

# One of Europe's largest banks

From fragmented accounts to full cash control: how a leading European bank reimaged virtual cash management for its corporate clients

Corporate treasurers today are expected to do more with less – and to do it faster. For one of Europe's largest and most internationally active banks, meeting that expectation meant rethinking its entire approach to cash management – and building something genuinely new.



## Company

One of Europe's largest banks

## Industry

Wholesale banking

## Clients served

Multinational and mid-market corporate treasurers across EMEA, Americas and APAC

## Challenge

Fragmented legacy cash management infrastructure limiting client self-service and real-time visibility

## Product used

SAP Pioneer Virtual Account Management (VAM)

## Employees

60,000+

## Key outcomes

**01**

Real-time cash concentration across multi-entity, cross-border account structures.

**02**

100% payer and ultimate creditor identification enabled via Virtual Bank Accounts.

**03**

Manual reconciliation eliminated through straight-through processing.

**04**

Co-innovated Inter-Company Loan Administration (ICLA) capability delivered on a single platform.

**05**

Single onboarding process for the complete VAM suite, reducing client friction.

**06**

Legacy system decommissioned, lowering total cost of ownership.

**100%**

Payer and ultimate creditor identification

**1**

Platform for VBA, VLA and ICLA

**“Our corporate clients needed more than a better account structure – they needed a platform that could think at the same speed they do. VAM gave us the foundation to deliver that, and the co-innovation on ICLA meant we could go further than off-the-shelf would have allowed.”**

**Head of Cash Management, Leading European Bank**

## Executive overview



### Objectives

- Differentiate the bank’s cash management offering for multinational corporate clients
- Replace a fragmented legacy infrastructure with a unified, scalable platform
- Give corporate treasurers real-time visibility, self-service control and straight-through reconciliation
- Lower operational costs and reduce manual workload for both the bank and its clients



### Resolution

- Introduced Virtual Account Management for its corporate clients
- Enabled Virtual Bank Accounts (VBA) for real-time cash concentration and 100% payer identification
- Implemented Virtual Ledger Accounts (VLA) for and POBO/COBO structures
- Co-innovated Inter-Company Loan Administration (ICLA) with SAP Pioneer, extending standard product capabilities



### Benefits

- Corporate treasurers gained a single interface for all cash management functions – accounts, reconciliation, intercompany loans – with one onboarding process
- Legacy system decommissioned, simplifying the bank’s IT landscape and reducing ongoing maintenance costs
- The bank established a differentiated market position as an innovator in virtual cash management
- Co-innovation with SAP Pioneer on ICLA eliminated the cost and complexity of bespoke independent development
- Internal resources freed up to focus on strategic activities rather than operational overhead

## The challenge: keeping pace with the modern treasurer

Over the past decade, the role of the corporate treasurer has been fundamentally redefined. What was once a largely operational function has become a seat at the management table – expected to provide real-time strategic insight, drive working capital efficiency, and advise on board-level financial decisions. Often with the same headcount and budget as before.

For a global bank with operations spanning Europe, the Americas and Asia-Pacific, this shift in client expectations created a direct product challenge. The bank’s existing cash management infrastructure – built around legacy systems that had accrued over years – could not deliver the real-time visibility, self-service flexibility, and cross-border account consolidation that its corporate clients now required.

Fragmented account structures, manual reconciliation processes, and the absence of a unified multi-bank view were creating friction for clients managing complex, multi-entity treasury operations across multiple geographies and currencies. For a bank that had built its wholesale reputation on being a trusted partner to international corporates, this was a strategic risk as much as an operational one.

The bank needed a solution that could do three things simultaneously: simplify its own IT landscape, deliver genuine self-service capability to clients, and build the foundation for continuous innovation in cash management.



# The solution: a unified platform built for flexibility and scale

The bank selected SAP Pioneer as its new cash management platform – replacing the legacy system and consolidating Virtual Bank Accounts, Virtual Ledger Accounts, and Inter-Company Loan Administration into a single product suite.



## Virtual Bank Accounts

### Cash concentration in real time

By replacing physical current accounts with Virtual Bank Accounts – all linked to a single master account – the bank could offer corporate clients true cash concentration across multi-entity and cross-border structures. Incoming payments are all collected on a single master account and automatically replicated via unique IDs into the virtual account structure, eliminating idle balances across subsidiary accounts and unlocking 100% payer and ultimate creditor identification.

For clients managing operations across multiple countries and legal entities, this meant an immediate step-change: cash that had previously been locked in fragmented accounts across geographies was now visible, accessible, and centralised in a single position.

## Virtual Ledger Accounts

### Visibility without boundaries

The Virtual Ledger Account layer added the intelligence layer on top of cash concentration. Operating as it gave corporate treasurers a complete view of all payments, collections and cash positions across the group – in near-real time – without physically segregating funds.

Critically, the self-service model let clients configure their own Virtual Ledger Account hierarchy, set overdraft limits, define interest rates, and build tailored reporting – all without requiring intervention from the bank's operations team. This directly reduced workload on both sides while increasing the quality of client decision-making.

For clients using payments- or collections-on-behalf-of (POBO/COBO) structures, the VLA layer also lowered the barriers to entry for centralizing transactions across the group – a capability that had previously required complex, expensive bespoke arrangements.

## Inter-Company Loan Administration

### Co-innovation at the product level

The most distinctive element of the implementation was the co-innovation of the Inter-Company Loan Administration (ICLA) feature. Rather than building a bespoke standalone integration, the bank and SAP Pioneer worked together to extend the standard VAM product – embedding ICLA directly into the platform and making it available to all clients through the same interface and onboarding process.

The result: clients can now assign dedicated ICLA accounts for intercompany balances, automate intercompany movement tracking triggered by cash pool concentration activity, and define and process interest settlements for intercompany positions – all within a single platform. What would otherwise have required separate development, separate maintenance, and separate client onboarding was delivered as a native capability.



# Results: a new standard for corporate cash management

The deployment of SAP Pioneer VAM has delivered measurable outcomes across three dimensions: for the bank's clients, for the bank's own operations, and for its competitive position in the market.

## Client outcomes

- Manual reconciliation replaced by straight-through processing — reducing operational cost while accelerating turnover through faster next-order release, and freeing treasury teams to focus on strategic work.
- Self-service configuration of account structures, limits, rates and reporting – without bank intervention.
- Intercompany loan tracking and interest settlement managed natively within the same platform.
- One onboarding process for the complete VAM suite: VBA, VLA and ICLA.

## Bank outcomes

- Legacy cash management system decommissioned, simplifying the IT landscape and reducing total cost of ownership.
- Operational overhead reduced as client self-service model minimizes manual intervention from support teams.
- Co-innovation on ICLA delivered a differentiated product capability without the cost of independent development.
- The bank established a clear market leadership position in virtual cash management for international corporates.
- Internal resources are reallocated toward innovation and strategic client development.

The implementation demonstrates what becomes possible when a bank stops treating cash management as a utility and starts treating it as a source of client value. By consolidating Virtual Bank Accounts, Virtual Ledger Accounts, and Inter-Company Loan Administration on a single platform – and co-innovating where the standard product needed extending – the bank has built a cash management proposition that meets corporate treasurers where they actually are: under pressure, short on time, and hungry for real-time intelligence.

For the corporate treasurers who use it every day, the shift is tangible. Cash that was once locked in fragmented structures across geographies is now concentrated, visible, and working harder. Reconciliation that once consumed hours of manual effort now happens automatically. And intercompany positions that once required bespoke arrangements are now managed as standard – in the same platform, through the same interface, from day one.

Get in touch

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