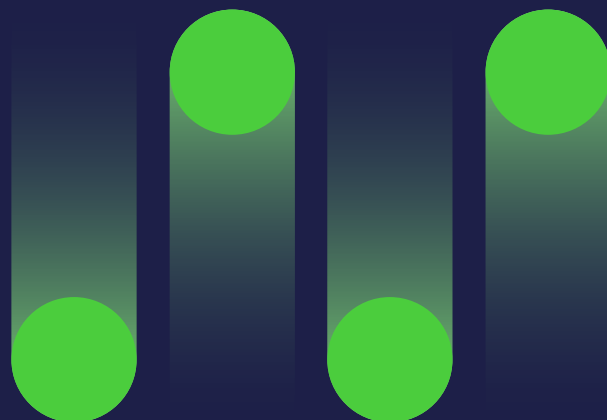




White paper

The infrastructure premium

Unlock a scalable, investable supply chain finance network

Executive summary

The constraint has moved. Historically, supply chain finance (SCF) has been treated as a product – a way to pay suppliers earlier or to extend buyer payment terms. That framing no longer describes where the value or the competition sits now. As global trade reorganizes and open-account commerce becomes the default, SCF is evolving into something larger: the digital infrastructure through which working capital is created, verified, funded and increasingly distributed to outside investors.

That shift changes the binding constraint on growth. Demand is not the problem, as the Asian Development Bank still measures roughly \$2.5 trillion of unmet trade finance demand each year, about a tenth of all global trade. Nor, increasingly, is capital, as institutional investors begin to treat trade and supply chain receivables as its own asset class. The barriers that remain are operational, not financial, and a direct consequence of the nature of the asset class itself. Vast numbers of invoices are being managed across thousands of counterparties, many countries and currencies, in exposures that are short-dated and revolving. The entire book must be originated, verified,

funded and serviced anew with every turn. In short, the constraint has moved from the product and balance sheet to the underlying infrastructure.

SCF is one of the principal channels through which liquidity flows from large, well-capitalized institutions to the small and mid-sized businesses in every supply chain's long tail. The speed and reach of that flow feeds directly into investment, employment and economic growth. Making the channel work at scale is, in a very real sense, macroeconomic plumbing.

This paper argues that the next era of SCF is likely to be defined less by who offers the most competitive financing and more by who can operate the entire flow of origination, funding, servicing, distribution (and the data that connects them) as a single, integrated system. Institutions that continue to assemble that flow from disconnected point solutions may pay a quiet but compounding "fragmentation tax" in cost, risk and forgone growth. Those that treat infrastructure as a strategic asset are likely to be better able to scale, to earn the trust that unlocks institutional capital, and to turn their transaction data into a durable advantage.

\$2.5tn

Estimated annual unmet trade finance demand — about 10% of global trade (ADB, 2025)

~\$33tn

Global merchandise trade in 2024: the base that SCF serves (UNCTAD)

>\$1.8tn

Outstanding payables / reverse-factoring finance volumes (industry estimates, 2025)

From product to network: the changing shape of SCF

The structural backdrop to SCF is the long migration of global commerce from documentary trade toward open account. Letters of credit and documentary collections still matter in specific corridors and sectors, but the center of gravity in B2B trade has shifted decisively to open-account terms. SCF has become the primary mechanism for managing the working-capital consequences of that shift. SCF is no longer a niche treasury instrument; it's becoming core financial infrastructure for trade.

That evolution matters far beyond banking. Global supply chains are, in effect, the world's largest credit system, and SCF is the channel through which liquidity flows from large, well-capitalized institutions to the small and mid-sized suppliers that populate every chain's long tail. When the channel works it can stimulate growth; suppliers can be paid in days rather than months, working capital turns faster across entire trading networks, and the effect compounds into investment, employment and growth in the real economy. When it does not, the cost lands hardest on the smallest firms: SMEs account for a disproportionate share of rejected applications within the \$2.5 trillion trade finance gap. Widening this channel is therefore not merely a commercial

opportunity – it's one of the more direct levers available for global economic growth.

Banks' own ambitions reflect this. The FIS® Supply Chain Finance Benchmark Report 2026 shows SCF asset growth remaining solid, with a clear majority of participants expecting further acceleration. Reverse factoring, also known as payables finance, continues to be seen as the leading growth opportunity, followed by invoice discounting and factoring. Institutions are not merely defending existing programs; they are broadening their product ambitions across the receivables and payables spectrum.

As programs scale and connect more counterparties, the unit of competition shifts. It's no longer the individual financing product that differentiates a provider, but the network it sits within and the data flowing through it – the buyers, suppliers, funders, insurers and ERP systems a program can connect, and the quality of information that connection produces. In a network business, advantage accrues to whoever can connect the most participants with the least friction and the most trust. That is a very different game from competing on price or product features alone.

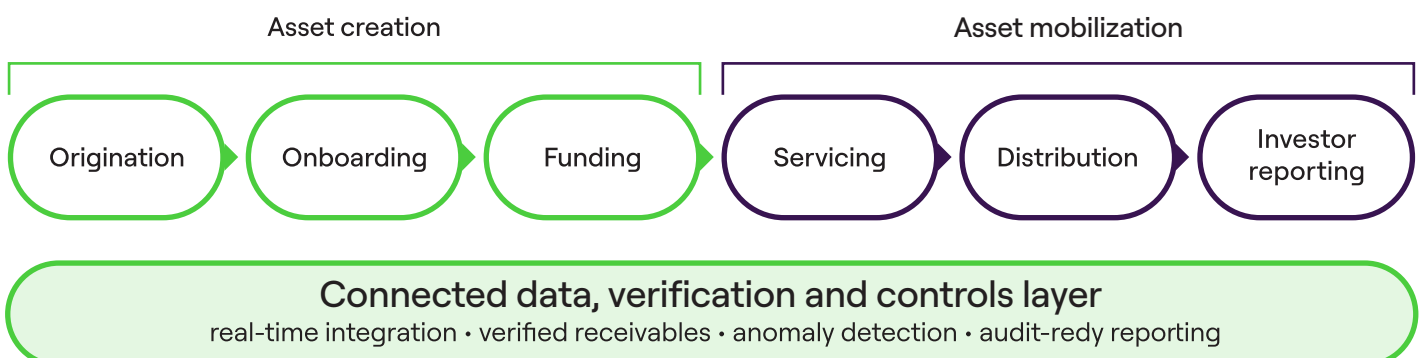


Figure 1 – SCF as a connected flow. Value is created upstream (origination to funding) and mobilized downstream (servicing to investor reporting); both depend on a single connected data and controls layer.

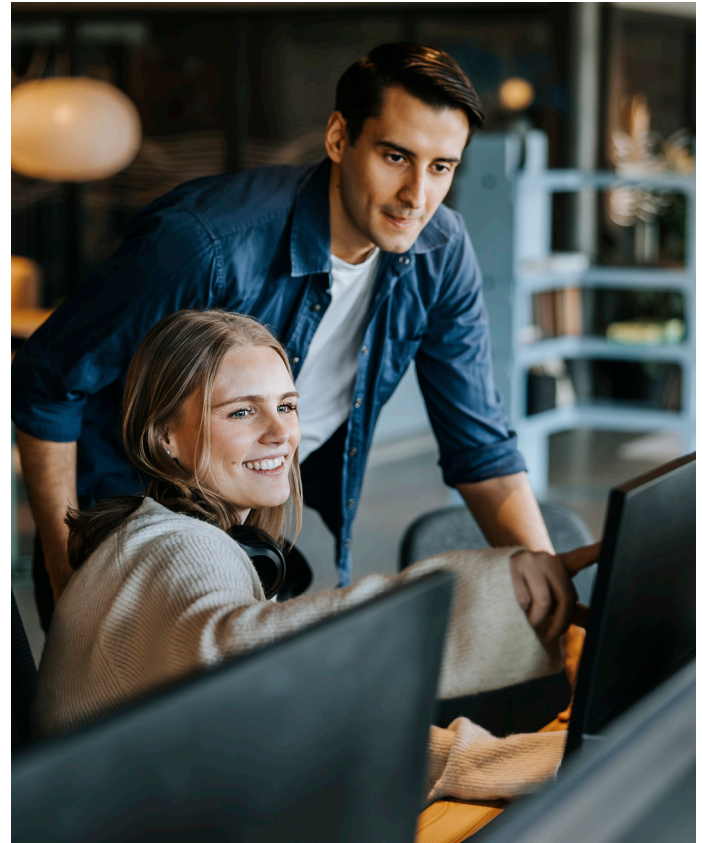
The fragmentation tax: why the barriers are operational, not financial

If demand is abundant and capital increasingly available, why does SCF growth so often stall? The honest reason rarely has to do with strategy or finance; it's the operating model. Growth runs into three forms of friction, and all are infrastructural.

The first is the sheer physics of the asset class. An SCF book is not a handful of large, long-dated loans; it's an enormous number of small invoices spread across thousands of buyers and suppliers, many countries and multiple currencies, with each exposure short-dated and revolving, so the portfolio turns over continuously and must be re-originated, re-verified and re-funded with every cycle. The economics follow directly: a program's growth is set less by its headline margin than by the marginal cost of adding the next counterparty and servicing the next invoice. Where that work is manual, each turn of the book carries a cost that may quietly cap how far a program can practically scale, long before capital or risk appetite ever bind.

The second is heterogeneity – the operational complexity of receivables finance itself. Unlike a single buyer-led payables program, receivables finance involves debtor diversity, multiple jurisdictions and currencies, inconsistent data formats and limited operational reporting. Internal risk appetite compounds the problem, constraining expansion into buyers of lower credit quality. These are not reasons to avoid the business but they are reasons it cannot simply be run on spreadsheets and email.

The third source of friction is fragmentation in the technology estate. Banks adopt technology along no single path: some retain in-house platforms, some move to third-party SaaS, and many run hybrids. Fragmentation is not in itself a failure, but stitching point solutions together creates hidden costs. Data is re-keyed between systems, reconciliation breaks, controls are inconsistent, and no one holds a single view of a program end-to-end. This is the fragmentation tax: a compounding drag on cost-to-serve, on risk and ultimately on growth, paid quietly every day a program runs on disconnected parts.



The strategic implication is straightforward. The institutions that scale fastest will not necessarily be those with the most aggressive risk appetite or the keenest pricing, but likely those that have removed the friction and can originate, fund, service and report across a program as one connected system, rather than a relay of handoffs.

It helps to see the escape route as a maturity progression. Most institutions can locate themselves on a progression curve that runs from fragmented and manual, to a genuinely connected network that is ready for multiple funders and outside investors (Figure 2). The value of the curve is that each step up does more than cut cost; it raises the ceiling on scale, tightens operational control, and critically, makes a program's assets more investable to third parties. Movement up the curve is not about an IT upgrade; it's about changing the size of the business a given team can run.

8-16 weeks vs.
12-18 months

Typical deployment time for cloud-native vs. legacy on-premise SCF program. The gap is one measure of the time cost of fragmentation. (Industry estimates, 2025)

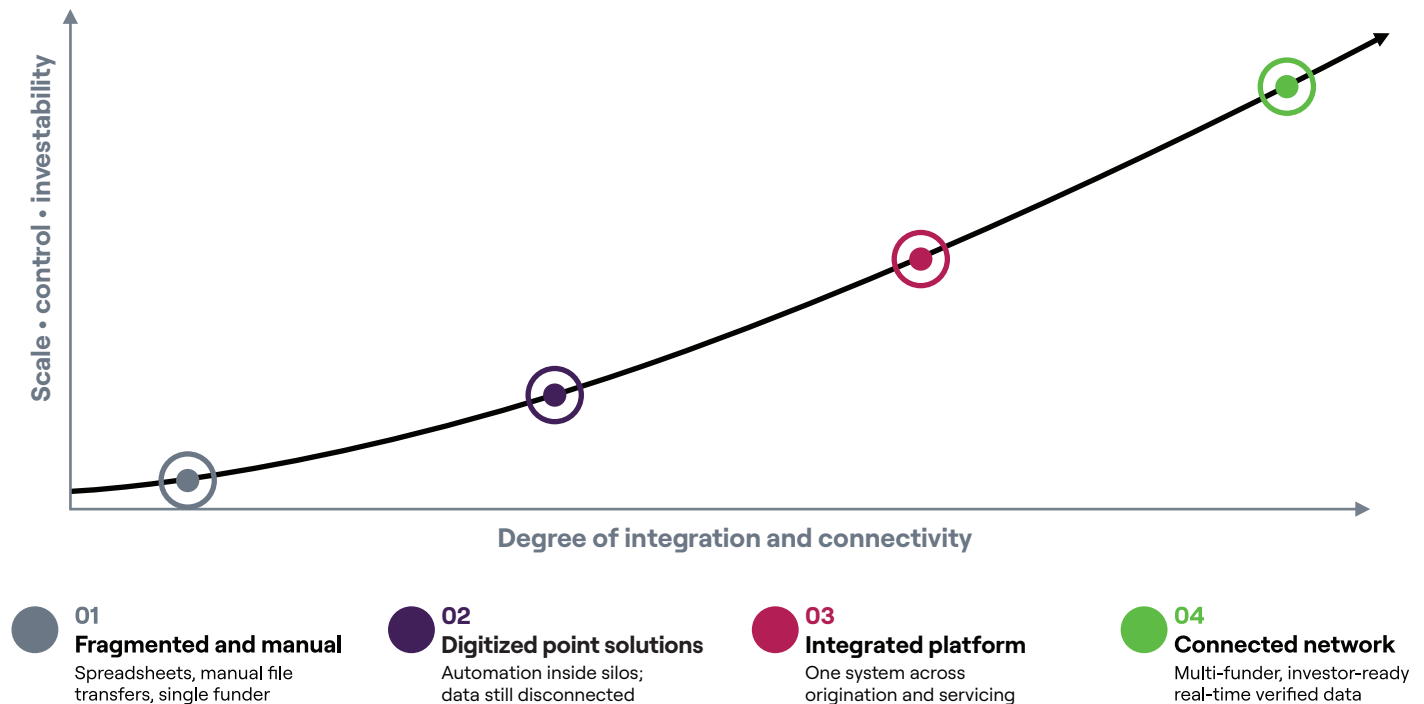


Figure 2 – The SCF operating-model maturity curve. Each step up raises not only efficiency but the ceiling on scale, control and investability.

Trust: engineering transparency as a growth asset

The first frontier is trust – and here the recent history of the market is instructive. The 2021 collapse of Greensill Capital did lasting damage not because payables finance is inherently unsound, but because it exposed how much of the market still ran on information asymmetry. This included receivables that could not be independently verified, heavy dependence on a single servicer, and data flows that were manual or lightly controlled. The lesson was not that the product was flawed, but that the infrastructure to facilitate and justify trust in the market was missing.

That lesson now shapes the market's growth ceiling. Receivables finance is structurally exposed to servicer dependence, information asymmetry and reliance on unverified data. Technology is the most credible answer to each: real-time data integration in place of periodic manual files; independent verification of receivables; shadow ledgers that reconcile against source systems; anomaly detection that surfaces irregularities early; and transparent, audit-ready reporting. The effect is to convert trust from something asserted into something engineered and observable.

"In this market, transparency has stopped being a compliance obligation and started becoming the product."

— Angel Blanco, Senior Manager Product, FIS Supply Chain Finance

Regulation has moved in the same direction. In the wake of Greensill, accounting standard-setters introduced specific disclosure requirements for supplier finance programs, sharpening the question of how these arrangements are reported and classified. Transparency is no longer optional; it's a formal expectation. For institutions, that reframes the investment case for infrastructure. Engineered transparency is not a compliance cost to be minimized, it's the precondition for attracting the institutional capital that the next phase of growth depends on. In this market, trust is becoming the product.

Distribution: when origination is no longer the constraint

The second frontier is the one most likely to define the winners of the next decade: distribution. Historically, SCF growth has been bound by a bank's own balance sheet and risk appetite. That's changing. Institutional investors such as asset managers, private-credit funds and insurers, are increasingly drawn to trade and supply chain receivables as a short-duration, largely self-liquidating asset class with attractive risk-adjusted characteristics. The Asian Development Bank itself, in setting out how to narrow the trade finance gap, points to developing trade finance as an investable asset class as a central part of the answer.

"The constraint on SCF is no longer demand, or even capital. It's the infrastructure required to originate, verify and distribute at scale."

— Angel Blanco, Senior Manager Product,
FIS Supply Chain Finance

This inverts the traditional constraint. When outside capital is available, the question is no longer only how to originate assets, but how to mobilize them – how to package, service and distribute receivables to funders in a form they can underwrite with confidence. And that, once again, is an infrastructure question. Distribution at scale requires participation and syndication management, accurate and timely servicing, and investor reporting built on verifiable, real-time data. An investor will fund what it can see and trust; it will discount or decline what it cannot.

This is why origination and distribution can no longer be treated as separate businesses bolted together. The same connected data layer that makes a program efficient to run is what makes its assets credible to distribute. Institutions that operate the full flow, creating assets upstream and mobilizing them to investors downstream on one trusted data foundation, convert distribution from an occasional, bespoke exercise into a repeatable growth engine. Those that cannot may find that abundant investor appetite stops at the edge of their own operational visibility. There is a wider dividend, too: every receivable distributed is balance-sheet capacity recycled into new origination and a widening of the channel through which institutional capital reaches the real economy and the smaller firms at the far end of it.



The intelligence dividend: turning flow into foresight

Once a program runs on a connected data foundation, a further advantage becomes available – one that compounds over time. SCF generates an enormous, high-frequency record of real economic activity: who's buying from whom, on what terms, paid when. Many institutions still treat this as exhaust. The opportunity is to treat it as an asset.

Applied intelligence sits naturally on top of integrated data. Machine learning can improve payment forecasting, detect fraud and automate cash reconciliation by learning from historical behavior, identifying anomalies and recognizing patterns that manual review would likely miss. Generative AI can produce near-term value in the operational core of the business, with applications for reviewing documentation, drafting contracts and term sheets, generating reports, assisting users and even configuring new programs from natural-language instructions. These are not speculative use cases; they represent the potential to move AI from experiment to practical value in the day-to-day running of trade finance.

The deeper point is that the value of intelligence depends entirely on the data beneath it. Models are only as good as the integrated, verified information they can learn from, which means the institutions that consolidate their infrastructure first are also the ones best positioned to extract intelligence from it. The data advantage and the infrastructure advantage are the same, viewed at different moments. And the benefits compound as better data enables better models, which improve service and risk selection, which attract more flow, which deepens the data still further.

Implications for leaders

For chief executives and chief investment officers, the strategic message is not that technology is helpful – that much is obvious – but that infrastructure has become the locus of competitive advantage in SCF. Leaders must consider the four priorities below.

1. Consolidate the operating model. Treat fragmentation as a cost to be retired, not a permanent condition. The goal is a single connected system across origination, funding, servicing and reporting, and a clear-eyed view of where the organization sits on the maturity curve today.

2. Engineer trust deliberately. Build verification, real-time data and audit-ready reporting into the core of the program rather than bolting controls on afterwards. In a post-Greensill market, transparency is key to institutional capital.

3. Prepare for distribution before you need it. Design programs to be investable from the outset, with the servicing, participation management and investor reporting that outside capital requires. This means distribution becomes a repeatable capability, not a one-off project.

4. Treat data as a strategic asset. Capture and integrate program data with intelligence in mind, recognizing that today's data foundation is tomorrow's analytical and competitive advantage.

The institutions that act on these priorities will not simply run more efficient programs. They may be better positioned to grow assets while improving control, to earn the trust that unlocks new pools of capital, and to compound an advantage in data that slower-moving competitors may find difficult to close. SCF is no longer only about funding invoices earlier or extending payment terms. It's becoming a key part of the infrastructure of trade itself, and in infrastructure businesses, the premium tends to go to whoever builds the most connected, trusted and intelligent system. Because that system is also the conduit through which liquidity reaches millions of smaller businesses, building it well is a contribution to the growth of the real economy itself.

View from FIS

Advantage is shifting from owning the best individual financing product to operating the entire flow — origination, servicing, distribution and the data that connects them — as one trusted system.

The institutions that pull ahead will be those that stop treating infrastructure as a back-office cost and approach it as the strategic asset it has become. The opportunity is not to digitize a product, but to connect a network — and to make that network scalable, investable and intelligent by design.

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