MAWA EVENTS

Address: No. 857, Block A2. Leisure Commerce Square - No 9., 46150 Petaling Jaya, Selangor, Malaysia

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RISK-BASED PRICING MODEL DEVELOPMENT & VALIDATION

““Designing, Calibrating, and Validating Pricing Models that Align Risk with Return””

Schedule

Date	Venue	Fees (Face-to-Face)
17 – 19 Feb 2026	Riyadh, KSA	USD 2495 per delegate
03 – 05 Mar 2026	Dubai, UAE	USD 2495 per delegate
27 – 29 Oct 2026	Doha, Qatar	USD 2495 per delegate

► **Available delivery methods:** Face-to-Face & Online Training

Introduction

In an increasingly competitive and regulated financial environment, institutions must accurately price their products and services by aligning them with risk. A risk-based pricing model allows organizations to assess and manage the trade-off between expected returns and the credit, market, and operational risks involved in a transaction or portfolio.

This intensive three-day course provides a structured, practical approach to developing, validating, and implementing risk-based pricing models. Participants will explore theoretical frameworks, quantitative techniques, and regulatory expectations for robust pricing systems, with real-life examples from banking, insurance, and lending.

Objectives

By the end of this course, participants will be able to:

- Understand the principles of risk-based pricing and its financial significance
- Design and implement pricing models based on credit, market, and operational risk drivers
- Apply data-driven techniques for model calibration, stress testing, and validation
- Meet regulatory requirements for model documentation and governance
- Integrate risk-adjusted pricing into business and lending decision processes

Why Attend

- Gain a competitive advantage by aligning pricing with actual risk exposure
- Improve capital allocation and profitability through precision modeling
- Reduce model risk and regulatory exposure through robust validation practices
- Enhance decision-making in loan origination, product pricing, and portfolio management
- Learn directly applicable methods using real-world financial and risk data

Target Audience

This program is designed for:

- Risk managers and credit analysts
- Pricing and product development professionals
- Model developers, quants, and data scientists
- Internal audit and compliance teams
- Bankers, underwriters, actuaries, and finance officers

Individual Benefits

Key competencies that will be developed include:

- Model architecture design for risk-based pricing
- Data collection and statistical calibration techniques
- Quantification of credit and market risk in pricing decisions
- Stress testing, scenario analysis, and performance monitoring
- Compliance with model risk management (MRM) frameworks

Organizational Benefits

Upon completing the training course, participants will demonstrate:

- Improved risk-reward balance in lending and investment products
- Enhanced compliance with regulatory expectations (Basel, IFRS 9, etc.)
- Stronger model documentation, auditability, and validation protocols
- Increased pricing transparency and customer fairness
- Better integration of pricing strategies with enterprise risk frameworks

Instructional Methodology

The course follows a blended learning approach combining theory with practice:

- Strategy Briefings – Pricing frameworks, regulatory context, and modeling principles
- Case Studies – Applications from retail, SME, and corporate lending
- Workshops – Hands-on modeling using spreadsheets and risk data
- Peer Exchange – Interactive dialogue on modeling challenges and governance
- Tools – Templates for model scorecards, validation checklists, and pricing engines

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Course Outline

Detailed 3-Day Course Outline

Training Hours: 07:30 AM – 3:30 PM **Daily Format:** 3–4 Learning Modules | Coffee breaks: 09:30 & 11:15 | Lunch Buffet: 01:00 – 02:00

Day 1: Foundations of Risk-Based Pricing

- Module 1: Introduction to Risk-Based Pricing (07:30 – 09:30) • Pricing theory, cost of capital, and risk-adjusted return on capital (RAROC) • Regulatory foundations: Basel II/III, IFRS 9, MRM
- Module 2: Risk Drivers and Pricing Inputs (09:45 – 11:15) • Credit risk metrics (PD, LGD, EAD), market volatility, liquidity premiums
- Module 3: Model Framework and Design (11:30 – 01:00) • Building blocks of a pricing model: data, parameters, and assumptions
- Module 4: Workshop – Mapping Risk Drivers to Product Pricing (02:00 – 03:30)

Day 2: Model Development and Calibration

- Module 1: Data Preparation and Statistical Modeling (07:30 – 09:30) • Data sources, segmentation, regression, and scorecards
- Module 2: Calibration Techniques and Performance Metrics (09:45 – 11:15) • Backtesting, Gini coefficient, ROC curves, and thresholds
- Module 3: Integrating Economic and Behavioral Factors (11:30 – 01:00) • Macroeconomic adjustments, elasticity, and risk appetite linkage
- Module 4: Workshop – Build a Pricing Model Prototype (02:00 – 03:30)

Day 3: Validation, Governance & Implementation

- Module 1: Model Validation Frameworks (07:30 – 09:30) • Independent validation, benchmarking, sensitivity analysis
- Module 2: Documentation, Audit Trail, and Governance (09:45 – 11:15) • Model development documentation, validation reports, version control
- Module 3: Implementation into Business Practice (11:30 – 01:00) • Embedding models into product lifecycle, loan origination, and pricing systems
- Module 4: Certification and Wrap-Up (02:00 – 03:30) • Review, final Q&A, and certificate distribution

Certification

Participants will receive a **Certificate of Completion in Risk-Based Pricing Model Development & Validation**, confirming their technical ability to build, calibrate, validate, and govern pricing models that align with modern risk management and regulatory standards.

Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
- **Industry-Leading Faculty:** Courses delivered by seasoned professionals with hands-on experience.
- **Practical Insights:** Learn to turn theory into actionable strategies for real-world business impact.
- **Client-Focused Solutions:** Customized programs designed to achieve your organisation's unique goals.

In-House / Customized Training	TEL:	EMAIL:
Interested in running this course for your team? Please contact us:	**+601116373203**	**info@mawaevents.net**