

FICO BANKCARD SOLUTIONS

# Revitalize Bankcard Growth

Deliver profitable customer decisions



**FICO**<sup>™</sup>

Make every decision count.<sup>™</sup>

*“A key element to the success of our project was FICO’s consultative approach to learning our business and understanding our strategy for product positioning, immediate and long-term growth.”*

*—Vice President Bankcard  
Fifth Third Bank*

# Bankcard executives are contemplating the right path to profitability against a completely new lending landscape.

A slow economic recovery makes risk analysis more difficult. And new regulations threaten traditional revenue streams and customer loyalty. Still, issuers must move forward, and picking the right paths can only come from sharper customer insight and more responsive execution.

How can issuers realize responsible, sustainable growth? We know one thing it takes: precision in customer decision making. We help issuers bring clarity to every customer decision, with insight on

risk and many other customer attributes. And with that insight, issuers have always found new ways to profitably grow their portfolios.



# FICO Bankcard Solutions



## Bankcard Growth

Revitalize revenue streams across the lifecycle

Opportunities for revenue growth may not be as readily apparent as before, but they do exist. FICO has developed technology to help you leverage them. We'll help you grow. Responsibly. Compliantly. And sustainably.

With FICO's bankcard growth solution, you can:

- Gain new insight on customers and prospects for more effective outreach and promotions.
- Improve your risk assessment and measure your customer's capacity to handle more credit, so you can safely increase approval rates.
- Launch new product promotion programs with automated platforms that expedite origination decisions to approve more customers.
- Cross-sell and up-sell current customers with automated decision technology that targets the right individuals with the right offers.



## Risk Reduction

Operate with vigilance geared for today's marketplace

High risk levels today should not prohibit profitable lending. At FICO, we understand the most important point: Unacceptable risk can be predicted and avoided. That's our core business—one that we've evolved over many years.

With FICO's risk reduction solution, you can:

- Assess both risk prediction and ability to take on more credit.
- Match product parameters to customers in originations based on optimized strategies to reduce risk and comply with new regulations.
- Improve line assignments by knowing the cardholder's activity on all open accounts using advanced strategy design.
- Identify pre-delinquent behaviors early with a range of customer behavior models that forecast a need to change treatment.
- Reduce losses and charge-offs by prioritizing collection actions with intelligent automation and support from online data sources and service providers.



## Capital Reserve Assessment

Meet requirements while strengthening capital positions

It's a constant balancing act: assuring both adequate lending assets and capital reserves to comply with BASEL II. FICO technology delivers a balanced equation: The right amount of reserves, investor confidence and satisfied regulators.

With FICO's capital reserve assessment solution, you can:

- Set aside just the right amount of reserve requirements and assure compliance with advanced modeling.
- Make sure you have the capital you need to extend credit by relying on analytic expertise and direction from experienced consultants.
- Measure the effect of shifts in macro economic factors on reserve requirements using stress-testing.
- Reduce reserve assessment errors by capturing the right data elements and modeling scenarios.
- Produce risk assessment reports to satisfy regulators and fulfill market disclosure requirements—as one of the three pillars of Basel II.



## Compliance

Rapidly comply with new regulations

Regulatory conditions change. We think it makes sense to have systems that can be modified just as quickly—without having to tear apart old platforms or dig around for buried code.

With FICO's compliance solution, you can:

- Meet new regulatory requirements and deploy new strategies quickly and easily using award-winning rules management technology.
- Test your strategies' impact on compliance and profitability using adaptive control technology.
- Give business users easy access to a rules repository so they can manage strategy design and changes more efficiently.
- Leverage insight from industry experts who have helped major card lenders with their compliance requirements globally for decades.



## Fraud Protection

Safeguard yourself and your customers

Sparked by a weak economy, fraud is raging. And it's rapidly morphing. FICO is helping issuers quickly spot today's changing fraud patterns to prevent losses—sometimes by up to 50%.

With FICO's fraud solution, you can:

- Stem losses immediately with advanced predictive analytics deployed in the transaction stream.
- Accelerate detection of shifting fraud patterns and CNP fraud with adaptive analytic models that learn in real time.

- Expand protection with global intelligent profiles for insights on high-risk ATMs, merchants, regions and other entities.
- Use advanced case and rules management technology to track suspicious-looking transactions and block fraud before losses mount.
- Minimize cardholder impact and operational costs with advanced detection that reduces false positive ratios.
- Control fraud across the enterprise and lifecycle by managing fraud related to multiple products from a single platform.



## Customer Loyalty

Build lasting customer relationships

With new regulations and tight consumer spending, today's customers are easily lost to a better offer. FICO can help issuers drive greater loyalty from their own programs, and we have our own unique loyalty program to offer.

With FICO's customer loyalty solution, you can:

- Satisfy changing consumer demands in a timely fashion by quickly launching new products with easily modifiable rules management technology.
- Offer exactly the right product to the right customer segment, while meeting business objectives and constraints, with optimization technology.
- Find prospects and customers most likely to drive revenue at acceptable risk levels with analytic revenue prediction models.



## Collections Optimization

Reduce write-offs and protect the bottom line

Bad debt today places a lot of demands on issuers. It needs to be contained to stop write-offs, more efficiently managed to cut costs and detected earlier to take corrective customer action. FICO's integrated strategy and execution platforms help in issuers' fight against losses.

With FICO's collections optimization solution, you can:

- Reduce early-stage delinquencies by as much as 20% with real-time loan workout technology.
- Protect valuable customer relationships by working collections at the customer level, resulting in a single contact for multiple obligations.
- Rapidly integrate new analytics and scores, without IT support, to quickly improve collections strategies.
- Support multiple processes and languages on a single platform when operating in multiple markets and currencies.
- Maximize recoveries from charged-off debt portfolios with a solution that processes more than 70% of charged-off debt in the US.
- Optimize debt sales to positively impact the bottom line by as much as 20%.



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