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# Credit Policy Drafting and Risk Appetite Alignment Training Course

31 May – 4 June 2027
Rome

# Credit Policy Drafting and Risk Appetite Alignment Training Course

**Ref:** 2391_89878 **Date:** 31 May – 4 June 2027 **Location:** Rome **Fees:** 6200 GBP

Credit Policy Drafting and Risk Appetite Alignment is a 1-week training course for credit risk, policy and portfolio oversight staff in banks, who leave with a draft credit policy document tied to stated appetite limits. A policy that drifts from appetite quietly erodes capital and pricing discipline. Jupiter Prime Training delivers this course on Credit Policy Drafting and Risk Appetite for bank policy owners.

## Why Credit Policy Drafting and Risk Appetite Matters Now

Three pressures shape credit policy work today. Boards expect appetite statements to translate into measurable lending limits rather than broad intentions. Digital origination pushes volumes through channels older policies never anticipated. Reviewers test whether exceptions and delegated approvals stay inside board limits. A bank that keeps its credit policy aligned with appetite prices risk consistently, spots concentration early and defends its decisions to reviewers. One that lets them drift accumulates unpriced exposures and inconsistent approvals.

## Who Gains Most from Credit Policy Drafting and Risk Appetite

- Credit policy owners who write and amend lending rules
- Credit risk officers who translate appetite statements into sector, product and counterparty limits
- Portfolio monitoring analysts who track limit usage, breaches and early warning signals
- Underwriting leads who apply acceptance criteria to loan files
- Internal control and audit reviewers who test exceptions logs and approval authority records

A credit risk department gains most when its policy writers and limit setters attend together.

## Credit Policy Drafting and Risk Appetite Capabilities

Participants turn board-level appetite into clauses and approval rules underwriters apply file by file.

- Translate a risk appetite statement into sector, product and single-name lending limits — board risk committee
- Draft acceptance criteria, collateral rules and covenant standards in plain policy language — underwriting teams
- Design a delegated lending authority matrix linked to risk grade and exposure size — credit committee
- Build an exceptions register with escalation triggers and remediation owners — chief risk officer
- Calculate limit headroom and concentration indicators for quarterly appetite reporting — senior management
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Specify a policy review cycle with version control and change approval steps — internal audit

## Key Credit Policy Drafting and Risk Appetite Terms

- Risk appetite statement — The board-approved description of how much credit risk a bank will accept.
- Risk tolerance — The measurable boundary around appetite beyond which exposures trigger escalation.
- Underwriting standard — The minimum conditions on repayment capacity, collateral and documentation a loan must meet.
- Delegated lending authority — The written limit that allows a named officer or committee to approve exposures up to a set size and grade.
- Policy exception — An approved loan that departs from one or more policy requirements, recorded with its justification and approver.
- Concentration limit — A cap on lending to one borrower group, sector, product or collateral type to prevent clustered losses.

## Credit Policy Drafting and Risk Appetite Day by Day

## Day 1: Appetite as the Starting Point for Lending Rules

- Risk Appetite Statement Anatomy — What the Board Actually Committed To
- Qualitative Versus Quantitative Appetite Measures — Choosing Limits Underwriters Can Apply
- Strategy and Capital Linkage — How Growth Targets Constrain Credit Appetite
- Credit Policy Hierarchy Mapping — Separating Policy, Standards and Procedures
- Stakeholder Roles in Policy Ownership — Who Drafts, Approves and Enforces

## Day 2: Drafting Lending Policy Clauses

- Target Market and Prohibited Lending Definitions — Shaping the Acceptable Borrower Universe
- Repayment Capacity and Debt Service Criteria — Setting Minimum Affordability Tests
- Collateral and Loan-to-Value Rules — Balancing Security With Competitive Terms
- Covenant and Documentation Standards — Protecting the Bank After Disbursement
- Plain Language Drafting Techniques — Writing Clauses That Resist Misreading

## Day 3: Limits, Authorities and Concentration

- Sector and Product Limit Calibration — Converting Appetite Into Measurable Caps
- Single-Name and Connected Borrower Limits — Containing Large Exposure Risk
- Delegated Lending Authority Matrix — Matching Approval Power to Grade and Size
- Risk-Based Pricing Floors — Linking Margin Policy to Expected Loss
- Limit Headroom Dashboards — Signalling When Appetite Is Nearly Consumed

## Day 4: Exceptions, Monitoring and Policy Change

- Exceptions Classification and Approval Routes — Deciding Which Departures Are Tolerable
- Exceptions Register and Trend Reporting — Spotting Policy That No Longer Fits
- Early Warning Indicators for Breaches — Triggering Escalation Before Losses Emerge
- Annual Policy Review Cycle — Scheduling Revisions, Owners and Sign-Off
- Version Control and Change Logs — Evidencing Policy History to Reviewers

## Day 5: Practising the Credit Policy Document

- Appetite-to-Limit Cascade Exercise — Applying Day One Measures to a Sample Portfolio
- Clause Drafting Peer Review — Testing Underwriting Wording Against Real Loan Files
- Authority Matrix Stress Scenario — Checking Approvals Under Rapid Portfolio Growth
- Exceptions Case Clinic — Ruling on Retail and Corporate Departures
- Credit Policy Document Assembly — Completing the Draft for Committee Sign-Off

## Applying Credit Policy Drafting and Risk Appetite After the Course

- Lead a gap test comparing current lending limits with the appetite statement.
- Set up an exceptions register for one business line and report its trends to committee.

## Credit Policy Drafting and Risk Appetite Questions FAQ

### What is Credit Policy Drafting and Risk Appetite alignment and why does it matter now?

It is the discipline of writing lending rules that put the board's risk appetite into practice. It matters now because faster portfolio shifts expose any gap between stated appetite and actual approvals.

### Which roles gain most from Credit Policy Drafting and Risk Appetite training?

Credit policy owners, risk officers setting limits, portfolio monitoring analysts, underwriting leads and control reviewers gain most.

### How does Credit Policy Drafting and Risk Appetite differ from a loan approval or credit analysis course?

It works one level above individual credit decisions. A credit analysis course assesses one borrower; this one writes the rules and limits every assessment follows.

### What do you bring back from Credit Policy Drafting and Risk Appetite training?

You bring back a drafted policy tied to appetite limits. It includes acceptance criteria, an authority matrix, an exceptions register design and a review cycle.

## Credit Policy Drafting and Risk Appetite: The Way Forward

The credit policy document participants complete first informs the credit committee's decision on which limits and authorities to adopt for the coming lending cycle. Policy owners, underwriters and control reviewers then use it as their shared reference. After the first quarter of use, the exceptions trend deserves a fresh look, since it shows where appetite and market reality have begun to diverge.