00:16:08] **Jens Baumgarten** Now obviously we talked about the journey that banks need to take, but every journey starts with a first step. And I think a lot of our listeners are probably thinking about what can I do if I want to get starting tomorrow?

[00:16:22] **Rohan Shah** Before I directly answer your question, right? I think one thing I'd love to say is that everything that we spoke about today, and my answer now is it's not just relevant to the larger banks or the banks that have more tech advanced capabilities. It is equally relevant for smaller banks. And everything that we spoke about is something that's very easy to actually implement and execute. And so what is the one thing that I would do tomorrow? I think it's pretty simple. I'll run a very quick, what I call a flow of funds analysis, map where the money is moving very quickly between accounts, between products inside and outside the bank. And very quickly you will see which products are cannibalizing others, which clients are rate sensitive, and who are your truly sticky loyal customers. And then take action. It's actually fairly easy to analyze and it gives you a much more granular behavioral lens on your entire deposits portfolio.

[00:17:18] **Jens Baumgarten** What would be your starting point, Silvio?

[00:17:20] **Silvio Struebi** For me is always looking at the branch and how pricing decisions are done there and trying to tighten that a little bit because there is really the tendency that relationship managers they max out the discount discretion, especially in wealth segments, we see big impact. And it's also a benefit that goes along with it is the reduction of operational costs. Because a lot of these processes they are very time consuming, they're often manual, email-based, etc. So even here, by digitizing this a little bit more and giving the right discretion a bit more, auto-approval potentially can have a big impact.

[00:18:03] **Jens Baumgarten** We could talk about that for many more hours, I guess. But this was really insightful. Thanks a lot for joining us today, Rohan and Silvio, and sharing your views on deposit management. My takeaway is a little bit, this is not about cost management, funding, cost reduction anymore at all. It's really about how to manage deposits and the clients and the segments and the products and the prices, obviously, as well, from a strategic angle to make sure that you're really engaging customers. I think Rohan, you said this very

nicely. It has a lot of different components. It all boils down to better client understanding. And we talked about AI and all the things that can help to achieve that. And then I loved when you said it's all about the execution at the end of the day. With all these ingredients, then I think banks can really achieve better growth in deposit management.

[00:18:50] **Narrator** Thank you for listening. If you enjoyed this episode, please consider leaving a rating or review. For more insights, visit www.simon-kucher.com.