

CREDIT MANAGEMENT & CREDIT RISK IN THE OIL, GAS AND ENERGY INDUSTRY



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TRAINING CENTER



Introduction

The Credit Management & Credit Risk in the Oil, Gas and Energy Industry Training Course prepares credit and finance professionals to manage counterparty exposure in a volatile sector. Energy markets move with commodity prices, geopolitical events, and long investment cycles. Those swings change the creditworthiness of producers, traders, refiners, and distributors quickly. This course applies credit analysis to energy-specific business models. It covers commodity price risk, trade finance, receivables, and hedging credit exposure. Furthermore, it applies IFRS 9 provisioning, Basel frameworks, and stress testing to energy portfolios. As a result, participants learn to limit losses without blocking valuable energy business.

Credit Management & Credit Risk in the Oil, Gas and Energy Industry Course Objectives

- Explain energy sector structures and the counterparties that drive credit exposure.
- Analyse financial statements of oil, gas, and energy companies.
- Interpret commodity price cycles and their effect on borrower capacity.
- Apply credit assessment techniques to producers, traders, and distributors.
- Evaluate trade finance instruments used in energy transactions.
- Assess price risk hedging, margin calls, and collateral obligations.
- Calculate probability of default (PD), loss given default (LGD), and exposure at default (EAD).
- Apply IFRS 9 staging and expected credit loss to energy exposures.
- Manage receivables, prepayments, and letters of credit mitigation.
- Conduct stress testing and early warning monitoring on energy portfolios.

Course Methodology



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- Interactive lectures with energy credit and default case studies.
- Financial analysis workshops using real energy company accounts.
- Commodity price scenario and sensitivity exercises.
- Trade finance and collateral structuring case work.
- Structured peer discussion with facilitator feedback on credit decisions.

Who Should Take This Course

- Credit analysts covering oil, gas, and energy clients.
- Relationship managers in energy and commodity finance.
- Risk managers in energy trading and banking.
- Treasury and trade finance professionals in the sector.
- Internal auditors reviewing energy credit controls.
- Finance managers in energy companies managing receivables.

Credit Management & Credit Risk in the Oil, Gas and Energy Industry Course Outlines

Day 1: Energy Sector Structures and Credit Exposure

- Upstream, midstream, downstream, and oilfield services segments.
- Trading houses, refiners, distributors, and service contractors.
- Contract structures: offtake, supply, and long-term agreements.
- Commodity price cycles and their impact on cash flows.
- Sovereign and state-owned enterprise credit considerations.
- Credit policy, risk appetite, and sector limits.
- Case study: an energy counterparty default and its credit lessons.





Day 2: Financial Analysis of Energy Companies

- Financial statements of producers, traders, and service companies.
- Price deck assumptions and reserves-based lending concepts.
- Cash flow, leverage, and debt service capacity analysis.
- Working capital cycles in commodity trading.
- Off-balance-sheet obligations and contingent liabilities.
- Credit rating scales and energy-specific rating factors.
- Workshop: analysing an energy company's accounts and rating it.

Day 3: Commodity Price Risk and Credit Mitigation

- Price volatility, curve structure, and margin risk.
- Hedging instruments: futures, swaps, and options.
- Margin calls, variation margin, and collateral obligations.
- Credit risk mitigation: letters of credit, parent guarantees, and prepayment.
- Trade finance instruments in energy transactions.
- Structured and reserve-based lending basics.
- Workshop: assessing exposure under a price stress scenario.

Day 4: Credit Risk Measurement and IFRS 9

- Probability of default (PD) estimation for energy counterparties.
- Loss given default (LGD), recovery, and asset-based security.
- Exposure at default (EAD) including trading lines and committed facilities.
- IFRS 9 staging and expected credit loss for energy portfolios.
- Concentration risk by counterparty, commodity, and geography.

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- Basel frameworks applied to commodity and energy exposures.
- Workshop: calculating expected credit loss on an energy portfolio.

Day 5: Monitoring, Stress Testing, and Receivables Management

- Early warning indicators for energy counterparties.
- Receivables management, ageing, and collection strategies.
- Prepayment structures and secured supply arrangements.
- Stress testing energy portfolios and scenario design.
- Watch list, forbearance, and restructuring in energy lending.
- Credit reporting, dashboards, and committee packs.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Credit Management & Credit Risk in the Oil, Gas and Energy Industry, participants will gain a thorough understanding of energy counterparty analysis, commodity price risk, trade finance mitigation, expected credit loss, and portfolio monitoring. They will also acquire practical skills in financial analysis, exposure measurement, stress testing, and receivables management. In addition, the course prepares them to support energy lending and trading decisions with confidence. Gentex Training Center delivers this programme with a strong focus on applied energy credit practice and measurable risk improvement.





FAQs for Credit Management & Credit Risk in the Oil, Gas and Energy Industry course

Q1 What is the "Credit Management & Credit Risk in the Oil, Gas and Energy Industry" course about?

It is a five-day programme on managing credit exposure to energy counterparties. It covers sector structures, financial analysis of energy companies, commodity price risk, trade finance mitigation, PD, LGD and EAD measurement, IFRS 9 provisioning, receivables, and portfolio stress testing.

Q2 What are the key benefits of the "Credit Management & Credit Risk in the Oil, Gas and Energy Industry" course?

Participants gain credit judgement tuned to commodity cycles rather than generic lending rules. The course reduces losses from energy counterparty defaults, improves collateral and letter of credit structuring, sharpens provisioning accuracy, strengthens early warning monitoring, and lets institutions support valuable energy business with controlled risk.

Q3 What skills will I gain from the "Credit Management & Credit Risk in the Oil, Gas and Energy Industry" course?

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Participants gain energy counterparty financial analysis and rating, commodity price risk and credit mitigation design, PD, LGD and EAD measurement with IFRS 9 expected credit loss, and receivables management, stress testing and early warning monitoring. These four skills cover the energy credit lifecycle.

Q4 What tools, methods, or standards are covered in the "Credit Management & Credit Risk in the Oil, Gas and Energy Industry" course?

The course covers price deck assumptions, reserves-based lending concepts, debt service coverage ratios, energy credit rating scales, futures, swaps and options for hedging, margin calls and variation margin, letters of credit and parent guarantees, prepayment structures, structured and reserve-based lending, probability of default and loss given default estimation, IFRS 9 staging and expected credit loss, concentration analysis, the Basel frameworks for commodity exposures, and energy portfolio stress testing.

Q5 How is the "Credit Management & Credit Risk in the Oil, Gas and Energy Industry" course applied in real-world practice?

Participants apply the methods to live energy credit files and trading lines. They analyse energy company accounts, set limits and collateral requirements, assess exposure under price scenarios, compute expected credit loss, monitor receivables ageing, and prepare credit reports for committees. Many leave with energy-specific analysis templates ready to use.

