

WORLD FINANCE

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SLAPPING BACKHANDERS

New measures to combat
corporate bribery

HEAD-ON COLLISION

Auto industry spirals
out of control

STEPPING FORTH

Investors told to
take more power

GAS GIANT

The man at the centre of
Russia-Ukraine relations



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Partial view of
Monterrey, Mexico
horizon



Firm declared as Mexican powerhouse

Mexican company achieves international recognition for its high service quality, showing intelligence and originality in tough times, and playing in the shadow of its larger, more powerful, neighbouring state

BY FOCUSING ON INNOVATION to bring agility and efficiency to financial transactions, BASE Casa de Bolsa (Full Brokerage Dealer) has managed to increase its net worth by 60 percent during 2008, BASE Casa de Bolsa is following its strategy to consolidate in Mexico as the institution specialised in financial solutions for medium and large companies, providing foreign exchange services, money market and financing for domestic and international operations.

With an impeccable history and a portfolio of more than eight thousand customers in the business sector, BASE has been in business for over two decades. Founded in 1986 as a corporate foreign exchange firm, in 2006 BASE changed their corporate charter to operate as a full brokerage dealer, and developed a service portfolio that includes foreign currency exchange services (Mexican pesos, US dollars, euros and all hard currencies) through international wire transfers, buying and selling of remittances and cheques drawn on a foreign bank; as well as money market investments, investment funds, retirement funds management and personalised advisory services on derivatives and financing.

A successful year

2008 was noteworthy for BASE. Despite the world's financial instability, not only did the firm consolidate its investments in human capital (developing highly qualified professional specialists) and diversified its product portfolio, but also very prudently managed its well-chosen strategy in the face of market volatility.

This allowed them to achieve greater profits resulting in an increase in the company's financial strength, whose

net worth rose from 236m pesos in 2007 to 421m pesos in 2008.

These results turned BASE into a leading financial institution, and reflect an above-average performance as compared to the 32 financial institutions comprising the sector in Mexico.

Lorenzo Barrera, CEO and Founder of BASE, stated that for 2009, the US government established a lot of measures to stabilise the dollar, the financial situation of banks and market liquidity. "Little by little, the US begins to recover, but Mexico is lagging behind its neighbour. We'll need to be very intelligent in dealing with the second half of 2009; and check the progress of our strategy on a monthly basis".

He then went on to clarify, "we have a goal to grow 25 percent in our operations volume and to achieve at least a return on net worth of 25 percent per year until 2020. We are constantly making adjustments to provide better and more timely customer service and to make sure we achieve our goal."

Internationally backed confidence

The BASE branch offices and partnerships are strategically located in major cities in Mexico, the US and Canada. The firm has correspondent relationships with the most important international banks, as well as the majority of the banks in Mexico; all to support transparency, security and service speed.

Standard & Poor's have acknowledged BASE as a benchmark in the sector, because of its Anti-Money Laundering (AML) processes. The firm is committed to working with the highest standards of transparency and security.

BASE's financial statements and Anti-Money Laundering prevention systems are audited by Deloitte, while KPMG audits their risk management practices. Additionally, it is rated by Standard & Poor's and Fitch Ratings. The positive ratings that these firms have given BASE are the result of its day-to-day work culture which strengthens the firm's capacity to meet its commitments, despite prevailing market complexity and volatility.

Alvaro Barrera, Director of Strategy and Innovation, and co-founder of BASE, points out that "the company is very strict when it comes to the worldwide rules for preventing money laundering. In addition to complying with all the guidelines of regulatory institutions, we also implement our own control processes. And we expect to propose them in the future to those very institutions and companies that carry out similar activities in the financial area."

Protection controls allow them to maintain a healthy customer portfolio, to operate with transparency based on professional ethics, and to maintain the trust of their customers whom they consider to be the basis of their business.

"We are members of the Association of Certified Anti-Money Laundering Specialists (ACAMS) and founders of the Monterrey-Mexico Chapter of the Association. Additionally, we are in compliance with the guidelines of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), the Canadian financial intelligence unit which specialises in MLP", said Alvaro Barrera.

High-touch service

"The basis of our organisation is our people. We have a team of 315 associates who jointly make the organisational structure of BASE to provide secure, reliable and fast service to our customers", says the management of BASE in the annual report under a heading that reads, "We always listen to our people".

Lorenzo Barrera mentioned that much of BASE's success lies in the people that comprise his team, in their prudence, and top-notch decision-making. "The people at BASE work with passion."

Alvaro added that they are working on an Innovation Culture Program, and that with it they expect to continue to grow stronger and more competitive. "People are the basis of the Principle of Innovation, because the ideas that transform a company come from those who are doing the work."

An example of this is Nancy García, a BASE Financial Advisor who, in sharing how the growth of the company has been reflected in personal growth, cannot hold back her emotions as she recounts how the company started, what her job was, and the philosophy employed by the owners and management, to train their employees and provide support so that they would also grow at the same time.

"When the company turned to be a full brokerage dealer, they decided to not replace employees with new people but rather to educate existing personnel with the support of experts in financial topics. They were brought on-board to be part of the team. They trusted that each and every one of us have the capacity to learn. They had the vision to capitalise on the interpersonal relations that we had developed with our customers over many years", said García.

She went on to explain that this team of financial experts worked hand in hand with the agents, supporting them in the strategies and proposals to their customers. Besides,

"Each one of us knows that success lies in the personal relationship with our customers, in understanding their needs, in providing them with effective solutions, and supporting the treasurers of companies to make their jobs easier... and simply by being fully available to them. If anything, we are reliable."

BASE were publicly recognised for this work philosophy when the firm was mentioned as one of the Most Desirable Employers in Mexico in 2007 and 2009 by *Expansión* magazine. The publication referred to them as *Super Compañía* and explained that a super company is one that has achieved passion beyond employee satisfaction. This ranking measures the company's culture and corporate climate, which are paramount for determining employee attitude and performance.

In addition to the growth experienced in 2008, there is the strategy that the company devised, defining long-term plans, their Vision 20-20; their work ethic, hiring new employees, providing thousands of man hours in training for all personnel, and the opening of new branches to expand their national and international coverage.

Positioned to grow

Without doubt, for BASE success is based on a set of carefully developed ideas, where each element is planned and strengthened with a strategy and a direction towards a single objective: to add value to the companies by providing customers with reliable domestic and international financial solutions that will allow their businesses to operate and develop crisply and quickly.

One of the favourite expressions used by the BASE financial agents when talking to their customers is "we make the work of company treasurers easier." This shows the capacity and experience in each of the financial services they provide which go beyond currency exchange transactions.

In response to the needs of their clients, BASE embarked upon the task of developing new specialised services to bolster their current portfolio:

- 1) Investment funds: Providing more attractive investment options in functionality and risk profile, through investment funds both in pesos and dollars.
- 2) Retirement funds: Providing advisory services to companies on the best alternatives for investing their employee pension or savings funds in financial instruments that yield maximum returns.

BASE senior management have prepared a very precise customised offering for companies wishing to engage in foreign trade with or within Mexico. Their vision of growth and strength goes hand in hand with that of companies that view Mexico as a good country in which to do business and into which to expand their operations. ■

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WHAT THEY SAY ABOUT BASE

"Our rating on Base Internacional reflects a good business strategy, which has allowed the company to increase its income level and improve its intermediation margins. The efforts of its management team to improve its corporate governance and the constant growth of its capital base also support the rating. On the other hand, we believe that Base Internacional has the challenge to diversify its income sources, and that it faces strong competition within its sector", Standard & Poor's press release. August 11, 2008.