

# The Liquidity Inflection Point

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How AI-powered deposit onboarding will dissolve the stickiness of the commercial operating account — and what banks must do now to play offense before they are forced to play defense.

**Topic**

Deposit Onboarding &  
Commercial Liquidity

**Audience**

Community & Regional  
Bank Leadership

**Classification**

Confidential

## EXECUTIVE SUMMARY

*"For decades, the non-interest-bearing commercial checking account has been the most quietly powerful asset on a bank's balance sheet. That is about to change."*

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Banks have long counted on friction — the burden of switching, the complexity of re-routing payroll, the pain of re-doing KYC — to keep commercial operating accounts in place. That friction is not a product advantage. It is a process tax. And AI is eliminating it.

Within three to five years, moving a commercial operating account from one institution to another will become nearly as effortless as updating a billing address. When that happens, the \$3.9 trillion in non-interest-bearing deposits sitting on U.S. bank balance sheets will no longer be protected by inertia. It will need to be earned — and re-earned — continuously.

This paper examines the forces driving that shift, why loans remain the anchor of the commercial relationship, and the five strategic moves banks must make now to win in a world of frictionless commercial liquidity.

# The Stickiness Illusion

Why commercial deposits feel safe — and why that feeling is misleading.

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## What Non-Interest-Bearing Deposits Are Really Worth

Non-interest-bearing deposits (NIBDs) are among the lowest-cost funding instruments available to any bank. Unlike CDs or money market accounts, commercial operating account balances carry zero interest expense. They fund loans, support net interest margin, and provide the daily float that underpins a bank's liquidity position.

For community and regional banks, a single well-run commercial relationship — a contractor, a medical practice, a regional distributor — might carry \$500,000 to \$2 million in operating account balances that cost the bank essentially nothing to hold. Multiply that across a portfolio and the funding advantage is structurally embedded in earnings.

<p><b>\$3.9T</b></p> <p>NON-INTEREST-BEARING DEPOSITS AT U.S. FDIC-INSURED BANKS (Q2 2025)</p>	<p><b>70%</b></p> <p>OF BANKS STILL TAKE UP TO 120 DAYS TO FULLY ONBOARD A COMMERCIAL CLIENT</p>	<p><b>40%</b></p> <p>COST REDUCTION IN COMMERCIAL CLIENT VERIFICATION VIA AI-DRIVEN ONBOARDING</p>
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## The Source of Stickiness — and Its Fragility

The commercial operating account is sticky for one core reason: switching is painful. Re-routing ACH payroll. Notifying vendors. Updating ERP integrations. Waiting for the new account to clear KYC. The friction is real, and it has historically acted as a moat.

But that moat was never earned. It was inherited — by default — through the path of least resistance. Banks did not win the deposit. They kept it because the customer had better things to do than move it.

*"The stickiness of the commercial operating account was never a product advantage. It was a process tax. And AI is about to refund it — to the customer."*

That distinction matters enormously now, because AI is eliminating the path-of-least-resistance moat and replacing it with nothing — unless

banks deliberately build something better in its place.

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## PART TWO

# The Inflection — What AI Actually Changes

Frictionless onboarding is not a feature upgrade. It is a restructuring of competitive advantage.

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## Onboarding Friction Is Collapsing

AI-powered onboarding platforms are compressing what was once a weeks-long process into minutes. Automated KYC and AML checks, AI-driven document verification, real-time risk profiling, and API-based account activation are collectively moving commercial onboarding from a human-supervised workflow into a near-instant digital event.

The next frontier is not just faster onboarding — it is full account portability. The ability for a business to move its operating account, along with its payment rails, vendor relationships, and ERP integrations, to a new institution with minimal manual intervention. API-first infrastructure, bank statement automation, and instant decisioning engines are already the building blocks of that world.

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**The Portability Timeline:** Industry consensus places meaningful commercial account portability somewhere between one and five years out. Early movers will capture disproportionate share. Late movers will find themselves playing defense — but will still need the tools to play it.

## **The Loan Still Wins the Deposit — For Now**

Here is what data and practitioners consistently confirm: businesses move their operating account because of the loan. The covenant structure of a commercial loan typically requires the borrower to maintain their primary operating account at the lending institution. The deposit follows the credit. It has always been this way.

This dynamic will persist — but it will become a narrower advantage. Banks that rely solely on the loan covenant to retain operating deposits, without investing in the product experience around that account, will find attrition accelerating the moment a loan matures or refinances elsewhere. The loan is necessary. It is no longer sufficient.

## **A New Equilibrium: Interest on Operating Accounts**

In a world where moving a commercial operating account carries near-zero friction, the logical endpoint is that banks will begin paying interest on commercial operating balances. Today this sounds radical. In five years it may be table stakes in certain markets and segments.

The banks positioned to offer this without margin destruction are those

with lower cost structures, better technology-driven efficiency ratios, and operating models built for the new environment. The efficiency ratio is no longer just an internal metric — it is a competitive weapon in the deposit market.

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**PART THREE**

# Five Strategic Moves for the Frictionless Era

There is offense and there is defense. Early movers win the former. Prepared banks survive the latter.

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The banks that emerge strongest from this transition will not be the largest — they will be the most deliberate. The following five moves define the proactive posture.

**MOVE 01**

## Deploy AI-Powered Onboarding Now — Before You Need It

The banks that build frictionless onboarding infrastructure today will be the ones attracting deposits when portability arrives at scale. Onboarding speed is already a

**MOVE 02**

## Win Loans to Win Deposits — and Make That Equation Explicit

The loan-deposit linkage remains the most durable anchor in commercial banking. Double down on industry and vertical expertise — healthcare, construction,

differentiator. Within two years, it will be a minimum requirement. Invest in automated KYC, real-time decisioning, and digital account activation before the competitive window closes.

agriculture, professional services — where deep underwriting knowledge creates loan deals that competitors cannot match. The deposit follows. Make this strategy explicit in your go-to-market.

#### MOVE 03

### Go Deep on Vertical SaaS and ERP Integration

Banks that build deep API integrations into the software their commercial clients already use — QuickBooks, Sage, industry-specific ERP platforms — embed themselves into daily workflows in ways that transcend the account itself. Integration is the new switching cost. Build it deliberately.

#### MOVE 04

### Use AI to Manage Operating Account Liquidity in Real Time

AI enables entirely new deposit products: real-time cash flow analysis, intelligent sweep structures, predictive liquidity alerts, and yield optimization on operating balances. Banks that offer this intelligence around the operating account create genuine value that compensates for — and often displaces — rate competition.

#### MOVE 05

### Reduce Your Efficiency Ratio — It Is Now a Deposit Strategy

In a world of frictionless deposit movement, the banks that can afford to pay more for operating account balances — or charge less for the services wrapped around them — will win relationships at the margin. A lower cost structure is not just a financial metric. It is a

competitive posture. Banks with AI-driven operations are tracking toward efficiency ratio improvements of up to 14 percentage points versus peers. That gap will determine who can afford to compete for deposits on value, rather than on inertia alone.

## CONCLUSION

# The Window Is Open. It Will Not Stay That Way.

The non-interest-bearing commercial operating account is not going away. The business of commercial banking is not going away. What is going away is the passive advantage of friction — the assumption that your deposit base will remain where it is simply because moving it is hard.

Banks that understand this shift and act now — by building frictionless onboarding, deepening loan and vertical expertise, integrating into the software layer of their clients' businesses, and deploying AI to add real intelligence around the operating account — will have built a defensible deposit franchise grounded in value, not inertia.

The banks that wait will still be able to play defense. But they will be playing it under pressure, in a market that has already moved.

*"The early adopters will be the winners. The world*

*will normalize. And then you'll need the tool just to stay in the game."*

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