

Written evidence submitted by Lex Greensill

1. In addition to the emails you have already shared with us please could you provide the Committee with any records of meetings between Lord Myners and Maurice Thompson?[Q91]

- All records of the meetings were shared with you on 14 May 2021 and published by the Committee on 19 May 2021. There are no further records to provide.

2. It would be helpful to see a breakdown of lending extended by Greensill for each financial year, broken down by where lending is linked to an invoice already issued, where lending is linked to an invoice *expected to be issued based on repeated cashflows*, and where lending does not fall into one of the first two categories i.e. there was no expected invoice, or there is an expectation which is not based on repeated cashflows. Please also summarise how much of each type of lending was re-sold or transferred externally from Greensill, and how much was kept within the Greensill group, and within which entity of the group they were held? [Q153]

- Please refer to the table below.

Asset Flow \$m	2018	2019	2020
Total Asset Flow	27,263	143,039	142,937
Future Receivables	470	10,615	15,401
Future Receivables % of Total Asset Flow	2%	7%	11%

Asset Distribution \$m	2018	2019	2020
Total Asset Flow	27,263	143,039	142,937
% sold to Greensill Bank	6%	7%	11%
% sold to Other Investors	94%	93%	89%
Future Receivables	470	10,615	15,401
% sold to Greensill Bank	0%	73%	73%
% sold to Other Investors	100%	27%	27%

3. Could you provide the Committee with a summary of your credit insurers, with the names of the insurers and how much coverage was provided by each? [Q175]

- This information is subject to confidentiality agreements with over 20 insurers and any unauthorised disclosures to you would likely be a breach, which could prejudice Greensill Capital's insurance coverage.
- I have been informed that consent for release of this information would have to be sought from each insurer individually, and that this can only be requested by Grant Thornton, Greensill Capital's Administrators.

4. In 2018, when the FCA was looking into the concerns at GAM, to your knowledge was the FCA looking into Greensill as well? [Q210]

- I was not notified of any investigation by the FCA into Greensill Capital in 2018.
- 5. What was the news that Greensill representatives said that they were “very pleased to hear from the Treasury” in an exchange of emails on 24 April 2020? [Q234]**
- While I don't have the un-redacted email, I presume the remark would be a reference to the fact that HM Treasury indicated that they would conduct market testing around the potential for Supply Chain Finance assets to be eligible for the CCFF.
- 6. What was Bill Crothers' precise role in the civil service during the period of overlap when he had started working at Greensill? [Q287]**
- Please refer to the attached letter from Mr. Crothers answering your question.
- 7. How many different customers did you lend to under the CLBILS scheme? [Q124]**
- I understand that Greensill Capital lent to 8 customers under the CLBILS scheme.
- 8. You stated that Mr Cameron had been invited to attend the Board of Greensill. Please provide all the minutes of that Board for 2020, regardless of Mr Cameron's attendance, including the list of attendees.**
- I am unable to provide this information, as all company records are now under the control of the Administrators of Greensill Capital, to whom any request for such information should be directed.
- 9. Could you please provide the Committee with all correspondence (in whatever form) between you and David Cameron, relating to the financial health of the business between January and June 2020 and the risks it faced? Where available, this should include the records of meetings and phone calls. Redaction of junior staff names will be acceptable. Client names can also be redacted, but the redactions should be kept to a minimum, so as only to conceal their identity and not the fact of any risk they may have posed.**
- The only written communications with David Cameron regarding the financial health of the business occurred during the Greensill board meetings. Per my response to question 8, I am unable to provide board minutes.
- 10. In Sanjeev Gupta's letter to the Financial Times on 7 April 2021 he describes Greensill as offering a programme of “prospective receivables”. When Mr Gupta describes “prospective receivables”, which Greensill products do you think he is describing? Are there any mischaracterisations**

of Greensill's approach in this letter? If so, are you able to offer a correction to aid the Committee's understanding?

- The term "prospective receivables" is unknown to Greensill Capital and does not appear in any client or investor documentation ever issued by the company. Greensill Capital offered "future receivables" programmes to clients and the nature of these "future receivables" was fully disclosed to investors.

11. You told us that the assets your lending was secured against "ranged from real estate to vehicles to inventory, receivables, intellectual property, credits and licences of various natures, cash and indeed personal guarantees in some cases of the principals of the business, and, often, security over the actual shares in the companies" [Q176]. Are you satisfied that investors in your funds understood that lending was secured against such a wide range of assets including intangible assets such as intellectual property? How did you assure yourself that these assets could be recovered and retain their value in the event of a default?

- Any security of which investors had the benefit was fully disclosed in the relevant investor documentation. Investors made their own judgement based on those disclosures.

12. You told us that Greensill Capital had an insurance policy that would pay out on fraudulent loans [Q144]. Please provide the Committee with a copy of the insurance policy in question.

- Any insurance policy would be confidential and therefore I refer you to my response to question 3.

13. You informed the Committee that you were not aware of firms both invested in the Greensill Capital's equity and receiving financing from Greensill [Q193-198]. We are aware of reports that General Atlantic bought a minority stake in Greensill in 2019 and borrowed €300m from it the following year². We would welcome clarification on this point.

- I would like to correct the record on this point and apologise for my misunderstanding of the original question. Greensill Capital provided a facility for a subsidiary of General Atlantic, which was repaid in full in 2021.
- It is important for the Committee to note that Greensill Capital had a special approval process in place for lending to any shareholder or affiliate. Furthermore, I am not aware of any general prohibition on lending to shareholders in the circumstances in which Greensill Capital did.
- I appeared before this Committee to provide clarity and to avoid misunderstanding. I thank you for this opportunity to correct the record.

14. The Treasury readout of a call you had with Charles Roxburgh on 30 March 2020 notes that you “[...] claimed that all the companies in [your] proposed asset bundle bar one would be eligible to access the facility in their own right (in other words without needing a credit wrapper to secure eligibility)”. Please can you identify which company required the credit wrapper? If you are unable to identify this company due to client confidentiality, please can you state whether you had identified a potential concentration risk in your dealings with this company or its associates.

- I cannot comment on client names due to confidentiality agreements. I can confirm, however, that the company in question was not a concentration risk.

Annex A: Letter regarding Bill Crothers' role in the Civil Service during the period of overlap when he had started working at Greensill

Lex,

You have asked me to address the following question, for which you do not have the facts, for you to be able to respond to the Treasury Select Committee. I am happy for you to forward the committee a copy of this letter or include the following in your response and let them know that I have provided it to you.

I am happy to assist, though would note that this has now been addressed by both Sir John Manzoni and me at this week's (8th June) PACAC. You may wish to refer the committee to the full transcript.

Question: What was Bill Crothers' precise role in the civil service during the period of overlap when he had started working at Greensill? [Q287]

In the summer of 2015 Mr Crothers discussed a progressive return to the private sector with the Cabinet Secretary (Sir Jeremy Heywood), the head of the Civil Service, John Manzoni, and the Head of Propriety and Ethics. Mr Heywood and Mr Manzoni were keen to retain his services to help develop commercial capability in the Civil Service. This led to a three month transitional arrangement where he was working part time for the Civil Service whilst acting as an advisor in the private sector at approximately one day per month for Greensill Capital. His Civil Service role involved work only on commercial capability. His responsibility for the Crown Commercial Service (government procurement) had passed directly for this period to Mr Manzoni.

Warmest regards



Bill Crothers

June 2021