Questionable Invoices Backed Credit Suisse Greensill Loan
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Five months before Greensill collapsed, Credit Suisse is reported to have provided a $140 million loan based on suspicious invoices pledged as collateral.

Credit Suisse provided a $140 million loan to Greensill Capital in October of 2020 five months before it collapsed, backed in part by invoices issued by Sanjeev Gupta's Liberty Commodities and sold to Greensill. However, several parties whose names appeared on the invoices said they didn't conduct any business with Liberty, according to a «Financial Times» (behind paywall) story Monday.

According to the loan terms, the collateral had to be at least as much as the $140
million borrowed, and only Greensill invoices to parties rated investment grade would be accepted. Before Greensill's implosion, Credit Suisse showed eligible invoices of $99 million to twelve companies, according to the «FT».

No Transaction Records

Invoices that Liberty Sold to Greensill, and seen by the Financial Times named seven of the companies. Four said they had no records of transactions with Liberty including Cargill, Mitsui Bussan Metals, Toyota Tsusho Asia Pacific, and Itochu Singapore. The others could not be reached or declined comment to the news outlet.

Greensill administrator Grant Thornton contacted Itochu to verify one of the Liberty invoices in March of last year but said there was no transaction record.

Loan Granted Despite Warning

One of Credit Suisse's largest clients, Swiss commodities trader Trafigura, warned that Liberty appeared to use the invoices to raise the financing. Still, the bank accepted the collateral.

Despite the nature of the collateral, the $140 million loan was repaid to Credit Suisse because it had the first crack at Greensill's assets which included $50 million in case, according to the report.

Credit Suisse said that «the recovery of the bridge loan made to Greensill Capital, in full, plus interest owed, is further evidence of our absolute determination to seek recourse from this matter wherever we can,» according to the «Financial Times.»