

# Executing retail deposit pricing strategies in a complex banking landscape

## In the U.S., competition for retail deposits is fierce

- Retail deposits are widely considered to be a key source of stable, low-cost funding
- Large incumbent banks are looking to use their scale to capture additional market share
- Both established and upstart neobanks have entered the market and are quickly gaining traction
- A growing number of fintech companies are securing banking charters and even acquiring banks

## Even the most well-conceived deposit strategies are constrained

- The inability to operationalize the strategy in its intended form within inflexible legacy core systems
- The inability to rapidly iterate based on previous results and learnings
- The inability to incent and track customer behavior effectively without extensive manual processes
- The cost and timeframe required to execute is often cost-prohibitive
- Many pricing strategies end up getting watered down considerably or shelved altogether

## Top attributes that influence and predict deposit behavior

Geography

Balance

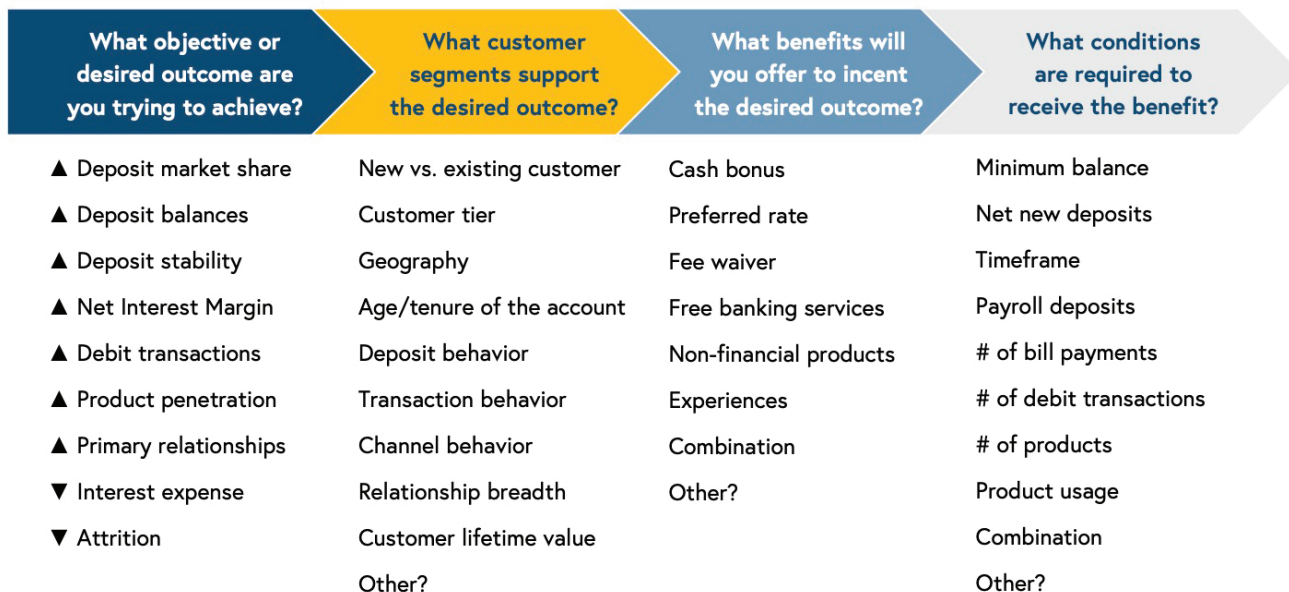
Account age

# of products

Profession

Source: CenterState Bank, Tiering Deposit Accounts Could Be Hurting Banks

## Successful outcomes require a deposit pricing execution framework



## Modern deposit pricing strategies demand agility and flexibility

- Enable a test and learn execution approach driven by business users, not IT
- Spin up new deposit products quickly
- Configure as many product variants as you need to suit the needs and preferences of customer segments
- Create as many price points as are required
- Run multiple deposit strategies and offers simultaneously

### Zafin helps makes it happen

Zafin's deposit pricing execution solution, powered by the Rates & Fees and Offers & Rewards modules within Zafin's product suite, enables a bank's business users to take back control of deposit pricing strategies.

- Drive results through better execution -- deposit growth, Net Interest Margin, etc.
- Utilize both demographic and analytics-driven behavioral segmentation variables
- Tailor product attributes, pricing and offers to the needs of specific segments
- Increase pricing flexibility
- Track behavior and required conditions and assign the correct price automatically
- Reduce interest expense by ensuring each customer receives the correct rate
- Reduce cost and time-to-market for product launches, offers and pricing changes
- Increase pricing transparency and substantiate why a fee or rate was charged
- Offer a range of benefits, including non-financial products and services
- Create multi-product offers across deposits, lending, cards and more
- Price customers holistically based on their entire relationship with the bank

The results our retail deposits clients have realized with advanced pricing execution capabilities speak for themselves.

**25%**  
increase in  
deposit balances

**36%**  
increase in  
fee-based  
product uptake

**\$ millions**  
in Net Interest Income  
each year through  
a combination of a  
better spread and new  
deposits business

## Unlock the power of personalizing offers to microsegments

