

MINERVA

# Treasury Services

---

Diversified Cash Management Service



**Individual  
Independent  
International**

## Minerva's Credentials

Minerva has been successfully providing cash management services as part of its treasury services solutions since the late nineties, responding to the desire on many clients' part for safety, simplicity and cost efficiencies in banking arrangements.

Although we always championed diversification of bank risk as a key feature of the service, we didn't realise quite how this would be drawn into harsh perspective by the 2008 banking crisis when for a few weeks in particular we lived with uncertainty on an almost daily basis. During those difficult days we took comfort that those using Minerva's Diversified Cash Management Service were more secure than most as their deposits were diversified across a number of banking institutions.

We hope never to see a return to such turmoil in financial markets however the crisis reminded us to expect the unexpected, and to plan for it. Thus our commitment to spreading bank risk by offering diversified banking facilities remains as strong as ever.

More recently we have introduced the Liquidity Cash Management Service which allows those unable to utilise the Diversified Cash Management Service, due to restrictions imposed by participating banks, to receive many of the same benefits.

Minerva is one of very few Jersey trust and corporate services providers who provide cash management services in this way.

*'Minerva has been successfully providing cash management services as part of its treasury services solutions since the late nineties.'*

## What is Minerva's Diversified Cash Management Service?

The concept is very simple. Minerva maintains pooled clients' accounts with Barclays in Jersey into which all deposits received on behalf of entities managed by Minerva and utilising the Diversified Cash Management Service are received. Barclays is referred to as 'Bank A' in this process.

Monies received into the Bank A pooled account are then apportioned between the participating banks so as to achieve the desired spread of risk. These participating banks are all licenced to conduct deposit-taking business by the Jersey Financial Services Commission and can be changed by Minerva at any time.

Minerva then manages the amount of client monies held with each of the participating banks so as to maintain liquidity and the spread of deposits in accordance with pre-agreed thresholds.

Interest rates on the pooled accounts are set individually by the participating banks. The interest accruing in respect of each entity's monies is calculated on a daily basis by reference to the amount of money held for that entity in each pooled account on that day. Interest is paid quarterly net of Minerva's fees and charges.

The effect of this diversification is that for each sum deposited into the Diversified Cash Management Service, a proportion is held with each of the banks involved in the pool against maximum exposure thresholds agreed by Minerva. The spread of banks varies according to the currency and type of pool.

Importantly, the regulatory regime in Jersey requires Minerva to adhere to very strict rules concerning the maintenance of separate records of client monies, and so Minerva reconciles each client's capital and the interest earned thereupon with each of the participating banks on a daily basis.

*'The spread of banks varies according to the currency and type of pool.'*

## What is Minerva's Liquidity Cash Management Service?

The Liquidity Cash Management Service shares many of the benefits of the Diversified Cash Management Service save that Minerva maintains one account for each currency with Standard Bank Jersey Limited into which all deposits are received.

Minerva then manages the monies by placing them on different maturity periods with Standard Bank Jersey Limited to maintain liquidity in accordance with pre-agreed thresholds.

Interest rates on the pooled accounts are set by Standard Bank Jersey Limited. Interest is calculated on a daily basis. Interest is paid quarterly net of Minerva's fees and charges.

As with the Diversified Cash Management Service, Minerva maintains very high standards in record keeping and reconciliation.

*'As with the Diversified Cash Management Service, Minerva maintains very high standards in record keeping and reconciliation.'*

## Advantages

There are compelling arguments for diversifying bank risk. For most, opening and maintaining multiple banking relationships is not cost effective. This is particularly the case where bank's compliance requirements are complex and where banks seek to generate additional income by raising account maintenance fees.

Although at the heart of the Diversified Cash Management Service is spreading of risk, containing rapidly increasing costs is also a very attractive feature.

The Liquidity Cash Management Service doesn't diversify bank risk however it is available to a broader range of customers and carries many of the features and benefits of Minerva's Cash Management Service.

## Benefits

- Access to interest at higher rates than might otherwise be available on call or short term fixed deposits.
  - Bookkeeping bank transactions, which is normally charged on a time-spent basis, is provided at no cost as part of the service.
  - Interest is accrued daily and paid quarterly.
  - Instant access to monies in normal market conditions.
  - Lower payment processing costs.
  - No account maintenance fees.
- Diversified Cash Management Service carries the following additional benefits
- Diversification of risk without the expense of creating and then managing multiple bank relationships.

## Charges

Operating accounts through the cash management service allows Minerva to significantly reduce many of the increasing costs associated with managing bank relationships, resulting in tangible cost savings for clients.

Despite the historic low rates of interest currently payable on bank deposits, the effect of pooling client monies enables Minerva to achieve a real, net of service charges return for its clients.

These costs are further described in the Fees and Charges Schedule.

## Risks

The Jersey Depositors' Compensation Scheme does not cover deposits made by non-natural persons such as trusts, companies and partnerships whether placed directly with a Jersey bank or via the Minerva Cash Management Service.

The Diversified Cash Management Service does not eliminate bank risk altogether however the diversifying effect of pooling significantly reduces the impact of bank failure. Thus in the event of the failure of one of the participating banks, the capital and any accrued interest placed with that bank would be at risk.

In all but extreme market conditions (for example there being liquidity restrictions across one or more of the participating banks in respect of the Diversified Cash Management Service or Standard Bank Jersey Limited in respect of the Liquidity Cash Management Service) monies will be available at call. In certain circumstances, such as a large withdrawal by any client a 'break fee' may be incurred.

These risks are further described in the 'Frequently Asked Questions' document.

## More Information

This brochure should be read in conjunction with:

- **Minerva's Terms of Business**
- **Frequently Asked Questions**
- **Risk Guidance**
- **Fees and Charges Schedule**

All of which are available, together with current rates on interest paid on deposits, from your usual Minerva point of contact.

## Contact

### **Minerva Trust & Corporate Services Limited**

PO Box 218  
43/45 La Motte Street  
St. Helier  
Jersey JE4 8SD  
Channel Islands

Telephone: +44 (0)1534 702800

E-mail: [info@minerva-trust.com](mailto:info@minerva-trust.com)

[www.minerva-trust.com](http://www.minerva-trust.com)



[www.minerva-trust.com](http://www.minerva-trust.com)

