

New to Savings? Pick a Plan that Pays Off



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Choosing the right savings option is not just about interest rates—it is about matching your money habits with goals, lifestyle, and income pattern. What works for a student might not suit a new parent or a retiree. Whether you want to open a simple savings account, disciplined Deposit Pension Scheme (DPS), or the dependable returns of a Fixed Deposit (FD), each option differs in terms of nature, flexibility and growth. Before you commit your hard-earned money, it is worth weighing a few key factors—ensuring your savings do not simply sit idle, but grow with purpose.

But, why trust a bank with your savings?
Your liquid assets deserve more than just a hiding spot—they should grow, stay secure, and be ready

when you need them most. Banks offer a variety of secure, structured savings options designed to help your money achieve just that, tailored to your financial situations. Such savings serve as a crucial safety net during unexpected financial burdens like medical emergencies or job loss.

"Bangladesh does not have a strong savings culture, with many people spending their entire bonuses and relying on credit cards; shifting this mindset to treat a portion of earnings and bonuses as extra income for saving can significantly boost financial security," said Md. Rashed Akter, Head of Retail Distribution & Chief Bancassurance Officer, Midland Bank.

Whether it is building an emergency fund, planning for retirement, or working toward long-term goals, saving through a bank helps foster

discipline and consistency. With the added benefits of security, interest earnings, and ease of access, banks provide a trusted environment not just for storing your money—but also for increasing it effectively.

"To grow your savings efficiently, both time and mindset matter. Starting early—like saving BDT 1,000 monthly from age 25 at 11% interest—can grow to over BDT 86 lakh in 40 years, thanks to compound interest. If that same person starts at 30, they miss out on the full potential of compound interest," added Akter from Midland Bank.

What to check before choosing a savings account?
A savings account is the most basic and accessible way to start saving money. Offered by almost all banks, it allows you to deposit and withdraw funds with ease while earning a modest interest on your balance. Ideal for day-to-day banking and emergency funds, these accounts usually come with low or no minimum balance requirements and user-friendly features.

There are a few key factors that customers should consider when selecting a savings account. Firstly, convenience is key, as modern customers value their time and prefer avoiding lengthy forms and in-branch visits.

Mohammad Ali, Managing Director and CEO of Pubali Bank highlighted this trend, saying, "Deposits coming through technological channels

are showing a growth rate of nearly 30–40%, while the overall average remains around 20%."

"Look for a bank that allows fully digital account opening—where you can upload documents and complete the process from home," suggested Al Mamun Ansar, Head of Liability Business, Liability & Wealth Management at EBL.

Next, evaluate the bank's mobile app. Can you perform essential transactions? Does it provide full services, or will you still need to visit a branch for most after-sales support? A good app should offer a seamless, end-to-end experience.

"Also consider the debit card: how widely accepted is it, how reliable the card network is, and does it work smoothly wherever you go, as long as there's money in the account? Ask peers about their experiences," added Ansar from EBL.

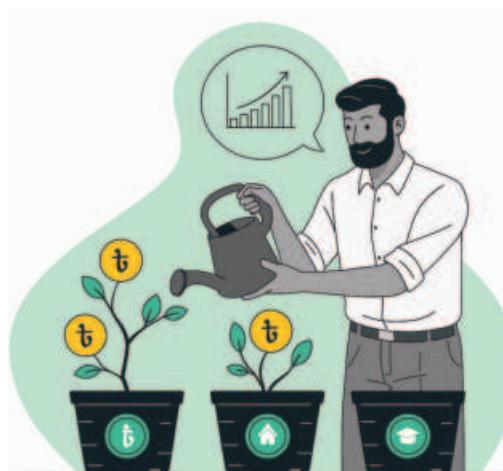
Finally, assess the availability and functionality of ATMs near your home or workplace. While the interest rates may not be as high as other savings options, the flexibility and liquidity of savings accounts make them reliable choices for short-term financial needs and building a habit of saving.

DPS vs FD—which is the smarter pick?
Both Deposit Pension Scheme (DPS) and Fixed Deposit (FD) fall under the broader category of savings schemes, which provide higher returns compared to regular savings accounts. DPS is a monthly savings plan where you deposit a fixed amount each month over a chosen period. In contrast, a FD requires a one-time lump sum investment for a set tenor, usually offering higher interest rates than DPS.

While opening such savings schemes, especially FD or schemes requiring a large amount of deposit, it is crucial to consider the bank's reputation and their liquidity situation before anything. "While interest rate is a key factor, higher returns often come with higher risk. It is wiser to choose a reputable bank. Many are drawn to cooperative banks offering 13–14% rate, but if the money isn't returned, the gain is meaningless," points out Arup Haider, DMD & Head of Retail Banking, City Bank.

Ansar from EBL also draws attention to this point, saying "Return on your deposit is not as important as return of your deposit—what's crucial is getting your money back when needed."

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