The Underlying Issue

Accepting payments can be expensive

• The cost for airlines to accept payments: USD 8 billion$^1$
• Checks cost up to $20 per check to process$^2$
• Suppliers pay an average of 2.5% per transaction to process credit cards$^3$

Sources: Phocuswright$^1$
www.billtrust.com/resources/blog/b2b-payment-challenges-why-is-payment-acceptance-so-complicated$^3$
The Underlying Issue
Airlines need a way to offer payment for multiple types of programs

- Prepaid Corporate Accounts
- Corporate Direct Bill (On-Us)
- Government Travel Solutions
- Barter, Internal, VIP and Staff Travel
- Vacations Program Management
- Tour Operator and Consolidator Accounts
- Customer Service Recovery
- Consumer Gift Cards (via partners)
B2B Payments Pain Points

• Many payment options
• Fraud
• Payment delays
• Resource-intensive
• Cost
• Visibility
Solving the Payment Challenge

• Help airlines reduce the cost of accepting payments. This allows airlines to increase margins and improve yield.

• Gives airlines and corporate travelers access to a wide range of data:
  • City pairs
  • Ancillaries
  • Frequency of flying

• Provides airlines and corporate travelers with the data they need for comprehensive insight into their data.
The Role of Data

• Further insight into travelers’ behaviors
• Visibility of data leads to better management of travel policies
• Reduce fraud
• Corporate Subscribers receive detailed reports (Level III) for all air and rail travel

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B2B Payment Trends

**Virtual Cards**
- Travel companies and suppliers each benefit from virtual cards that reduce or even eliminate fees

**Alternative Forms of Payments (AFPs)**
- Customer demand and competition is driving the increase of lower cost, real-time payments
- Swift predicts instant payments to be the norm for domestic B2B payments in the EMEA within the next five years

Sources: WEX: Benefits Of Virtual Payments Add Up For Travel Industry
The Paypers, B2B Payments and Fintech Guide 2019
Virtual Payments

The growth of travel-related payments is increasing the burden of fraud, chargebacks and administrative service, etc.

Key characteristics of virtual cards:

• Global acceptance creates stronger partnerships between travel buyer and supplier
• Payments are automated
• Single-use payments significantly reduce fraud
• Extra security allows virtual cards to not be subject to the same regulatory requirements as traditional payments under the EU Payment Services Directive (PSD2) and Strong Customer Authentication initiatives
Key Characteristics of AFP Innovations

- Single Tap / Automatic
- Multiple Payment Methods
- Value-Add Functions

Source: The Strawhecker Group, TSG eReport: Payments Industry 201
Key Characteristics of AFPs

Cashless

Data-Driven

Back of Mind

Increased Access to Loans

Engagement

Reduced Costs
• 100% Web-based, Hosted and Supported by UATP
• Secure - Permission Based
• Existing Platform Used by UATP Issuers
• Customizable statements for Corporate Subscribers
• Multiple Languages and Currencies
• Standard and Custom Reports
• Internal Airline and External Customer Applications
Benefits of AFP Acceptance via UATP

- Simplifies Integration and Processing
- Global Coverage
- Automated; No Manual Refunds
- Simplifies Daily Reconciliation
- Transaction Table:
  - Description: Debits, Credits, Total ATCAN Transactions, Chargebacks, Previously Pending, Total Transfer to Merchant, Pending Transactions, Non-settled Reversals
  - Transaction Gross, AFP Fees, Transaction Net, Transaction Count

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Questions?

THANK YOU

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