



The State of International Banking

Three Factors having major impact on Offshore Financial Institutions.

There are three major forces that are having an impact on the Banking Sector particularly in Panama. [NET\(net\)](#) is able to help clients mitigate these risks in 2017:

Premium Industry Cost

Banks (and other financial institutions) pay more for information technology (IT) than all but two other industries in our detailed study of 29 major industries - mostly because there is a high dependency on IT to deliver business value - and technology suppliers leverage this situation for premium value.

NET(net) can help banks save money by reducing the costs of IT (by over 30% on average) through our Vested Management Option (VMO) program, designed to help financial services clients' lower costs and improve supplier performance with no diminution of business value.

Panama Papers

Banks are under increasing pressure to reduce costs due to investments leaving Panama party as a result of the 11.5 million leaked documents that detail financial and attorney-client information for more than 214,488 offshore entities.

Among the over 75 cost optimization programs in the financial industry, IT is the #1 performing category of cost savings both in terms of money saved, and in terms of percentage of savings on addressable spend; and NET(net) is the #1 performing cost optimization supplier in this space. This means that it's a fertile area to harvest value. This can help banks deal with increasing pressures to reduce costs and improve operating margins.

New Tax and Fiscal Policy in the US:

Within the first 100 days of the Trump Presidency, the US is aligned to pass sweeping tax, fiscal and other regulatory reforms that will strongly encourage the repatriation of foreign earned income as well as provide a stable low tax environment for future earnings.

This means that it is highly probable these costs cutting pressures will not only continue, but will likely intensify as more money leaves offshore centers such as those found in Panama and other regions.

NET(net) is uniquely positioned to help International Banks lower the costs of IT by providing a world class Supplier Cost Optimization & Performance Management program that can help you dramatically reduce costs for only a fraction of your savings.



Case Study

How NET(net) helped a large International Bank reduce costs by well over 50% on just one supplier investment.

December 2016

Working with one of the largest International Banks in Latin America, NET(net) began its VMO Program in December of 2016. The client and NET(net) identified an immediate supplier opportunity to target substantial savings.

- Within a matter of days, NET(net) was able to identify and quantify significant cost savings with a major technology supplier
- Gathering and analyzing all documentation, meeting with both the client and supplier, NET(net) was able to specifically identify \$468M in cost out, and laid the foundation and strategy to secure those identified savings
- With the client aligned to the strategy, NET(net) executed the plan to initiate the savings and assisted in the negotiation of the commercial and contractual terms

Result?

On an original cost baseline of \$828M, working with the client and supplier, NET(net) was able to reduce that outlay to \$360M to **achieve the identified savings of \$468M**. In addition to the savings, NET(net) was able to also leverage improved terms and conditions that will reduce future costs. mitigate risk even further, and help 'future proof' this supplier estate.

[Contact us](#) today to see how we can help you.

"NET(net)'s VMO Program for technology supplier cost optimization and performance management has already delivered outstanding results, helping us dramatically reduce supplier spend and improved the performance of our supplier agreements, investments, and relationships. NET(net) is and will remain a long term strategic partner that will help us digitalize our business, and develop best in class standardization and regional transparency on a global basis."

-Luis Staub Executive Director, Finance & Operations -- **Itau-Unibanco**