

IBAR General Assembly

04 JULY 2019



BSP ITALY MARKET TRENDS



BSP ITALY R&S Market Data Dec. 2018

BSP ITALY - R&S MONTHLY REPORT - Market Data December 2018

Month Name	Gross Sales 2018 (MM LC)	Gross Sales 2017 (MM LC)	Variance 2018 vs 2017	SCU's 2018	SCU's 2017	Variance 2018 vs 2017	% CASH 2018	% CASH 2017
January	422.73	393.61	7.4%	1,264,890	1,188,490	6.43%	30.98%	31.34%
February	410.23	415.24	-1.2%	1,191,730	1,203,323	-0.96%	32.52%	32.73%
March	473.84	485.99	-2.5%	1,357,505	1,409,825	-3.71%	32.39%	33.21%
April	412.30	378.96	8.8%	1,189,276	1,100,433	8.07%	33.01%	32.86%
May	456.45	448.13	1.86%	1,281,053	1,324,747	-3.30%	32.03%	32.24%
June	440.70	442.65	-0.44%	1,222,468	1,287,386	-5.04%	35.18%	34.20%
July	452.79	435.52	3.97%	1,205,634	1,212,984	-0.61%	37.80%	35.33%
August	328.99	315.49	4.28%	942,009	928,378	1.47%	36.07%	33.57%
September	414.65	416.74	-0.5%	1,201,640	1,215,899	-1.17%	32.52%	30.29%
October	481.44	441.83	8.96%	1,342,338	1,252,194	7.20%	32.88%	32.07%
November	420.54	409.23	2.76%	1,196,638	1,174,391	1.89%	33.92%	31.77%
December	332.30	323.67	2.67%	902,457	901,731	0.08%	35.87%	34.67%
December YTD (EUR)	5,046.97	4,907.08	2.85%	14,297,638	14,199,781	0.69%	33.68%	32.83%

BSP ITALY R&S Market Data Jan/May19



BSP ITALY - R&S MONTHLY REPORT - Market Data May 2019

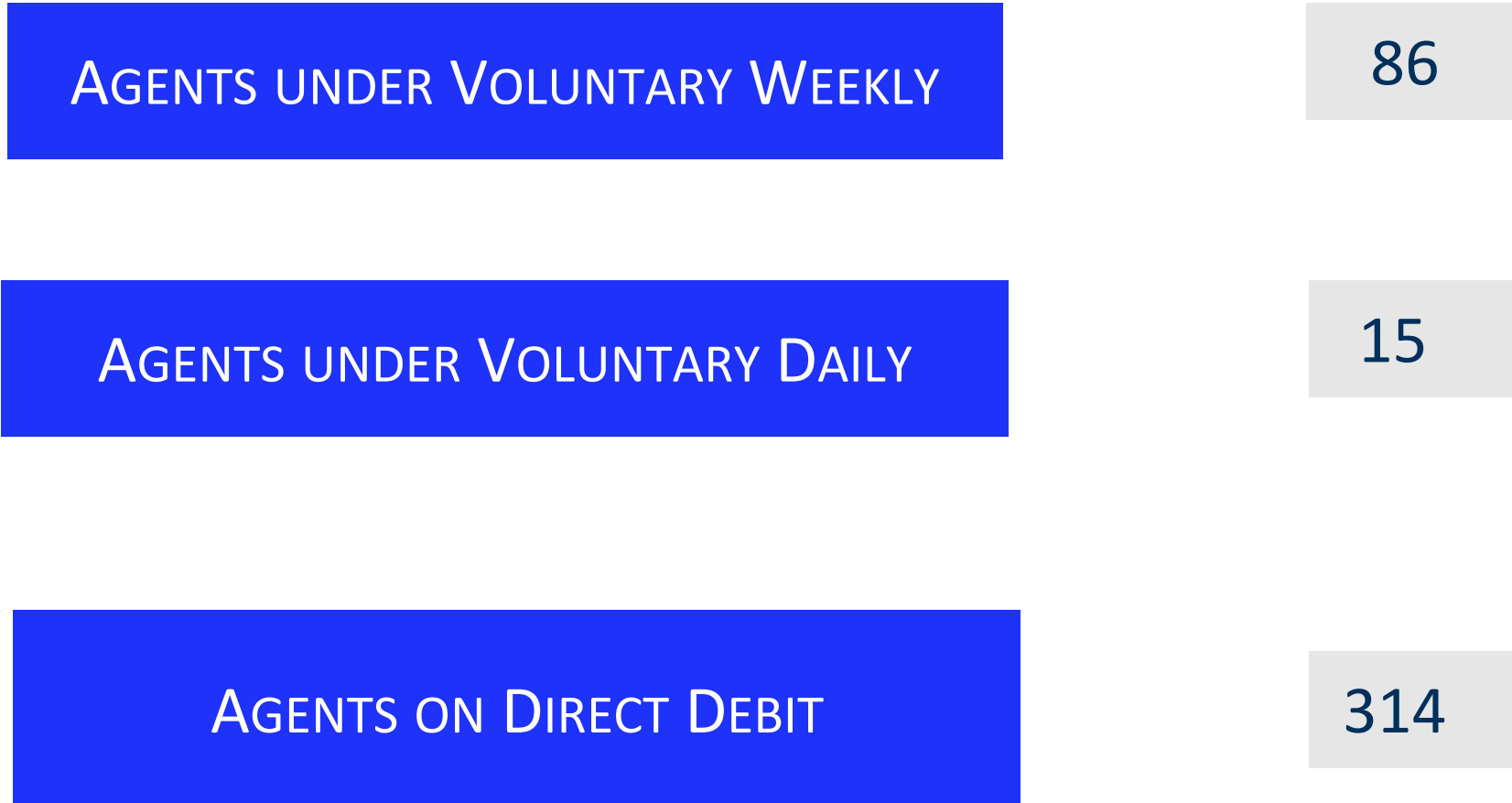
Month Name	Gross Sales 2019 (MM LC)	Gross Sales 2018 (MM LC)	Variance 2019 vs 2018	SCU's 2019	SCU's 2018	Variance 2019 vs 2018	% CASH 2019	% CASH 2018
January	443.09	422.73	4.82%	1,278,117	1,264,890	1.05%	32.67%	30.98%
February	434.59	410.23	5.94%	1,235,601	1,191,730	3.68%	33.06%	32.52%
March	477.59	473.84	0.79%	1,350,159	1,357,505	-0.54%	34.61%	32.39%
April	413.04	412.30	0.18%	1,151,502	1,189,276	-3.18%	34.36%	33.01%
May	458.62	456.45	0.47%	1,304,760	1,281,053	1.85%	32.55%	32.03%
June								
July								
August								
September								
October								
November								
December								
May YTD (EUR)	2,226.92	2,175.55	2.36%	6,320,139	6,284,454	0.57%	33.45%	32.19%



Market Trends - BSP Italy (April 2019)

HEAD OFFICES	1383
BR + SA +AO	156
AHA	33
TOTAL	1572
AIRLINES	162

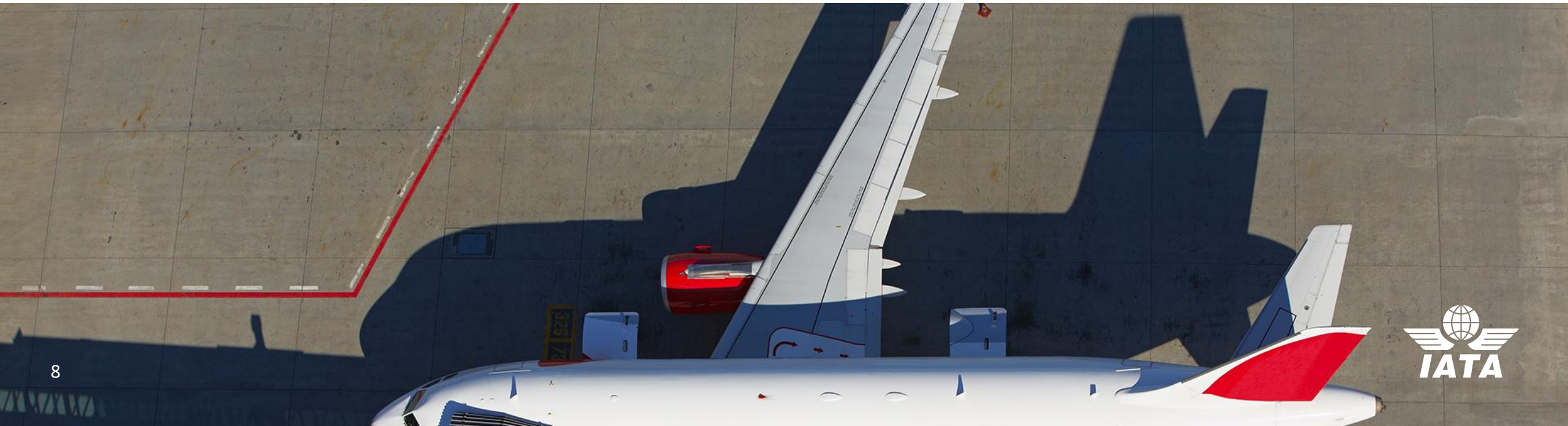
Voluntary Remittance Frequency



PACONF 41
REMOVAL OF BSP MONTHLY
REMITTANCE

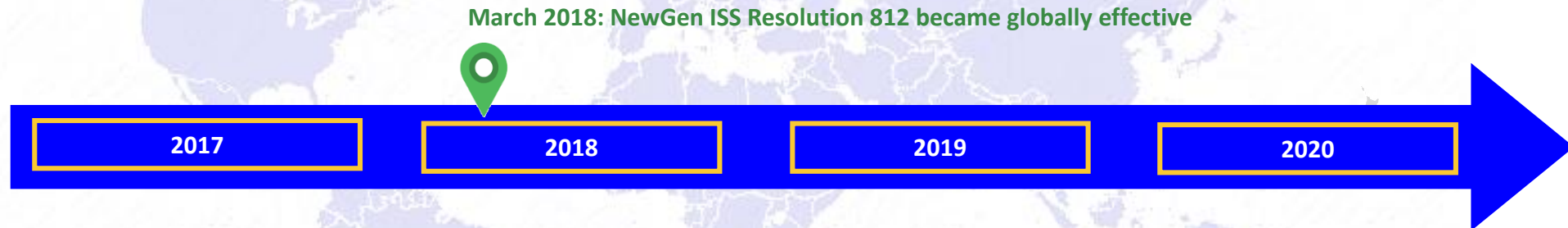
1

NewGen ISS Overview



NewGen ISS Implementation

- NewGen ISS is rolling out across BSPs.
- Full implementation commenced in March 2018, with over 50 markets now live
- All BSPs expected to be migrated to NewGen ISS by 2020.




NewGen ISS Overview

Delivering a more relevant, secure and customer-centric BSP

- **Agency Accreditation Models:** introduction of three accreditation models reflecting a wider array of Travel Agents
- **Enhanced Risk Management Framework:** notably introduction of the Remittance Holding Capacity, a new feature which mitigates risk exposure and promotes safer selling
- **IATA EasyPay:** new voluntary & secure payment method, based on pay-as-you go-model
- **Global Default Insurance:** new type of financial security, giving additional choice to Travel Agents



Accreditation Models

 **Items to Note**

- Airlines determine who is assigned ticketing authority

Three accreditation models are being introduced:



- | | |
|--|---|
| <input checked="" type="checkbox"/> Cash | <input type="checkbox"/> Remittance Holding Capacity |
| <input checked="" type="checkbox"/> CC | <input checked="" type="checkbox"/> Financial Assessment |
| <input checked="" type="checkbox"/> IATA EasyPay | <input checked="" type="checkbox"/> ADM/Chargeback Security |



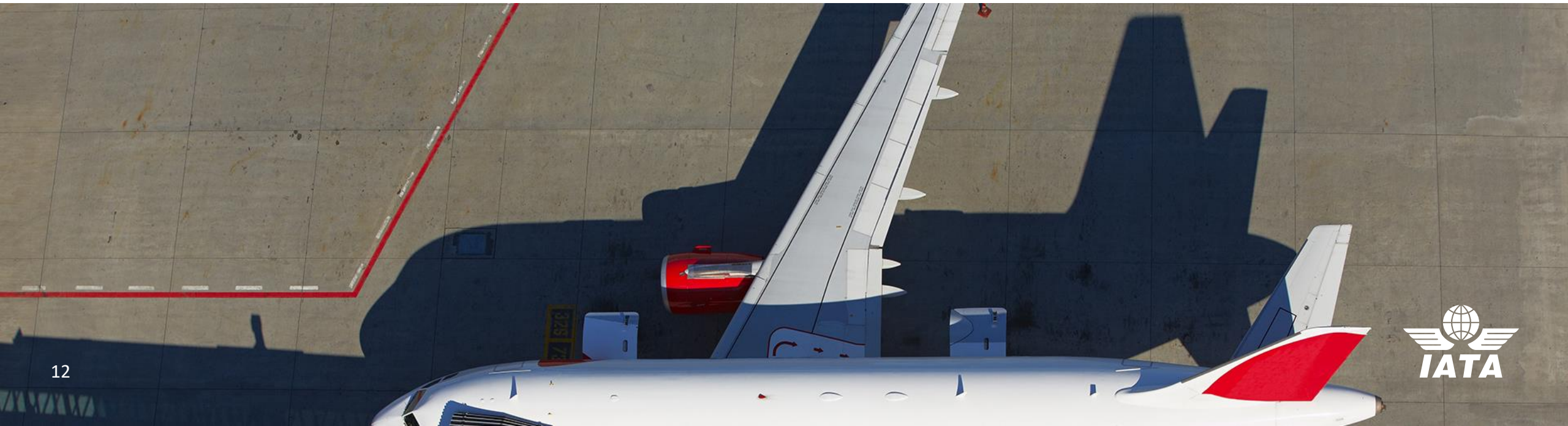
- | | |
|--|--|
| <input checked="" type="checkbox"/> Cash | <input checked="" type="checkbox"/> Remittance Holding Capacity |
| <input checked="" type="checkbox"/> CC | <input checked="" type="checkbox"/> Yearly Financial Assessment |
| <input checked="" type="checkbox"/> IATA EasyPay | <input checked="" type="checkbox"/> Financial Security / Default Insurance |



- | | |
|--|---|
| <input checked="" type="checkbox"/> Cash | <input checked="" type="checkbox"/> Remittance Holding Capacity |
| <input checked="" type="checkbox"/> CC | <input checked="" type="checkbox"/> Quarterly Assessment of Parent |
| <input checked="" type="checkbox"/> IATA EasyPay | <input checked="" type="checkbox"/> Parent Guarantee incorporated into PSAA |
| | <input checked="" type="checkbox"/> Financial Security / Default Insurance |

3

Risk Management Framework

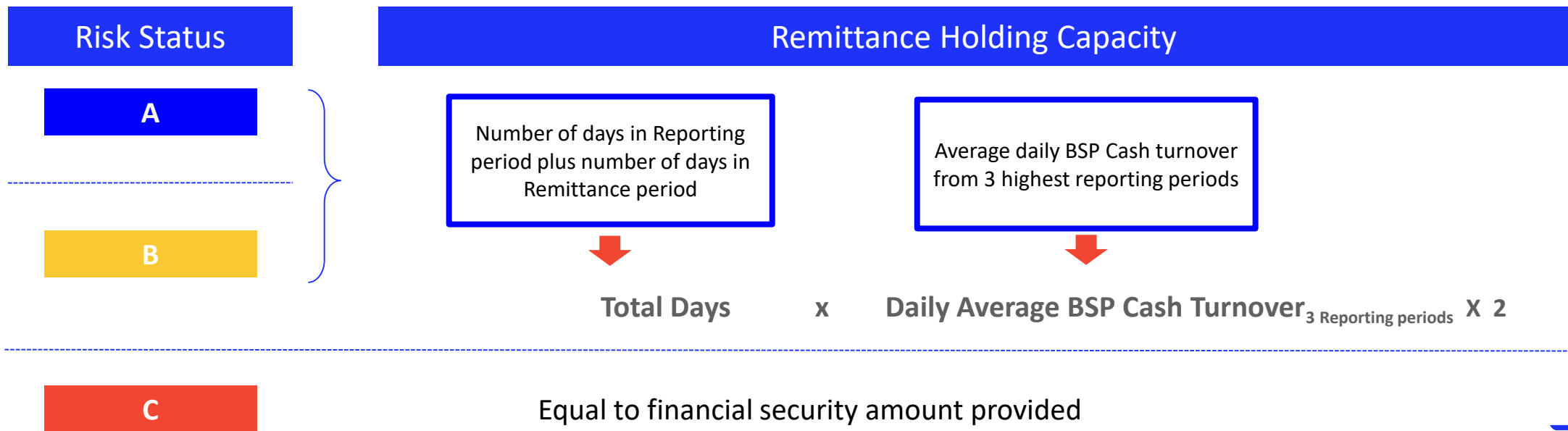


Remittance Holding Capacity



ALL Agents with access to Cash will be assigned a Remittance Holding Capacity (RHC)

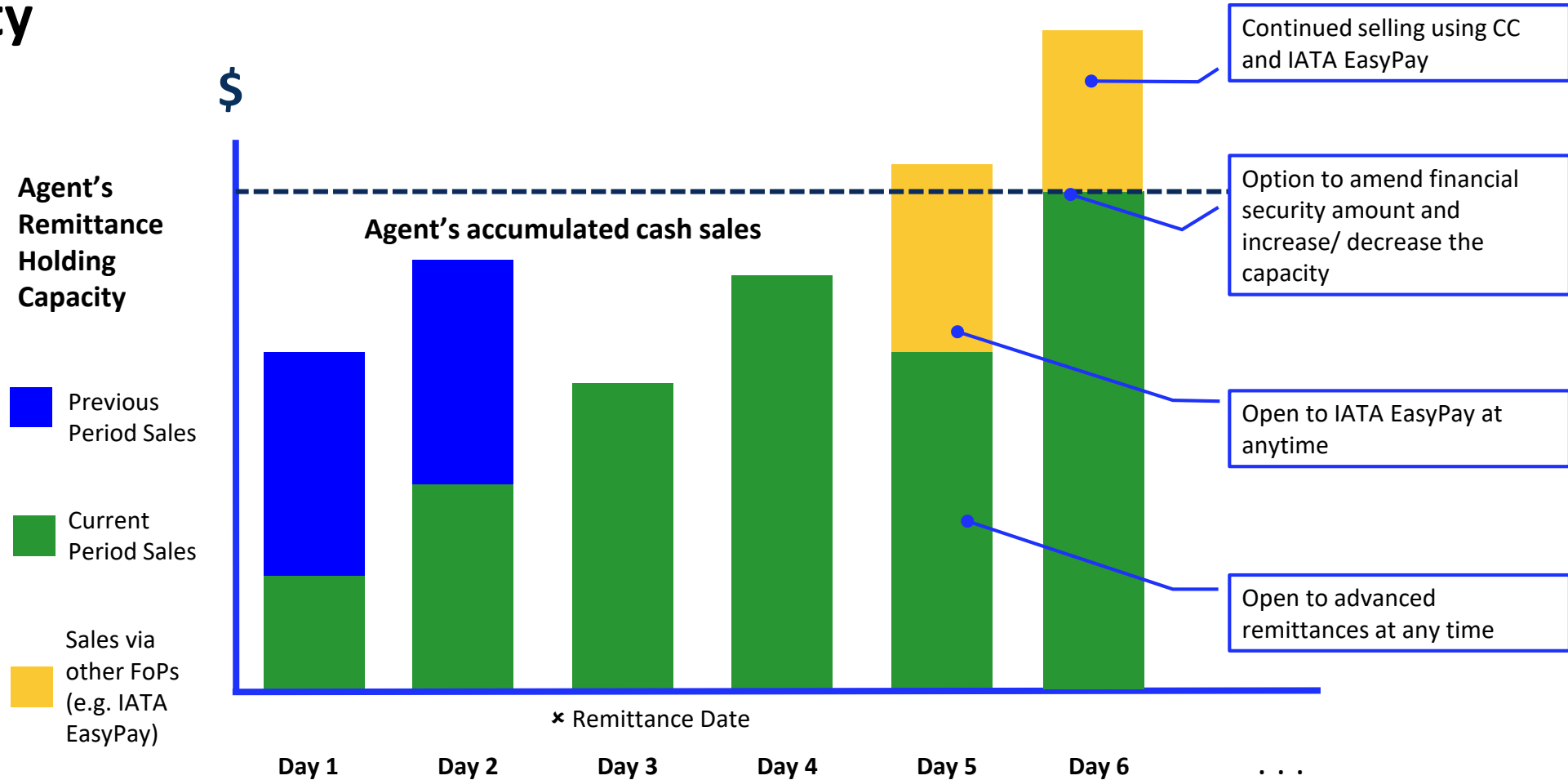
- RHC Calculation depends on the Agent's Risk Status
- The RHC is recalculated annually



Remittance Holding Capacity



All Agents with access to Cash will be assigned a Remittance Holding Capacity



IATA EasyPay, a new payment alternative in the BSP



- Voluntary, pay-as-you-go e-wallet
- Available globally



- Secure with no chargebacks
- Enabler of Safer Selling



- Accelerated Cash Flow
- Cost Effective alternative

Benefits of IATA EasyPay

For Airlines:

- Cash Flow Acceleration
 - 48-96 hours
- Cost-Effective
 - 0.53 USD per transaction
- Secure Payment Option
- Globally Available
- Safer Selling Enabler





6

Airline Readiness

Implementation

Key points for an Airline to consider:

- To have a designated champion within the Airline's HQ
- One point of contact ensure information is distributed within organization
- Should have the support from management to drive implementation
- Airline's impacted departments and any local offices interfacing with Agents should understand the changes



Strategic Readiness

- IATA EasyPay as enabler of the RHC
- Overall payment strategy?
- Agency Accreditation Models: targeted strategy depending on the accreditation model?
- Enhanced Risk Management framework: impact on how your airline conducts risk management?
- IATA EasyPay Opt-Out: impact on distribution (legal and commercial)*

**Before opting-out from a market with dominant position, the Airline is recommended assess the legal implications.*

Communication

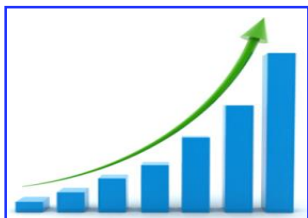
1. Highly important for Airlines to actively communicate their payment policy to Agents to reach the objective for their distribution strategy
2. Airlines to consider if they want to spread awareness about the changes NewGen ISS brings to the agency community



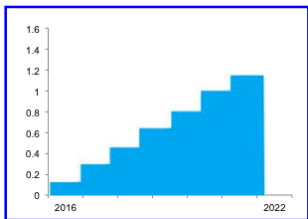


Transparency in Payment Reso 896

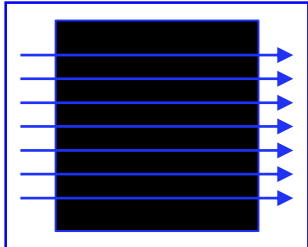
Case for change



Increased use of Agent's Card / Agent's VAN



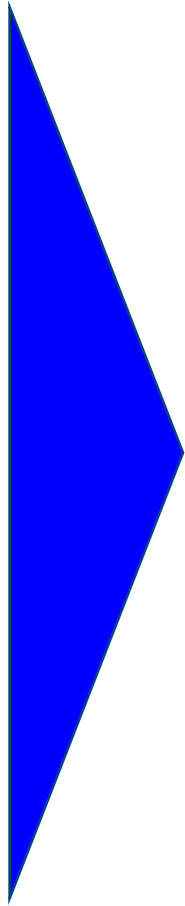
Increased card acceptance costs for Airlines



"Black box" of CC transactions



R890 Clause 1.4

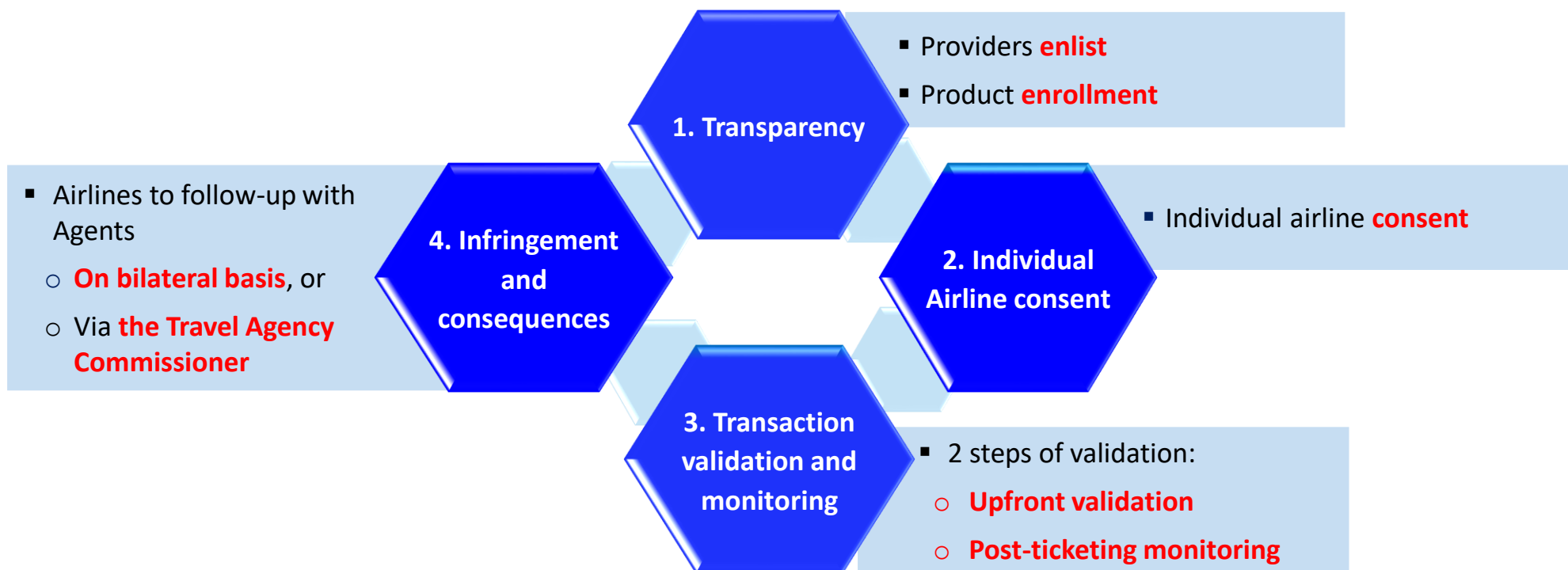


Objectives of TIP industry initiative



Increased transparency and control

TIP framework - 4 principles



THANK YOU

