



## **AU Group Calls Capital Relief “A Strategic Imperative” for Banks Ahead of GTR MENA 2026 as Trade Surges in the Region**

**Dubai, UAE - Tuesday, 10 February 2026** – Today, during Day 1 of the GTR MENA 2026 taking place in Dubai, and while cross-border trade across the Gulf is accelerating at its fastest pace in more than a decade, [AU Group](#) is calling attention to a growing challenge for regional banks: the urgent need to free up regulatory capital to sustain lending momentum. As geopolitical shifts open new trade corridors and national diversification strategies expand infrastructure and industrial investment, banks are under mounting pressure to support longer-tenor, higher-complexity transactions, while navigating increasingly stringent global capital requirements.

Against this backdrop, **capital relief** is rapidly becoming one of the most critical yet under-discussed tools shaping the region’s financial stability and trade expansion.

This issue will take center stage at **GTR MENA 2026 in Dubai**, where **Aurélien Paradis, CEO of AU Group Middle East & Africa**, joins a high-level panel examining how capital relief solutions, particularly those supported by credit insurance, are transforming banks’ ability to fuel economic growth without absorbing unsustainable balance-sheet strain.

### **Banks Face a New Capital Efficiency Mandate**

From “We the UAE 2031” to overall regional industrialization and supply-chain localization efforts, Gulf economies are experiencing unprecedented trade dynamism. Yet this growth comes with increasing demand for longer credit terms, complex counterparties, and multi-market exposures, all of which consume substantial regulatory capital.

“Banks across the Middle East are at a turning point. Trade is expanding, opportunities are growing, but capital buffers are not infinite,” says **Paradis**. “Capital relief is no longer a technical option; it is a strategic imperative for any bank seeking to scale trade finance sustainably while protecting resilience.”

**He adds:** “When structured properly, credit insurance frees up regulatory capital, strengthens balance-sheet ratios, and enables banks to redeploy capacity into new lending without compromising credit discipline or risk appetite.”



## **Capital Relief & Credit Insurance: A Global Model Gaining Momentum in the Gulf**

Capital relief allows banks to reduce risk-weighted assets by transferring credit risk to highly rated third parties, most commonly through credit insurance or synthetic risk-transfer structures. This approach has already transformed banking practices in mature markets.

In Europe, where capital-relief structures are widely adopted, banks using credit insurance have been able to release **20–30% of regulatory capital** tied to insured portfolios, capacity that can be channeled directly into new lending, particularly to SMEs. This model has proven instrumental in supporting economic ecosystems where SMEs represent the overwhelming majority of businesses and employment.

For Gulf banks aiming to increase trade finance capacity, especially across emerging corridors in Africa, and Asia, such tools offer a transparent, regulator-recognized path to:

- Strengthen capital ratios,
- Support larger and longer-tenor transactions,
- Expand risk appetite across new markets,
- Navigate global Basel III / Basel IV dynamics,
- Maintain operational agility amid macro volatility.

Credit insurance sourced from the **Lloyd's markets and other highly rated insurers** is drawing growing interest, given its track record in providing credible, recognized risk-transfer mechanisms for trade assets.

## **Looking Ahead: A New Strategic Role for Credit Insurance**

**Paradis** emphasizes that the role of credit insurance is shifting rapidly: “We see banks in the Middle East moving from using credit insurance as a defensive risk-mitigation tool, to embracing it as a proactive capital-strategy instrument. That shift will fundamentally reshape how trade finance grows in the region over the next decade.”

AU Group’s participation in GTR MENA 2026 underscores its commitment to equipping regional lenders with independent analytics, structured risk-transfer expertise, and market-tested solutions aligned with long-term economic objectives across the Middle East and Africa.



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#### *Editor's Note – Data & Research Credits*

*Data and market insights referenced in this release are based on publicly available research and industry publications from the following sources:*

- *European Banking Authority (EBA) – <https://www.eba.europa.eu>*
- *Organisation for Economic Co-operation and Development (OECD) – <https://www.oecd.org>*
- *International Chamber of Commerce (ICC) – <https://iccwbo.org>*
- *Lloyd's Market Association – <https://www.lmalloyds.com>*

#### **About AU Group**

Since 1929, AU Group, a brokerage and consultancy firm specialising in credit & political risk management and working capital financing, has been working alongside B2B companies. AU Group advises and supports its customers in an innovative way to meet their challenges of securing and managing trade receivables as well as financing their growth. AU Group operates throughout the world, in all business sectors and for all types of company. Every day, the AU Group teams develop tailor-made solutions and recommend the best proposals to its clients, negotiate with providers and then implement and help to manage the selected solutions. AU Group is an independent, 100% family-owned company with 310 committed experts in 50 countries.

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