

From fragmentation to flow: What FIs need next

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As finance becomes more connected and fragmented, super-connector banks help financial institution (FI) clients operate securely and at scale across networks.

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Finance is entering a paradoxical moment. It has never been more networked – and it has never risked becoming more fragmented. New payment rails, digital assets, tokenised deposits, AI agents, identity frameworks and data-sharing standards are connecting more participants, platforms and flows than ever before. Yet each new network also introduces another point of separation: another standard, another rail, another ecosystem, and another layer for clients to navigate.

That paradox is not new to banking. Every major reinvention of the industry has been powered by networks. Correspondent banking connected countries; payment card networks connected consumers and merchants; SWIFT connected banks. Each innovation expanded the financial system by creating a new way for value to move. But today's shift is different in scale and complexity. Instead of one dominant network reshaping finance, many networks are emerging at once – each solving a specific problem but collectively creating a more difficult one: how to make them work together.

As financial innovation is supercharged by digitisation, multiple new rails, asset forms, identity frameworks, data standards and AI-enabled workflows are competing to become the default layer through which value will flow. Individually, they promise faster, smarter and more programmable finance. Together, they raise a more important question: who will connect them into a coherent experience for clients?

For organisations, the problem is no longer whether finance can move faster. It is whether a growing number of faster networks can work together without adding complexity, risk and friction.

From digitisation to coordination

For much of the past decade, banking has focused on digitisation: modernising infrastructure, moving to the cloud, opening APIs, experimenting with distributed ledgers and embedding AI into client journeys. Those investments have made individual parts of finance faster, smarter and more programmable.

But the next challenge is different. Digitisation improves the parts; coordination determines whether they work together. A cross-border transaction today may touch multiple payment rails, sanctions screening, liquidity optimisation, digital identity verification, trade documentation and AI-driven decisioning. Each component can be improved independently, yet the client can still experience delays, duplication and uncertainty when the system does not operate as one.

This is why the next phase of banking will not be defined by speed alone, but by orchestration. Faster payments do not automatically mean faster reconciliation. An AI agent can recommend an action

instantly while still depending on data scattered across disconnected systems. A tokenised asset can settle in minutes while the surrounding legal, compliance and liquidity processes remain fragmented.

Organisations are already feeling this gap. Standard Chartered's Future of Trade (2025) research found that close to 60 per cent of corporates now cite a lack of interoperability as the main barrier slowing trade digitalisation, ahead of regulatory friction. Around 80 per cent are already turning to third-party partners to bridge that gap, and 80 per cent say they look to their banking partners for advisory support as they navigate the transition.

This is why banking needs super-connectors: institutions trusted not just to participate in networks, but to make many networks work together for clients.

The super-connector moment

This is not simply an infrastructure challenge. It is a strategic one. As finance becomes a network of networks, no single institution will own every rail, ledger, platform, data environment or AI layer that clients depend on. Competitive advantage will increasingly sit with those able to connect across them – safely, consistently and at scale.

That creates a different kind of role for financial institutions. The most valuable players will not only be those with the largest networks, but those trusted to make many networks usable together: across payments and liquidity, traditional finance and digital assets, regulators and innovators, AI-driven insight and real-world execution.

A super-connector bank is not simply a bank with a large network. It is an institution that reduces complexity for clients by turning fragmented infrastructure – across banks, markets, platforms, regulators, data environments and clients – into coherent outcomes.

Clients rarely care which rail carries a transaction or which engine runs a compliance check. They care that money arrives on time, documentation follows seamlessly, risk stays controlled, and decisions happen without unnecessary friction.

Bain made a similar argument in trade finance as early as 2018, describing the need for trusted “super-connectors” to act as bridges among networks. What was then a trade finance forecast is now becoming a broader requirement as payments, trade, digital assets, securities, and AI-enabled banking increasingly depend on interoperability between ecosystems.

The implication is clear: the competitive edge will not sit in owning every layer of infrastructure. It will sit in solving the points of friction that prevent infrastructure from working together.

Turning industry-level friction into client value

Clients don't experience “interoperability.” They experience the value it releases. That value appears when banks help solve industry-level bottlenecks, not just optimise their own processes.

The model becomes tangible in four areas where fragmentation is already visible:

When banking works better, clients do too

The same pattern holds at the level of an entire client relationship, not just a single transaction. Imagine a corporate treasurer executing a cross-border acquisition: funding sourced across markets, FX optimised, compliance checks running continuously, digital documentation moving with the transaction and settlement occurring across both conventional and tokenised rails. The client does not want to

manage the seams between those systems. They want certainty, speed and control.

That is where the opportunity now sits for banks. Institutions that remove friction between ecosystems create value beyond any single product: shorter execution times, greater resilience, lower operational complexity and the ability for new capabilities to plug into trusted infrastructure rather than replace it.

The client experiences simplicity because complexity has been orchestrated on their behalf. Governance, resilience and interoperability together give banks the right to be trusted with that orchestration.

Trust, resilience and interoperability: the new edge

As tokenisation, agentic AI and instant rails mature, the technologies themselves will become more widely available. The harder advantage will be institutional: the ability to hold the connective layer together safely, consistently and across jurisdictions and counterparties.

The banks that shape tomorrow will not only serve clients; they will help the industry connect and work better across many networks. In a world where coordination is becoming more valuable than innovation alone, that may prove to be banking's most enduring competitive advantage.

Five priorities for FIs in a networked financial system

- **Compete for the standard, not the platform:** Interoperability will determine how tokenised assets, digital identity, data-sharing frameworks and AI-enabled workflows scale. FIs should be active in the forums, partnerships and industry initiatives where those standards are taking shape, not only responding once they are set.
- **Lead with advisory before architecture:** Clients do not want another rail or platform to manage. They need help navigating fragmentation, sequencing decisions and understanding what is ready to scale. Valuable institutions will show up as trusted guides before they show up as product providers.
- **Start with specific points of friction:** The super-connector opportunity does not need to begin with an enterprise-wide transformation programme. It can start with one corridor, one client segment, one trade flow or one high-friction process where better coordination creates visible value. Prove the model narrowly, then scale it deliberately.
- **Compete on orchestration, not ownership:** In a networked financial system, no institution will own every rail, ledger, platform or data environment. Advantage will come from helping clients move safely and efficiently across ecosystems – connecting what others have built, while applying the governance, risk controls and resilience clients expect from banks.
- **Build the trust layer now – before technology forces the question:** As new technologies become more widely available, trust will become the harder advantage to replicate. FIs should invest now in the governance, controls, partnerships and operating resilience needed to hold increasingly complex financial networks together under real-world conditions.

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