

JCRA

Financial Risk Consultants

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J.C. Rathbone Associates Limited
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JCRA - Risk Management Consultants

JCRA provides Risk Management and Structured Finance services, helping our clients generate improved profitability with the service offered always being tailored to their unique circumstances.

Why JCRA?

JCRA was founded in 1989 to provide companies and institutions with independent advice when managing their exposures to interest rate and foreign exchange movements. We provide Financial Risk Management services through the use of structured hedging strategies to help clients generate improved profitability.

The pricing of hedging instruments is not transparent and a crucial part of the service that we provide is to negotiate with the banks to ensure that our clients achieve best pricing. We provide innovative and impartial Structured Finance advisory services individually tailored to the circumstances of each client and situation.

We recognise the importance of our clients' assets, time and money and treat each one of them as a unique customer with individual objectives.

Our Approach

We employ highly skilled people with a broad range of relevant experience and knowledge, in order to deliver a consistently good service. Our core values are honesty, integrity, trust and independence.

Our knowledge and independence allows our customers to transact with banks on equal terms, and ensure that they only purchase banking products that are appropriate to their circumstances and are properly structured and fairly priced.

Our Services

Advisory

Before providing any hedging recommendation, we seek to gain an understanding of the key elements of the financial model and business objectives of our clients. We will then consider the various hedging strategies which we believe to be suitable.

Reporting

We prepare a report that clearly demonstrates our understanding of each project and identifies the appropriate hedging strategies. The relative strengths and weaknesses of these strategies are explained culminating in the provision of a recommended strategy and the rationale behind it.

Pricing/Benchmarking

Once the hedging decision has been made, our pricing team provide market pricing. This benchmarking process ensures that all relevant elements of the transaction are identified with the bank prior to implementation. This independent validation of pricing ensures that our client gains transparency and the reassurance that a fair price has been achieved.

Documentation

Prior to closing a transaction, we ensure that the appropriate hedge documentation is in place and on market terms that accord with the other finance documents.

After closing the transaction, we check the trade confirmations to ensure that the transactions are properly recorded.



Post Transaction Service

Our emphasis on building long-term client relationships means that the service continues post implementation and we look to provide valuation updates and general information regarding financial markets and trends.

We also regularly review hedging strategies, to ensure they remain valid as the business model evolves and the financial markets change.

Financial Risk Management

We work with our clients to produce hedging strategies that are designed to minimise the risks to their profitability caused by adverse market movements on critically exposed positions. At the same time we devise strategies that provide flexibility leaving open the possibility to benefit from favourable movements in the market.

Our experience gives us an unrivalled position in many of the sectors we serve and our team of advisers is supported by dedicated pricing specialists.

Interest Rate Risk

Derivative instruments can be used to convert either fixed or floating rate cash flows into alternative and more relevant forms of cash flow according to our clients' needs. We strive to identify a solution that ensures they can meet their budgeted funding costs whilst leaving open the ability to benefit if market movements should be favourable.

Foreign Exchange Risk

Foreign exchange volatility is endemic and is a constant threat to corporate profitability. The origins of the exposures are diverse but the effect is usually the same and can be both sudden and cataclysmic. We work with our clients to analyse these exposures and then devise hedging structures that contain them.

Inflation Risk

Derivative instruments such as RPI, CPI and LPI Swaps and options devised to manage inflation risk are becoming widely used. They may be used to protect corporate profitability from the ravages of inflation or to ensure certainty of cash flow. These instruments can be complex and the pricing of them opaque. We ensure the hedging structures being offered are suitable and that the pricing of them is both transparent and fair.

Cash Management

We work with our clients across a range of sectors to develop new, or review their existing treasury management policies. In particular, we implement efficient cash management strategies based on our clients liquidity requirements and investment objectives.

We advise and assist our clients on a proactive basis with a wide range of short term investment instruments creating optimal cash management solutions which successfully balance the key drivers in this area: security, counterparty risk, liquidity and yield.

Valuation

We are independent of the providers of derivative instruments and structured loan products and as such we provide a discreet and confidential valuation service for our clients. This may be for the following purposes:

- The preparation of statutory accounts
- Internal risk management
- Due diligence in respect of mergers and acquisitions

We have the skills and systems to provide forensic analysis of highly structured and opaque derivative structures.

Benchmarking

We provide a benchmarking service for transactions prior to and at the point of completion. This allows our clients to negotiate fair pricing for instruments where there is no readily visible market price thus ensuring that they obtain a fair market level.

Structured Finance

With extensive experience of the real estate debt markets we provide a comprehensive service that ranges from benchmarking debt terms offered to clients and building debt models to sourcing and negotiating debt for projects. We are able to advise on the restructuring of existing loans, assist clients in putting together comprehensive borrowing strategies to meet their balance sheet requirements and negotiate the termination of debt where required. With relationships across the market we provide access to both senior and mezzanine bank debt and the private placement and securitisation markets.



It makes sense to be prepared www.jcra.co.uk

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