

Virtual Account Management

Replace fragmented ledger systems with a single, deeply configurable Virtual Account Management platform. Deliver instant self-service cash and liquidity to corporates, institutions and retail clients alike.

At a glance

SAP Pioneer's Virtual Account Management (VAM) platform lets your clients see their cash in real time, offset balances for interest and working capital benefit, keep client funds identifiable, automatically allocate receipts on arrival, and route and split payments by rule.

What is a virtual account

A virtual account is a sub-ledger account linked to a single real bank account. Your clients create as many as they need – by entity, business unit, customer or purpose – each can have its own externally addressable, virtual IBAN, balance and transaction history. The balance is held in one physical account. How it is organized is theirs to design

Recognized by The Digital Banker



Solution overview

Every institution has its own operational and business requirements. A virtual account solution must therefore combine pre-configured use cases with the functional depth to support a wide range of business models.

SAP Pioneer's award-winning VAM solution does exactly that. Multi-level account hierarchies, flexible interest conditions, configurable negative balance limits and sophisticated payment routing rules set it apart. Proven in live production at exceptional scale, VAM gives financial institutions the performance and reliability they expect.

That depth of configuration is why one implementation serves your corporate, institutional, commercial and retail clients.

Key capabilities

-  Virtual account types – externally addressable virtual IBANs, virtual ledger accounts, balance accounts
-  Multi-level, multi-currency, multi-country, multi-entity hierarchies
-  Real-time cash concentration
-  Self-service interest conditions per virtual account
-  Configurable negative balance limits
-  Payment routing and splitting rules
-  Nordic pooling (Koncernkonto)
-  Intelligent Account Finder agent for unallocated payments accounts
-  Payments and collections on behalf of (POBO/COBO)
-  Rules-based automatic closure of virtual accounts

25%

growth in average revenue per customer

50%+

higher win rate on new mandates

40%

lower total cost of ownership

80%

of customer journeys self-service

How VAM solves your clients' challenges

- ✓ **Their account structure grows with the business**
Clients add virtual accounts themselves, in any hierarchy they need, without opening physical accounts or waiting on your operations team.
- ✓ **They cannot see their cash position in real time, so decisions are based on outdated data**
Every virtual account holds its own balance and transaction history, visible live at any level of the hierarchy.
- ✓ **Manual payment matching delays order release and ties up finance teams**
Payments credit the individual virtual IBAN directly, so allocation no longer depends on the payer quoting the right reference.
- ✓ **Cash is spread across entities and currencies, with interest accruing on the gross position**
Balances offset in real time, so interest is earned or paid on the net position.
- ✓ **Regulators expect client money to be identifiable for insolvency resolution**
Funds are segregated by end client in the account structure itself, so ownership can be demonstrated at any moment.
- ✓ **Opening and closing accounts takes days and a conversation with the bank**
Clients open, close and restructure their own accounts directly, in minutes.

Why banks offer virtual accounts

- 01** Virtual accounts are increasingly a prerequisite for the most advanced corporate, institutional and in-house banking mandates.
- 02** The segments that need virtual accounts most are often the ones holding the largest balances.
- 03** Manual account operations carry a cost to serve that self-service removes.
- 04** Customers with well-functioning virtual account structures are less likely to change banks
- 05** A single solution can serve retail, commercial, corporate and institutional clients, rather than a separate product for each.

What virtual accounts can do in each segment

Retail and private



- Savings pots and budgeting – customers create and manage their own goal-based accounts
- Family banking – separate virtual accounts for individual family members, under one relationship
- Hyper-personalized account structures – tailored to how each customer manages their money

Business and commercial



- High volumes of similar-value payments – insurance premiums, tuition fees and subscriptions are allocated correctly even when the amount alone cannot identify the payer
- Client money – law firms, brokers and property managers keep funds identifiable by end client, which supports insolvency resolution
- Growing account structures – businesses add and close accounts as they expand, without contacting you

Corporate and institutional



- In-house banking – on-behalf-of payments and collections, intercompany loan administration, balance offset across the group
- E-commerce and marketplaces – payments routed and split automatically between platform and seller
- Pay-techs – banking-as-a-service, e-wallets and digital currency propositions
- Insurers – one account per policyholder, covering premiums and claims
- Wealth and asset managers – one account per end customer, tracking money in and out of investments
- Government – tax collection and benefit disbursement

SAP Pioneer provides software solutions for financial institutions:
built on rock-solid technology and bold creativity.

Contact us



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