



Five Commercial Digital Banking Trends You Aren't Thinking About

GAME-CHANGING TRENDS COMMERCIAL BANKS CAN'T AFFORD TO MISS

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Many commercial banks are refining their digital strategies, yet some of the most promising innovations may lie in trends few are talking about—yet. These developments hold the potential to reshape how banks serve their corporate clients. Here, we look at five emerging trends that can deliver a competitive advantage for forward-thinking institutions:

- 3 Secure SMS and texting** in commercial banking is transforming client engagement with real-time approvals, alerts, and communication.
- 5 Personalized artificial intelligence (AI)** is redefining treasury management and enabling finance teams to operate with greater precision and foresight.
- 7 Banking-as-a-Service (BaaS)** is empowering corporate clients to become financial service providers in their own right, unlocking new revenue opportunities.
- 9 Real-time foreign exchange (FX)** engines are replacing outdated, static rate models to bring much-needed transparency, cost control, and speed to global transactions.
- 11 AI-powered compliance monitoring** is giving commercial banks a new lever for fraud prevention and optimization, including real-time interventions.

Together, these trends signal a move toward more responsive, intelligent, and embedded commercial banking experiences. Institutions that act now will not only enhance client outcomes—they will redefine what it means to be a strategic financial partner in the digital age.



TREND #1

Texting and SMS Banking for Commercial Clients

Retail banks have long recognized the value of SMS banking, a convenient way to access banking services via text messages. From account balance alerts to fraud notifications, texting has become a vital channel for keeping retail customers informed and engaged. Yet commercial banking, traditionally slower to adopt consumer-facing technologies, has lagged behind. This gap presents both a challenge and an opportunity for institutions seeking to better serve corporate clients.

Commercial clients demand immediacy, transparency, and convenience. They are making high-stakes financial decisions in real time and expect their banking partners to offer the tools that support such agility. While commercial banking portals and mobile apps have made strides in usability, there is a growing recognition that text messaging—particularly secure SMS—is a natural evolution in digital communication for the sector.

Forward-thinking commercial banks are already beginning to integrate secure texting into their client engagement strategies. Here are four applications that are both practical and transformative:

In an increasingly digital and mobile-first world, the expectations of commercial banking clients are evolving. Secure SMS solutions offer a powerful yet underutilized channel to meet those expectations—delivering speed, clarity, and convenience without compromising security.

Banks that embrace this shift will not only enhance client satisfaction but also differentiate themselves in a competitive marketplace.”

1. Streamlining Transaction Approvals

In commercial banking, time is money. Waiting for a transaction approval via email or portal log-in can delay payments, impact cash flow, and introduce friction into treasury operations. Secure SMS enables real-time transaction approvals directly from a mobile device. With proper authentication protocols in place, clients can review, approve, or deny payments with speed and confidence. This reduces bottlenecks and strengthens the bank-client relationship through operational responsiveness.

2. Enhancing Fraud Detection and Response

The ability to respond quickly to suspected fraud is critical. A delayed reaction can lead to significant financial loss and reputational damage. Text messaging offers an immediate and highly visible way to alert clients to suspicious activity. Because text messages are typically read within minutes, secure SMS notifications can accelerate the fraud response cycle, enabling clients to confirm or deny transactions almost instantly. This layer of protection not only mitigates risk but also reinforces the bank's commitment to proactive security.

3. Delivering Frictionless Customer Service

Commercial clients often need fast answers to time-sensitive questions. Whether it is confirming wire instructions, requesting a document, or resolving a discrepancy, traditional customer service channels may not meet the demand for speed. By enabling two-way secure texting, banks can provide real-time, personalized support that enhances the overall service experience. Importantly, this communication must be compliant with industry regulations and enterprise-grade encryption standards to ensure data privacy and trust.

4. Laying the Foundation for Future Innovation

Implementing secure texting is not merely about keeping pace with technology. It is about aligning with how clients prefer to communicate and conduct business. The move to SMS-based interactions also sets the stage for future capabilities, including AI-driven text bots for routine inquiries, deeper integration with enterprise resource planning (ERP) systems, and advanced analytics to understand client behavior in real time.

A man with glasses and a woman are looking at a tablet together in a dimly lit office. The man is wearing a light blue shirt and the woman is wearing a green sweater. They are both looking down at the tablet, which the man is holding. The background is dark and out of focus, showing other people in the office.

Questions to Ask Before Implementing SMS Banking

- Does the solution support enterprise-grade encryption?
- How will user authentication be handled?
- Can it integrate with existing portals or ERP systems?
- What is the plan for archiving messages for compliance?
- Will clients need to opt in, and how will that be managed?

TREND #2

Personalized AI for Treasury Management

AI has revolutionized how banks interact with retail customers, offering personalized insights and tailored financial recommendations. However, its transformative potential extends well beyond the consumer realm. In commercial banking, AI is beginning to play a central role in reshaping treasury management.

For commercial clients, treasury management is a complex, dynamic function. Even minor inefficiencies can result in lost opportunity, increased borrowing costs, or diminished yield. AI offers a solution that is both powerful and pragmatic, as seen in the following use cases.

Use Case Example 1: Leveraging Cash Flow Intelligence

Traditional cash flow forecasting relies heavily on historical data and static assumptions. The methods are time-consuming and often fail to account for sudden shifts in market conditions or internal business changes. AI-driven cash flow models, on the other hand, continuously learn from transactional data, seasonality patterns, client behavior, and external signals. These models can identify anomalies and generate forecasts that are not only more accurate but also more adaptive to real-world variables.

For commercial banks, offering this capability within their digital platforms enables clients to make informed treasury decisions in real time. Whether it is planning for payroll, funding major purchases, or ensuring sufficient reserves, AI-based forecasting equips finance leaders with actionable insights at the speed of business.

Use Case Example 2: Optimizing Liquidity Strategies

AI does more than predict—it recommends. By analyzing everything from account balances to interest rate movements, AI tools can suggest optimal ways to allocate excess cash. This might include automated sweeping between

accounts, short-term investment options, or debt reduction strategies. For multinational corporations managing liquidity across currencies and jurisdictions, AI can help navigate complexities such as currency exposure and regulatory requirements.

The result is a treasury operation that is not only more efficient but also more strategically aligned with corporate goals. By leveraging AI to manage liquidity proactively, clients can reduce idle cash, lower borrowing costs, and enhance yield on available funds.

Use Case Example 3: Anticipating Payment Needs and Risks

Treasury teams must manage outgoing payments with precision to ensure that they are made accurately and on time. AI can assist by identifying upcoming payment obligations and highlighting discrepancies or risks. For example, if a payment's timing or size deviates from historical norms, the system can alert the client, enabling faster resolution and fraud mitigation.

Moreover, integrating AI with ERP and banking platforms allows for seamless visibility into the full payment cycle. This integration supports more predictable cash positioning and improves the organization's ability to respond to changing financial conditions.

SECTION SUMMARY

Commercial banks that offer personalized, AI-powered treasury tools position themselves as strategic partners rather than simply transactional service providers. They deliver value not just through products, but through intelligence—helping clients navigate uncertainty, optimize capital, and plan for growth.

How AI Forecasts Cash Flow



TREND #3

Banking-as-a-Service for Corporate Clients

Commercial banks are entering a new era—one in which they do not just serve businesses, but help businesses become financial service providers themselves. Banking-as-a-Service (BaaS) is accelerating this shift by allowing corporate clients to embed banking capabilities directly into their own digital platforms. From custom-branded payments to integrated lending products, forward-thinking banks are enabling companies to offer seamless financial experiences under their own brand.

The BaaS model represents more than just a new delivery channel. It is a structural transformation in how banks add value to commercial clients—turning traditional relationships into platform partnerships.

From Service Consumers to Service Providers

With BaaS, commercial clients can leverage bank-grade infrastructure via APIs to build financial tools into the software, workflows, and user experiences they already manage. These capabilities are modular, scalable, and secure—giving businesses the flexibility to design financial experiences tailored to their customers or employees.

Examples include:

- A retailer embedding branded buy-now-pay-later options at checkout
- A SaaS provider offering invoice financing within its dashboard
- A freight company managing digital wallets and fleet card disbursements for drivers
- A healthcare network providing point-of-care payment plans
- A real estate platform enabling secure escrow and disbursement services

This approach creates new revenue opportunities, deeper engagement, and streamlined operations for corporate clients—while allowing banks to expand their reach and remain central to the transaction.

Invisible Banking: Enhancing the User Experience

A natural extension of BaaS is invisible banking—a concept whereby financial interactions are embedded so intuitively into digital workflows that the user is barely aware they are engaging with a bank. This does not replace BaaS, but rather refines how it is experienced.

Powered by artificial intelligence, natural language processing, and voice or contextual interfaces, invisible banking focuses on minimizing friction. It brings financial capabilities to the user, rather than requiring the user to navigate to a financial interface. For commercial clients, this means delivering even more seamless and intuitive services to end-users—whether they are consumers, employees, or vendors.

SECTION SUMMARY

The role of the commercial bank is evolving from provider to enabler. Those that build BaaS capabilities and support invisible banking experiences can lock in long-term relationships, access new customer segments, and become embedded within their clients' core operations.

This shift is not about replacing traditional banking—it is about augmenting it in ways that meet the demands of a digital, fast-moving economy. Banks that embrace this shift will not only deliver greater value to their commercial clients but will also position themselves as indispensable partners in their digital transformation journeys.

Comparing the User Journey

	TRADITIONAL DIGITAL BANKING	INVISIBLE BANKING
1	Log in to a separate banking portal	Remain in the primary app or workflow
2	Navigate through menus to find services	Receive a context aware prompt (chat, voice, etc.)
3	Complete the transaction in the portal	Execute the transaction instantly in context

TREND #4

Real-Time Foreign Exchange Engines for Cross-Border B2B Payments

For commercial banks serving globally-connected businesses, the demand for real-time, cost-effective, and transparent cross-border payments has never been greater. One of the most impactful innovations transforming this space is the integration of real-time FX engines into B2B payment workflows. These solutions are enabling banks to move beyond static FX rates and toward dynamic pricing models that can automatically execute transactions at the most favorable rates—delivering greater value to corporate clients while improving operational efficiency.

The Problem with Static FX Rates

Historically, many banks have relied on static FX rates for cross-border payments. These rates are often fixed at the beginning of the day or updated at set intervals. While simple to manage, static rates pose significant challenges in today's fast-paced, volatile currency markets. The time lag between a payment's initiation and its settlement can lead to discrepancies in the actual cost, exposing both the bank and its client to currency risk. Inconsistent or opaque pricing models also erode trust and make it difficult for treasury teams to forecast costs with precision.

Enter Real-Time FX Engines

Modern FX engines offer a smarter approach. These systems connect directly to liquidity providers and continuously monitor the currency markets. When a payment is initiated, the engine automatically identifies and executes the transaction at the most competitive available rate. This real-time pricing mechanism eliminates the spread-related ambiguity of static FX and ensures that clients receive the best value at the point of execution.

From a customer experience perspective, this marks a significant shift. Businesses can view actual FX rates at the time of transaction, improving cost transparency and allowing for more accurate budgeting and reconciliation. For banks, offering real-time FX capabilities enhances competitiveness and provides a clear differentiator in a crowded payments landscape.

Reducing Currency Risk and Unlocking Operational Benefits

Real-time FX execution is not just about pricing. It also plays a critical role in mitigating currency risk. By locking in rates at the moment of transaction, businesses avoid the unpredictability of currency fluctuations that can occur even over short periods. This is particularly valuable for industries with high-volume or high-value cross-border transactions, where even minor rate shifts can translate to significant financial impact.

Furthermore, integrating real-time FX into a bank's payment platform can streamline internal operations. Automated rate sourcing, execution, and reconciliation reduce the need for manual intervention, improving speed and accuracy while lowering the risk of errors.

Preparing for the ISO 20022 Shift

The push for modernized cross-border payments is being reinforced by both regulatory mandates and evolving messaging standards—most notably ISO 20022. As SWIFT continues its migration from traditional messages to the ISO 20022 format, banks must upgrade their payment infrastructure to support richer, more structured data. This enhanced data quality is especially beneficial for technologies like real-time FX engines, which depend on timely and detailed information. Banks that adopt ISO 20022 alongside advanced capabilities such as real-time FX will be better positioned to offer seamless, transparent, and compliant payment services.

SECTION SUMMARY

The move to real-time FX is not just a technological upgrade: it is a strategic imperative for banks looking to meet the evolving expectations of global business clients. By delivering dynamic, transparent, and efficient FX execution, commercial banks can enhance their value proposition and solidify their role as trusted partners in international commerce. The future of cross-border B2B payments is not fixed—it is real-time.

Static FX Rates



Fixed Rate



Lag Risk



Opaque Pricing

Real-time FX Engines



Streaming Rate



Instant Lock-in



Transparent Pricing

TREND #5

AI-Powered Compliance Monitoring for Commercial Payments

Commercial banks are under mounting pressure to detect and prevent fraudulent activities and compliance breaches in real-time. Traditional compliance methods, though effective in some respects, often rely on retrospective reviews. The processes are time-consuming, resource-intensive, and reactive by design. As transaction volumes surge and payment types diversify, the limitations of conventional compliance frameworks become more pronounced.

AI is emerging as a transformative force in compliance monitoring. Instead of combing through vast datasets after transactions have occurred, AI-powered systems enable real-time surveillance of commercial payments. This shift allows banks to identify suspicious behavior as it unfolds, offering significant advantages in both fraud prevention and regulatory compliance.

Real-time Compliance

AI-driven compliance tools leverage machine learning and advanced analytics to continuously scan transactions across multiple channels, including wire, ACH, and real-time payments. These systems do more than look for known patterns; they learn from historical data to identify novel behaviors that may indicate fraudulent or non-compliant activity.

For example, if a series of high-value transactions suddenly occurs outside a client's normal geographic or industry profile, the AI system can flag these in real time for further investigation. Similarly, AI can recognize subtle patterns indicative of money laundering or sanctions violations that traditional systems would likely miss.

Importantly, AI models improve over time. With every flagged case and resolution, the system refines its understanding of what constitutes suspicious activity. This iterative learning process leads to greater accuracy, fewer false positives, and more effective risk mitigation.

Operational and Strategic Benefits

Real-time, AI-powered compliance monitoring offers multiple advantages:

- **Proactive intervention.** By detecting suspicious activity as it happens, banks can freeze transactions or escalate investigations before funds leave the institution.
- **Increased productivity.** AI significantly reduces the manual workload on compliance teams, allowing them to focus on high-risk cases rather than sifting through low-value alerts.
- **Enhanced auditability.** Modern AI systems are built with explainability in mind, offering clear rationales for why certain transactions are flagged—an important feature for internal audits and regulatory examinations.

SECTION SUMMARY

As regulatory expectations evolve and financial crimes grow more sophisticated, banks that continue to rely solely on traditional compliance models risk falling behind. AI-powered transaction monitoring is no longer a futuristic concept—it is a strategic imperative.

By investing in intelligent, real-time compliance tools, commercial banks can not only reduce risk and lower costs but also strengthen their standing with regulators and clients alike.

How AI Learns Over Time



1

**Analyzes
flagged cases**
to determine
which were true
positives vs. false
alarms



2

**Refines
detection
models** using
outcomes from
investigations and
analyst feedback



3

**Reduces false
positives** by
adjusting for
context, behavior,
and evolving risk
profiles



4

**Adapts to new
threats** by
incorporating
fresh data and
emerging fraud
typologies



5

**Continuously
improves
accuracy** without
needing manual
rule updates

The more the system is used, the smarter—and more efficient—it becomes.



CONCLUSION

The Opportunity Is Clear. The Time Is Now.

As commercial banks assess their next strategic moves, each of the five trends outlined offers a clear path to differentiation and deeper client engagement. Secure SMS and texting enables communication and action in real-time. Personalized artificial intelligence introduces a new standard in treasury precision. Banking-as-a-Service redefines the role of the commercial bank, turning institutions into enablers of innovation for their corporate clients. Real-time FX engines address long-standing pain points in cross-border payments. And AI-powered compliance monitoring enhances not only risk management, but also operational agility and regulatory confidence.

Each of these capabilities contributes to a more intelligent, streamlined, and client-centric banking experience. Commercial banks that choose to invest in these innovations will position themselves not merely as service providers for corporate clients, but as strategic advisors with the tools and foresight to meet the complex demands of the modern enterprise.

The opportunity is clear—and the window for leadership is now.

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