State of Trade Finance 2026:
Past Learnings, Forward Thinking

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“Already four months into 2026, trade finance is again navigating unfamiliar territory.

2025 was shaped by tariffs, geopolitical tensions, regulatory pressure, and rapid technological acceleration.

For LiquidX, 2025 marked a milestone year. With over $**90 billion in transactions processed since 2021, including $27.2 billion in 2025 alone,** the data tells a clear story: trade finance is evolving from a traditionally bank-dominated activity into a broader, technology-enabled institutional asset class.

Because of current events, expecting more constrained growth, which means trade finance will evolve this year.

Despite persistent uncertainty, the sector demonstrated resilience — with global volumes holding firm and institutional participation deepening.

Asset manager participation has surged, white-label SaaS adoption has accelerated, and machine learning has moved from concept to operational reality.

Three areas we will explore in more detail in this report, and linked articles include:

Fraud, compliance, and making KYC fit for 2026 and beyond;

The impact of macro-economic trends

Data, transparency, and the importance of having clear visibility

This report combines proprietary LiquidX data, market analysis, and exclusive industry survey results to examine what we learned from 2025 — and what those lessons signal for 2026 and beyond.”

Dominic Capolongo, LiquidX,
Chief Revenue Officer (CRO)

THE DATA TELLS A CLEAR STORY: TRADE FINANCE IS EVOLVING

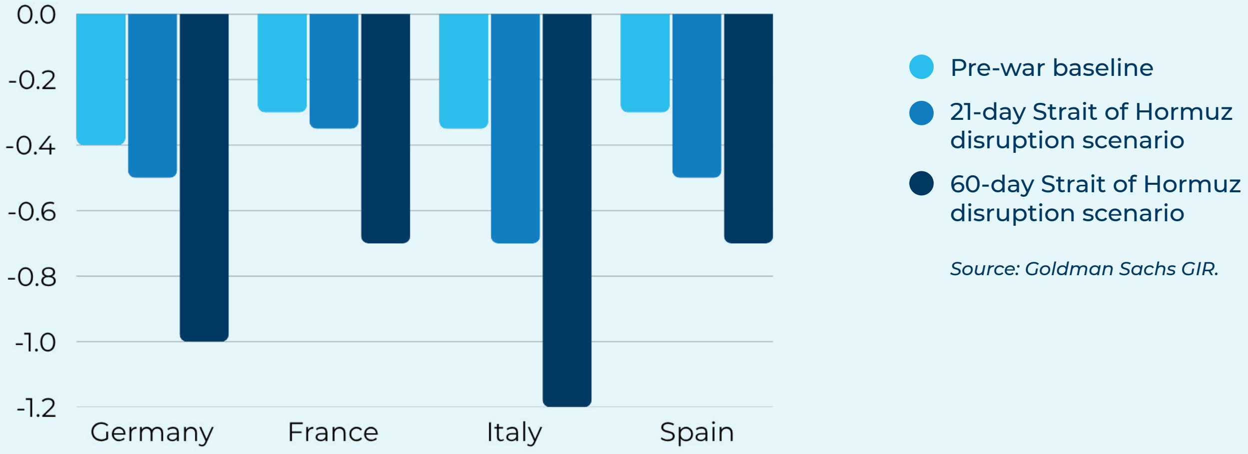
CONTENTS:

Click to jump to any section of interest

Trade Finance Trends:
What to Factor into 2026 & 2027 Planning

Europe: energy price shock to growth

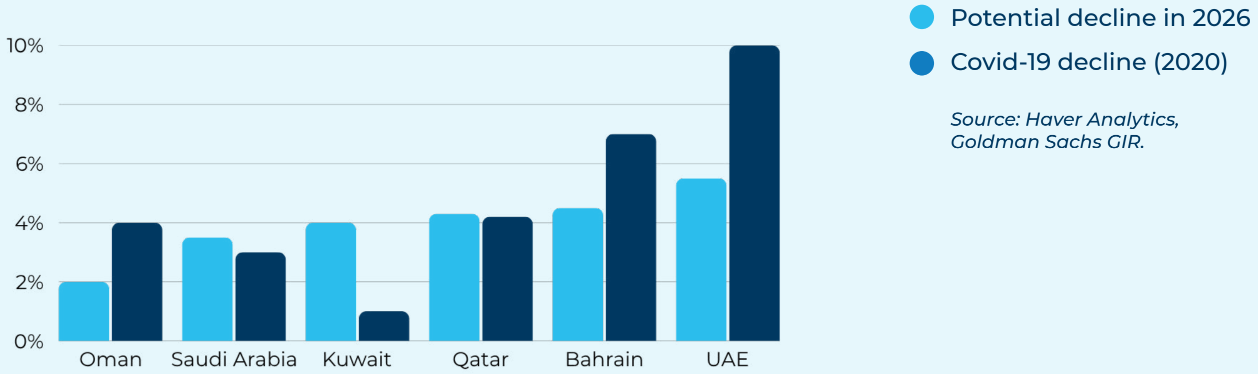
Model-implied peak effect of energy price shock on the level of real GDP vs. pre-conflict baseline, %



Source: Goldman Sachs GIR.

GCC: potentially bigger growth hit than Covid

Decline in non-oil GDP among GCC economies, %



Source: Haver Analytics, Goldman Sachs GIR.

Graph 1 + 2: Impact of Iran conflict on Eurozone GDP and Gulf countries (Goldman Sachs Research, Top of Mind, ISSUE 147 | March 20, 2026).

1

Macro-economic trends: More of the same or a new paradigm?

The global economy is showing unexpected resilience despite tariffs (which have already cost the world $1.2 trillion in 2025), supported by heavy investment in artificial intelligence, the OECD reports.

However, at the start of the year, the chance of a war with Iran seemed slim. Now America and Israel is in a war with Iran, one that quickly pulled in several Middle Eastern countries.

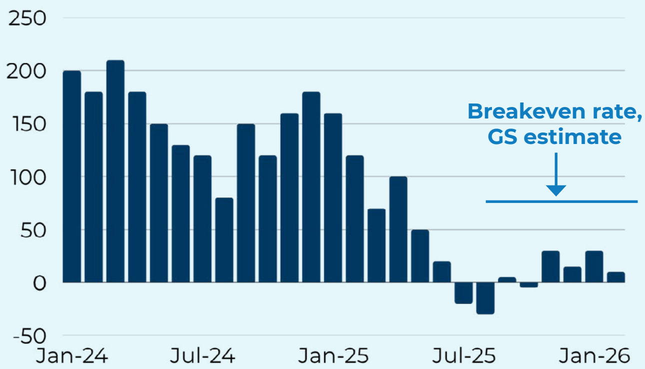
Markets, lenders, shipping companies, oil giants, insurance providers, and the trade finance sector has factored it into calculations, predictions, and risk factors.

Right now, the financial impact rules we need to consider come from Joseph Briggs, GS Senior Global Economist: “Each 10% increase in oil prices lowers global GDP by a bit more than 0.1%, raises global headline inflation by 0.2pp—with larger impacts in Asia ex-China and Europe—and leads core inflation 0.03-0.06% higher, depending on the country.”

Graphs 3 + 4 Potential impact on the labor market, and the oil price shock affect, which isn't as bad as it was in the past.: (Goldman Sachs)

Labor market softening concerns: alive and well

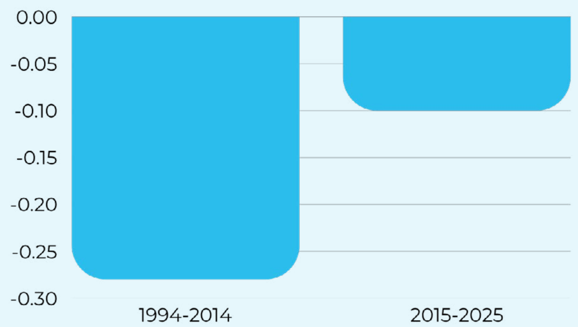
Underlying trend job growth, GS estimate, thousands per month



*Note: We estimate underlying trend job growth as 0.75*3-month average payroll growth + 0.25*9-month average household employment growth. Source: Goldman Sachs GIR.*

Higher oil prices: less shocking than in the past

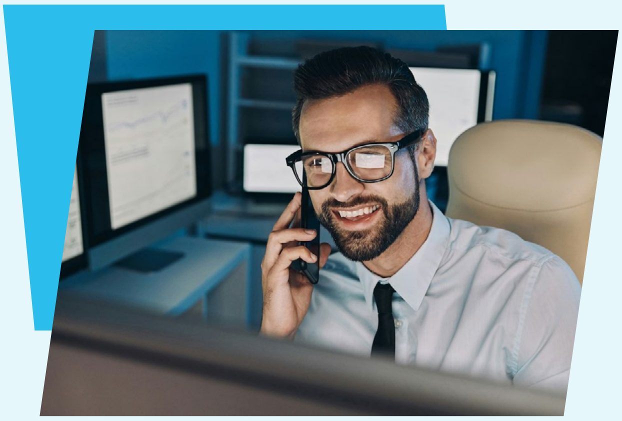
Impact of a 1% deterioration in terms of trade on GDP growth, pp



Note: Impulse response from a VAR model with terms of trade (logarithmic difference) and GDP (logarithmic difference) as endogenous variables, and the real effective exchange rate (logarithmic difference) and overseas GDP (logarithmic difference) as exogenous variables. Source: Goldman Sachs GIR.

2

Fraud, compliance, and making KYC fit for 2026 and beyond



Periodic KYC is no longer fit for purpose. Periodic, calendar-based reviews cannot keep pace with the rapid evolution of counterparty risk. There have been too many high-profile compliance and KYC failures to justify the risk of continuing to use tech that isn't fit for purpose.

Perpetual KYC (pKYC) is the way ahead. A continuous, event-driven approach — tightly integrating onboarding, sanctions screening, transaction monitoring, and case management — gives banks, asset managers, and corporate treasuries a real-time picture of counterparty risk and a defensible audit trail.

Know Your Agent (KYA) is an emerging priority. Beyond knowing your customer, trade finance firms increasingly need visibility into the agents and intermediaries operating within their programs, particularly in complex, multi-party structures.

AI and ML are making pKYC easier to implement. From predictive risk scoring and fraud detection to automated document processing and portfolio analytics, AI-powered tools can significantly reduce the cost and manual burden of KYC. This is important given that large trade finance banks can spend up to $42m annually on compliance tasks alone.

Platform choice matters. Not all KYC platforms are built for trade finance. Firms should prioritize solutions with strong KYB capabilities, CLM functionality, and multi-jurisdictional coverage — rather than tools optimized for high-volume retail identity verification.

FIND OUT MORE

3

Data, transparency, and the importance of having clear visibility

For banks and asset managers, their data is highly proprietary and confidential. The data that flows through any trade finance and private credit system is a core part of that organizations IP.

Trade finance program managers have never needed data transparency and visibility as they do now. Data overload, more stringent compliance requirements, Basel III, and AI are all driving the need to find a solution to the universal challenge of unclear and opaque data pipelines and warehouses.

One consequence of that is we have been busy (for over 2 years) working on a significant update to our TradeHub solution. Coming soon, we will roll-out TradeHub 2.0, which will include:

- Enhanced and completely customizable data views, aggregations, and consolidations
- The ability to monitor risk at the portfolio level
- A 1-click decision tool: Want to distribute, or decrease portfolio risk with insurance? You'll soon be able to do that from a massively enhanced dashboard
- Other self-serve tools, solutions, and a lot more coming for every customer in 2026.

TradeHub allows customers to aggregate their data across various investment programs and platforms, regardless of the origination source.

Create holistic views of your exposures relative to your unique risk constraints. The automation of reconciliation processes allows our engine to digitally match invoices, remittance advice, and payments.

TradeHub is fully configurable to your requirements with bespoke cross sections for your business. Data is accessible to stakeholders across your institution in order to make real-time, data driven decisions.

You can set up customized feeds and reports for unprecedented insights into your portfolios.

NORMALIZE DATA FROM ANY SOURCE	RISK, COMPLIANCE AND EXPOSURE TO ANY PLATFORM	REAL-TIME COMPLIANCE VERIFICATION	SEE & FILTER EVERY INVOICE, CREDIT POSITION	UNDERSTAND CURRENT AND PROJECT FUTURE EXPOSURE

4

Banks and asset managers are pushing into untapped growth opportunities

With traditional markets showing limited growth potential (particularly in the US and Europe), banks and asset managers will expand their geographic and sectoral footprints.

The focus of trade finance programs will shift toward previously untapped opportunities, such as:

- Emerging market SMEs
- More specialized industry verticals
- Non-traditional trade corridors, nearshoring, and offshoring industrials.

This expansion requires more than a desire to explore new regions and sectors; it demands localized expertise, cultural fluency, and partnership networks to navigate complex regulatory environments across multiple jurisdictions.

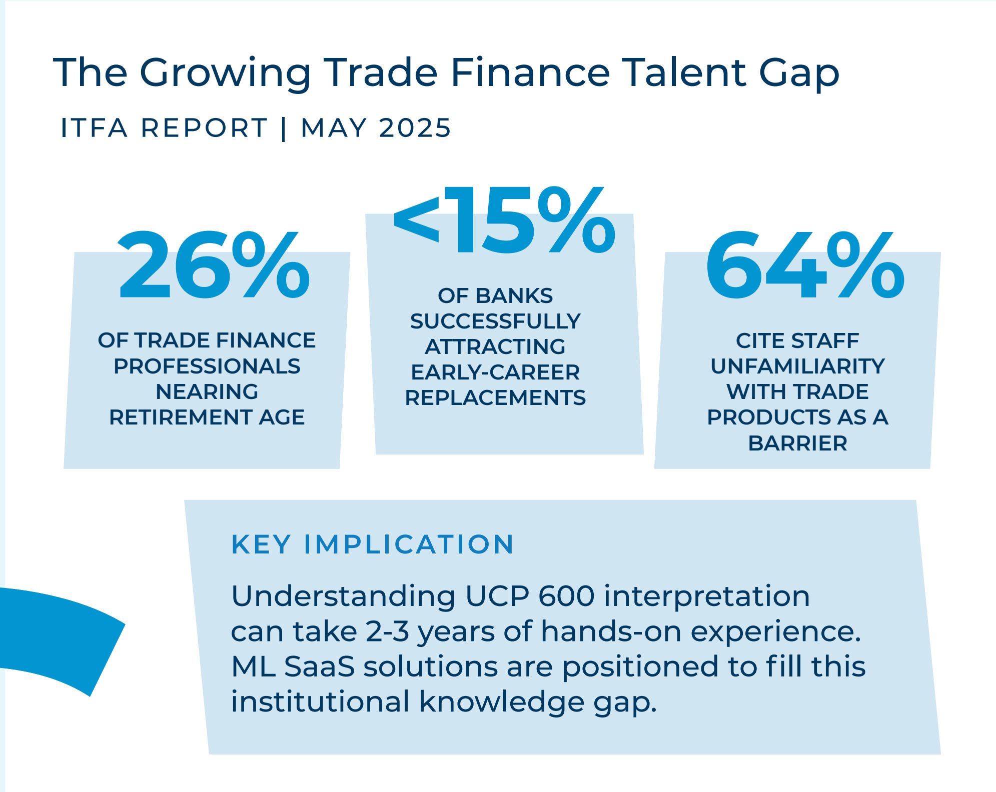
5

Accelerated Asset Manager (AM) and Private Credit Trade Finance growth

Asset managers and private credit providers will increasingly position themselves as market-leading players in trade finance, capitalizing on their inherent advantages: portfolio diversification capabilities, sophisticated risk management, and flexibility in capital deployment.

Unlike banks constrained by regulatory capital requirements and legacy systems, asset managers can move quickly into attractive segments, structure innovative products, and offer competitive pricing.

Graph 5: 26% of trade finance professionals are approaching retirement age.



6

ML/AI SaaS Solutions will fill the growing talent gap

In May 2025, the International Trade and Forfaiting Association (ITFA) published some worrying findings:

FIND OUT MORE

26% of trade finance professionals are nearing retirement age.

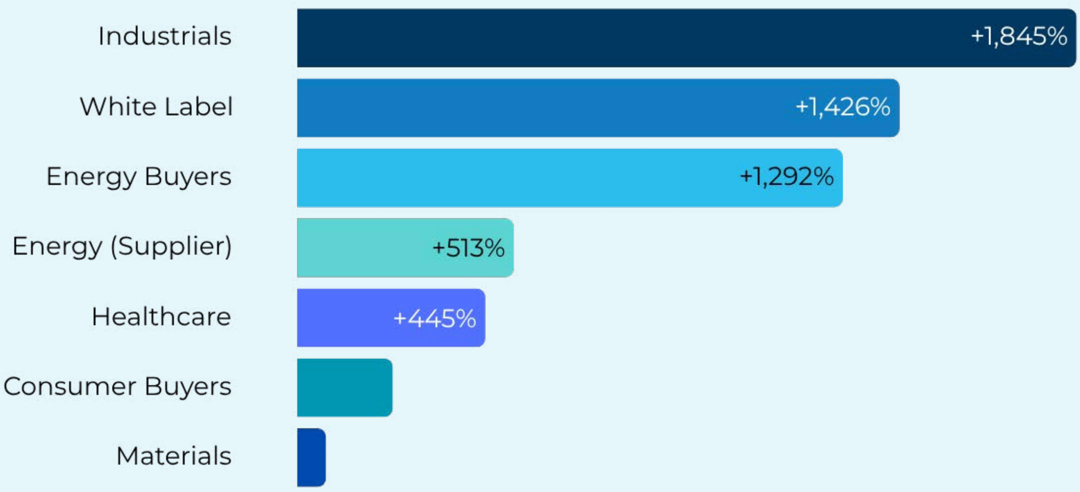
- Fewer than 15% of global banks report success in attracting early-career professionals to replace them.
- 64% of banks cite staff unfamiliarity with trade products as a barrier to servicing client needs.
- 4% struggle with compliance-related delays due to AML knowledge gaps.

For example, it can take 2 to 3 years of hands-on experience to understand the interpretation of UCP 600.

This institutional knowledge gap is only going to widen and will impact banks' trade finance programs even more in the next few years.

Sector Volume Growth - Supplier Side (2021 → 2025)

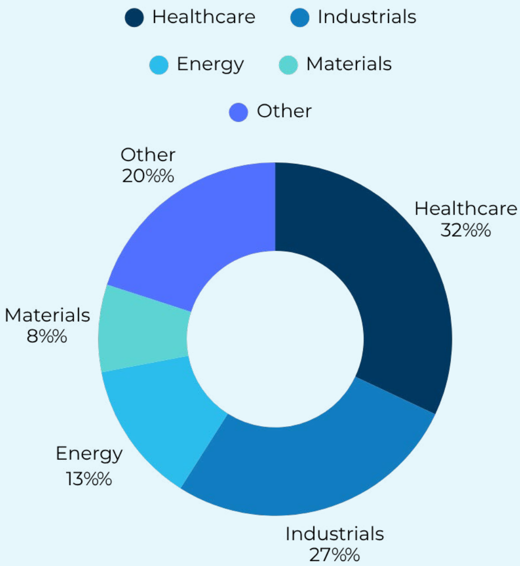
LIQUID PLATFORM DATA • % GROWTH OVER 5-YEAR PERIOD



Graphs 6 + 7: Supplier-side volume growth (2021-25): In US $ billions

2025 Volume by Sector - Supplier Side

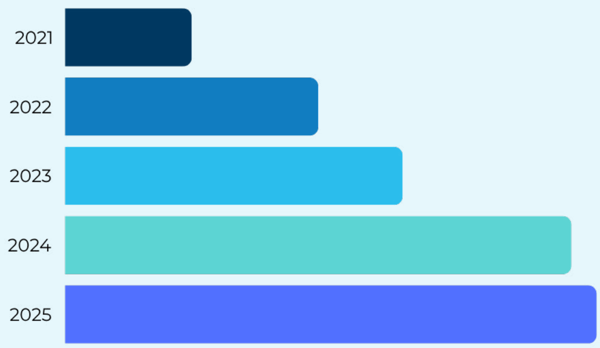
TOTAL: $26B • LIQUIDX PLATFORM DATA



Annual Transaction Volume Growth

LIQUID PLATFORM • 2021-2025 • $B

+ $90B+ total processed 2021-2025 • +431% since 2021



Graph 8: Annual transaction volume growth

Graph 9: Between 2021 and 2025, there was an increase in High-Yield transaction volumes, showing the demand for a broader risk spectrum, capable of generating higher rates of return.

High-Yield Volumne Expansion

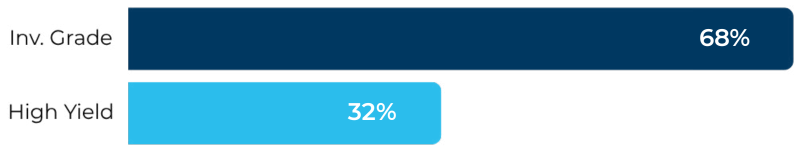
RISK APPETITE BROADENING ACROSS THE CREDIT SPECTRUM

$1.3B
HY VOLUME 2021

$9.5B
HY VOLUME 2025

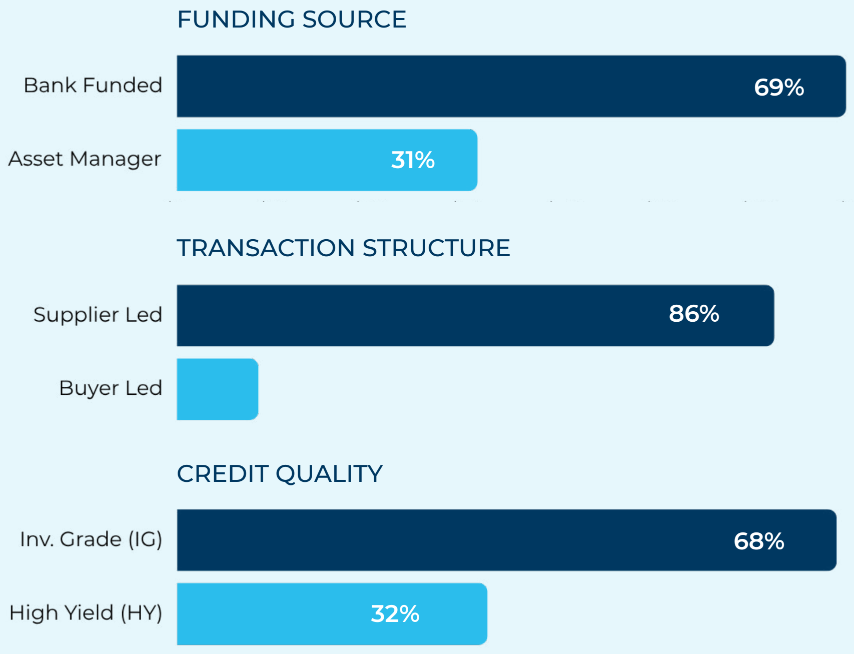
+535%
5-YEAR GROWTH

Investment Grade volumes have remained stable in absolute terms ($17.5B in 2025), while High Yield has grown at a dramatically faster rate - confirming trade finance's appeal *across multiple risk profiles.*



2025 Transaction Mix

FUNDING SOURCE & STRUCTURE • LIQUIDX DATA



Graph 10: The mix of funding sources and transaction types in 2025

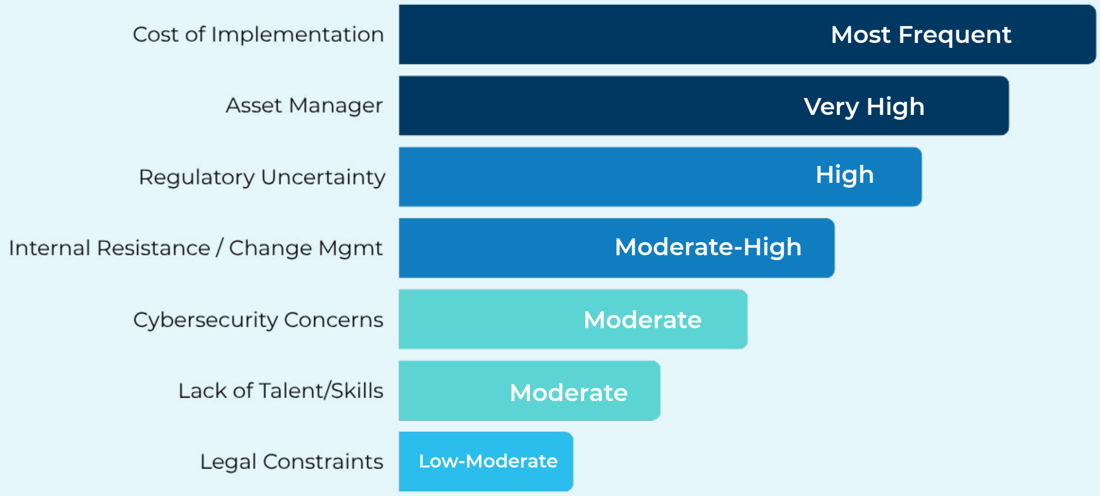
Over the next 3 pages, we've included a summary of responses from hundreds of GTR members whom we surveyed in Q4 2025.

EXCLUSIVE: Trade Finance Survey Results

During Q4 2025, we surveyed hundreds of GTR members. Here is what the survey told us about the overall state of the trade finance industry:

Survey: Biggest Barriers to Further Digitalization

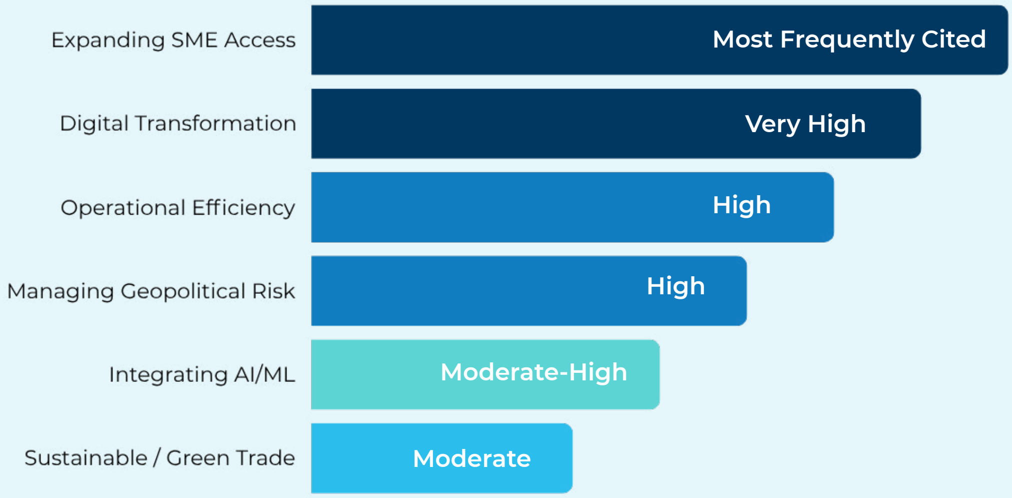
GTR MEMBER SURVEY • Q4 2025 • RANKED BY FREQUENCY



Graph 11: Trade finance professionals responses to what they see as the biggest barriers to digitization growth in 2026.
Below, Graph 12: Top priorities for the next 12 months.

Survey: Top Strategic Priorities for the Next 12 Months

GTR MEMBER SURVEY • Q4 2025 • RANKED BY FREQUENCY OF MENTIONS



TRADE FINANCE IS

RESILIENT

EVEN IN A FRAGILE GLOBAL ECONOMY

Key Takeaways from Survey & Data

01

Trade Finance is Resilient, Even in a Fragile Global Economy

Despite tariffs and geopolitical volatility, global trade continues to adapt. Trade remains short-duration, self-liquidating, and historically low-default — reinforcing its appeal precisely when uncertainty is highest.

AI+

AI and Geopolitics Will Define the Mid-Term Future

Survey respondents consistently point to two forces shaping the next 18-36 months:

AI/automation and tariff-driven trade uncertainty. Meanwhile, legal recognition of digital trade documents (MLETR) is seen as the single biggest efficiency unlock.

$90B+

AL, ML & Digitization are Mission-Critical

Roughly half of institutions are already using AI/ML tools. The primary benefits: faster processing, lower operational costs, enhanced risk management, and improved transparency. Digitization is now a prerequisite for scale.

48%

Asset Managers Have Surged as Core Market Participants

Asset manager participation has grown 48% over five years. Working capital finance is now viewed as a core institutional allocation - offering short tenors, low volatility, and attractive diversification from traditional fixed income.

$2.5T

The Trade Finance Gap is Both a Challenge and an Opportunity

SME access remains the sector's central weakness - and its largest growth opportunity, particularly in Africa, Asia, India, and the UAE. Expanding SME inclusion was the most frequently cited strategic priority for the next 12 months.

AI ADOPTION IS UNDERWAY, BUT NOT UNIVERSAL.

Final Survey Question: Is AI reshaping trade finance?

The clear majority agrees or strongly agrees.

- Most respondents believe AI is **fundamentally reshaping** the sector.
- A few are neutral (“too early to say”).
- Very few disagree.

Summary: There is a broad consensus that AI and technology will materially transform trade finance.

Current AI/ ML usage (Q1 2026)

- Roughly half are **already using AI/ML tools.**
  The remainder are **not yet using AI**, but many are considering it.
- AI usage appears stronger among larger or digitally focused institutions.

Summary: AI adoption is underway, but not universal.

Greatest benefits from digital trade finance

Most cited the following benefits:

- Improved efficiency and processing speed (most frequent)
- Lower operational costs
- Better risk management
- Enhanced transparency and auditability
- Ability to work with wider datasets

Some also cited:

- Working capital optimization
- EBITDA generation

Summary: Efficiency gains and risk management improvements are the clearest realized benefits.

How important is ML/AI for trade finance in 2026?

ML integration within SCF and other trade finance systems is no longer a nice-to-have; it's mission-critical.

As our CRO, Dominic Capolongo, said in Finance Derivative:

"The key advantage lies in ML's pattern recognition capabilities. Rather than relying on fixed rules, machine learning models can identify complex relationships between different data elements."

"When a buyer truncates an invoice reference or applies an unexpected discount, AI can still identify the correct match by recognising patterns in the remaining data points. This capability proves invaluable when reconciling transactions affected by tariff-related adjustments or partial payments."

Continuing with this theme, how can AI further support and enhance the supply chain finance sector? In another article, Dominic said in AI in Business:

"Sharper, more sudden fluctuations are being sparked not by the things we know are coming, but by the latest news headlines – particularly around the rapidly changing U.S. trade policy – and this unpredictability is triggering knee-jerk reactions across the market."

LiquidX's strategic partner, Broadridge investing in AI/ML tools

As Chris Perry, president of Broadridge, said in a DigFin podcast: "The revolutionary potential of agentic AI is parallel to the transition from older to newer programming languages, such as COBOL to Python. Financial institutions must embrace modern AI technologies to remain competitive."

Broadridge's "2025 Digital Transformation & Next-Gen Technology Study reveals that more firms are recognizing the need to be at the forefront of this shift, with 72% of firms are making moderate to large investments in GenAI this year, up from 40% in 2024."

72%

IN 2024, ONLY 40% OF FIRMS WERE INVESTING HEAVILY IN GenAI. THAT FIGURE IS NOW 72%.

LiquidX: Supporting Banks, Asset Managers, & Trade Finance SaaS Companies

Asset Manager:
How Asset Managers Are Using LiquidX to Scale Trade Finance Operations & Profits

Global Banks:
Why Global Banks Rely on LiquidX for Trade Finance Software

Regional Banks
Rely on LiquidX for Trade Finance Software

Whether you need one module or an end-to-end solution, we have you covered, and we can have you up and running in weeks, not months:

- Trade: Automatically digitizes assets in the front office.
- TradeHub: Manages portfolio risk with ease.
- TradeOps: Make significant back office savings; up to 50% savings compared to in-house back office software.
- InMatch: Can handle reconciliation challenges for asset managers.
- Trade finance software that can take in any invoice format (e.g., XLSX, PDF, etc.), and use that as workable data downstream across the trade lifecycle.
- Includes the advantages of a deep partnership with Broadridge (NYSE: BR), a trusted global fintech leader. Broadridge is LiquidX's largest committed investor and strategic operational services provider for payment processing, account reconciliation, and global operational scalability.

BANKS AND ASSET MANAGERS: TO REQUEST A DEMO OF OUR TRADE FINANCE DISTRIBUTION SOLUTIONS, CLICK HERE.

About LiquidX

LiquidX is a market-leading, award-winning FinTech SaaS company in the trade finance space.

Founded in 2016, LiquidX is a leading global technology company that enables finance professionals to transact more efficiently by digitizing their trade finance and working capital management.

Headquartered in New York with offices across the globe, we deliver the industry-leading ecosystem for working capital optimization to our diverse network of global participants, including corporations, banks, and institutional investors.

LiquidX's technology greatly enhances transparency, reporting, and forecasting for financial professionals.

Since 2021, over $90 billion in trade finance and supply chain finance (SCF) has been processed through our technology for global, national, and regional banks, asset managers, multinational corporations, and white-label FinTech SaaS partners.

Award-winning FinTech SaaS

Over the years, LiquidX has won numerous awards. Most recently, in December 2024, Global Business & Finance Magazine awarded LiquidX with three awards for the second year in a row:

- Best Digital Solutions For Global Trade, United States 2025
- Best Technology Vendor Of The Year, United States 2025
- Best Fintech For Trade United States 2025

LiquidX's strategic partner and largest investor is Broadbridge; find out more about them below.

About Broadridge: Strategic Partner, Investor

LiquidX is in a long-term strategic partnership with Broadridge (NYSE: BR), a trusted global fintech leader with 60 years of experience, operating in 100 countries, and with over $6 billion in revenues.

Broadridge plays a critical role in enabling the global financial markets, transforming the investor experience, and driving business performance. With a team of 15,000 serving over 10,000 companies globally, Broadridge's systems settle over $10 trillion in trades daily.

Find out more:
www.liquidx.com