

# ABN AMRO Taiwan

## OnQ™ and CallTech™ – Collecting More in an Economic Down Cycle

### Background

In 2006, as recounted by Reuters, “Taiwan was hit by a credit card crisis as hundreds of thousands of Taiwan’s credit card holders racked up debt, undermining consumer sentiment and stunting economic growth.”

With this nationwide rise in debt, it was no surprise that delinquency rates went up as well. To stave off rising consumer insolvencies, the government stepped in to enact rigorous legislation protecting consumers. According to the Taiwan Journal, The “Consumer Debt Clearance Regulations, the nation’s first personal bankruptcy legislation since the Bankruptcy Act was promulgated 72 years ago, . . . were targeted at aiding debtors with small loans, especially those with debts from credit and cash cards.”

Again, according to the Taiwan Journal, “The new regulations were expected to benefit around 280,000 card debtors, said the report, adding that this number excluded 220,000 debtors who had already negotiated with the banks.”

As a result of this activity, banks needed to become more aggressive in reaching delinquent accounts before other creditors did.

### Business Need

ABN AMRO Bank has been in Taiwan since December 1980, which is part of ABN AMRO Bank global banking network. The credit card portfolio of ABN AMRO Bank in Taiwan is ranked second among all foreign banks in the country. The bank offers a full range of products in financial markets, transaction banking and investment banking to a client base of about 1,000 corporations and financial institutions.

### Goal

**Like other Taiwanese banks, ABN AMRO faced a bracing collections environment. Seeking to implement collections best practices that would put it ahead of the rising delinquency curve as well as its competitors, ABN AMRO proactively focused on an intense collection strategy that included deploying a Best Time to Call (“BTTC”) solution. Such a solution would help increase contact rates and, ultimately, bucket one cure rates. This would have the dual effect of making more delinquent accounts current, while significantly reducing account rollover into bucket two. Note: Odds increase greatly when accounts roll over.**

### Solution

The company turned to ALI Solutions™ patented OnQ™ and CallTech™ Collections and Recoveries Optimization solutions to help increase its collections liquidity rates.

CallTech “when to call” solution predicts right party contacts and likelihood of customers promising payment. Using patented calling analytics to determine the best time to call, CallTech is helping ABN AMRO Taiwan get more right party contacts with fewer calls.

CallTech feeds this information into OnQ, a “how to call” solution that automates campaign management and execution. OnQ is helping ABN AMRO by providing automated management of its collections campaigns, ensuring both government compliance and operational efficiency.

“The collections situation in Taiwan continues to change as both the regulatory and the financial environment progress to stabilize the situation. ALI Solutions is an ideal partner to help us meet these evolving challenges. Their flexibility in helping develop new predictive models that correspond to emerging issues has helped us keep ahead of the perfect credit storm.”

— Mr. Kelvin Lau  
Regional Program  
Lending Manager  
Greater China &  
Acting Consumer  
Risk Manager,  
Taiwan



Dynamic Decisioning. Unleashed.™

## Results

According to bank sources, in testing, using OnQ and CallTech—versus Business as Usual strategies—has brought about the following significant cure rate improvement in delinquency bucket 1 (1-29 days past due) of their credit card portfolio.

- A 520 basis point improvement in terms of account volume; or
- A 250 basis point improvement in terms of account balance

“The collections situation in Taiwan continues to change as both the regulatory and the financial environment progress to stabilize the situation,” says Mr. Kelvin Lau—Regional Program Lending Manager, Greater China & Acting Consumer Risk Manager, Taiwan. “ALI Solutions is an ideal partner to help us meet these evolving challenges. Their flexibility in helping develop new predictive models that correspond to emerging issues has helped us keep ahead of the perfect credit storm.”

## About ALI Solutions™

ALI Solutions provides event-based analytic decisioning applications that empower consumer financial services organizations to preemptively manage risk and improve profitability. ALI's solutions automate the fusion of transaction data with third party data sources to dynamically execute credit, fraud and collections policies that solve immediate business problems while easily adapting to future industry challenges. For over 16 years many of the world's most successful companies throughout North America, the United Kingdom and the Asia Pacific region continue to choose ALI because its applications are proven to help businesses mitigate losses while delivering millions of dollars in bottom line benefit.

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