

Next-Generation SAP Payments Mastering SAP Advanced Payment Management

Centralized Payment Processing and Finance Operations
Infrastructure for the Modern Enterprise

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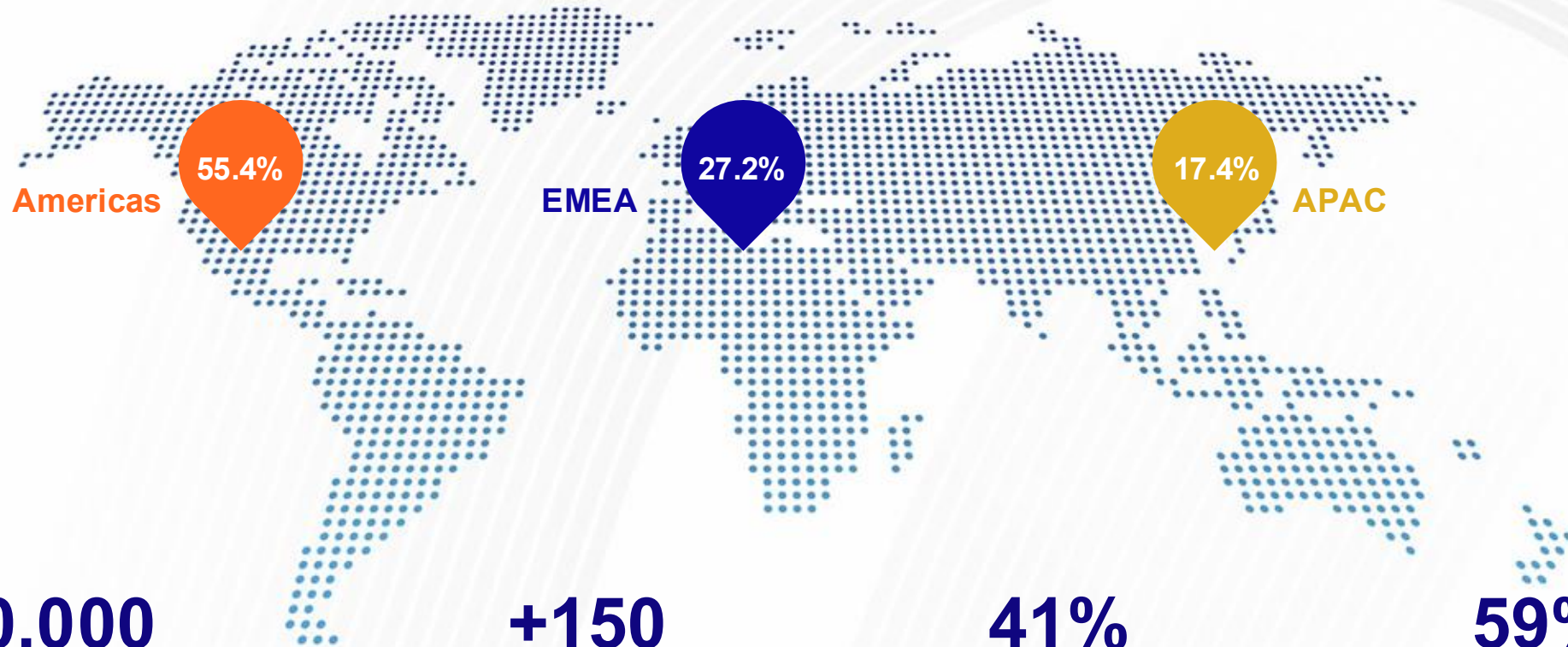


WELCOME!

2,000,000 Global Members & Growing

THE MOST INFLUENTIAL AND ENDURING MEMBER COMPANY COMMITTED TO LEADING
THE GLOBAL DISCUSSION ACROSS THE B2B ENTERPRISE TECHNOLOGY MARKETPLACE

WE ARE A GLOBAL COMMUNITY **+2,000,000** MEMBERS STRONG & GROWING



+50,000
Companies

+150
Countries

41%
Line of Business

59%
Technology

4,500

4,500 of the G5.000 companies are our Members

77%

77% of the world's transaction revenue touches an SAP system, equating to ~\$16 trillion of consumer purchases worldwide

87%

87% of total global commerce is generated by SAP customers, equating to \$46 trillion

Ambition vs. Reality

The Critical Gap That's Holding Finance Back

PRIORITIZING AMBITION

- 85% Optimizing Financial Performance
- 85% Improve Risk Management

▶ 54% have moved to SAP S/4HANA

LIVING IN REALITY

- 58% Level 3 maturity, established
- **Only 8%** Level 4 optimized
- **Only 17%** have fully integrated finance systems
- **50%** operated in silos despite SAP S/4HANA adoption

Moving from Transactional Efficiency to Strategic Intelligence

Strategic Actions CFO is Taking to Bridge the Gap

Modernize the Core

Leveraging SAP S/4HANA migration to consolidate disparate financial activities.

Automate the Close

47% are prioritizing close automation, shifting from improving efficiency to true automation.

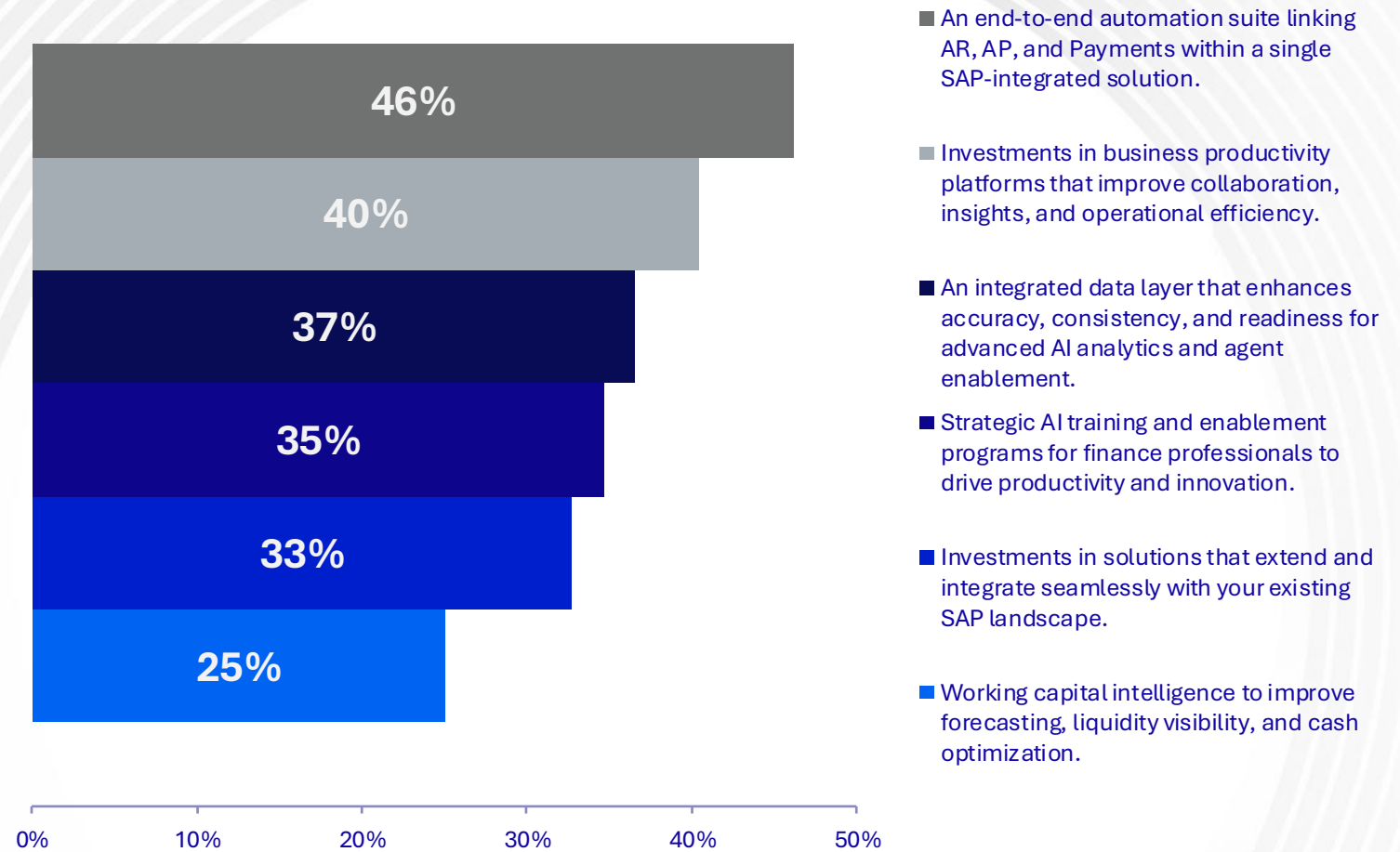
Clean, Integ. Data

92% cite real-time analysis as critical, yet legacy data issues remain a top barrier to AI.

Digital-first Strategic Initiatives in 2026

Strategic Priorities

Automation tops investment priorities at 46%, followed by integrated data layers (37%) and AI training (35%). Productivity platforms (40%) and SAP extension solutions (33%) remain critical, while working capital intelligence trails at 25%. Leaders are focusing on end-to-end automation and data readiness to enable AI-driven finance transformation.



Serrala

3,000+

Customers globally, between SAP on-premise, in the cloud, and managed services

800+

People focused on O2C, P2P, Payments, Cash & Treasury Mgmt, and Data / Documents Mgmt

400+

SAP Treasury & Banking Transformations Delivered Globally

60+

Fortune 500 Clients Transformed via SAP Treasury and Cash Management

20+

SAP S/4HANA Treasury Migrations

Treasury Services

Your Trusted Partner in SAP Treasury & Banking

- Proven track record across industries and regions
- Deep functional and technical expertise in optimizing treasury operations
- SAP Treasury solutions pioneer; first N. American implementations of:
 - SAP S/4HANA Cash Management
 - Advanced Payment Management In-House Bank (APM-IHB)
 - Bloomberg API Integration for FX trading
- Leading S/4HANA Treasury innovations, guiding design, process alignment, and technology adoption
- Global SAP Treasury Leadership
 - Expertise spanning EMEA, APAC, North & South America
- Experience across 50+ industries, bringing best practices and industry-specific insights
- Certified SAP Partner with direct relationships with SAP product owners & development teams

SAP's Next-Generation Enterprise Payment Automation

It goes beyond a “treasury platform” into an enterprise finance operations backbone.

1

**Flexibility to
choose the right
payment model for
each scenario**

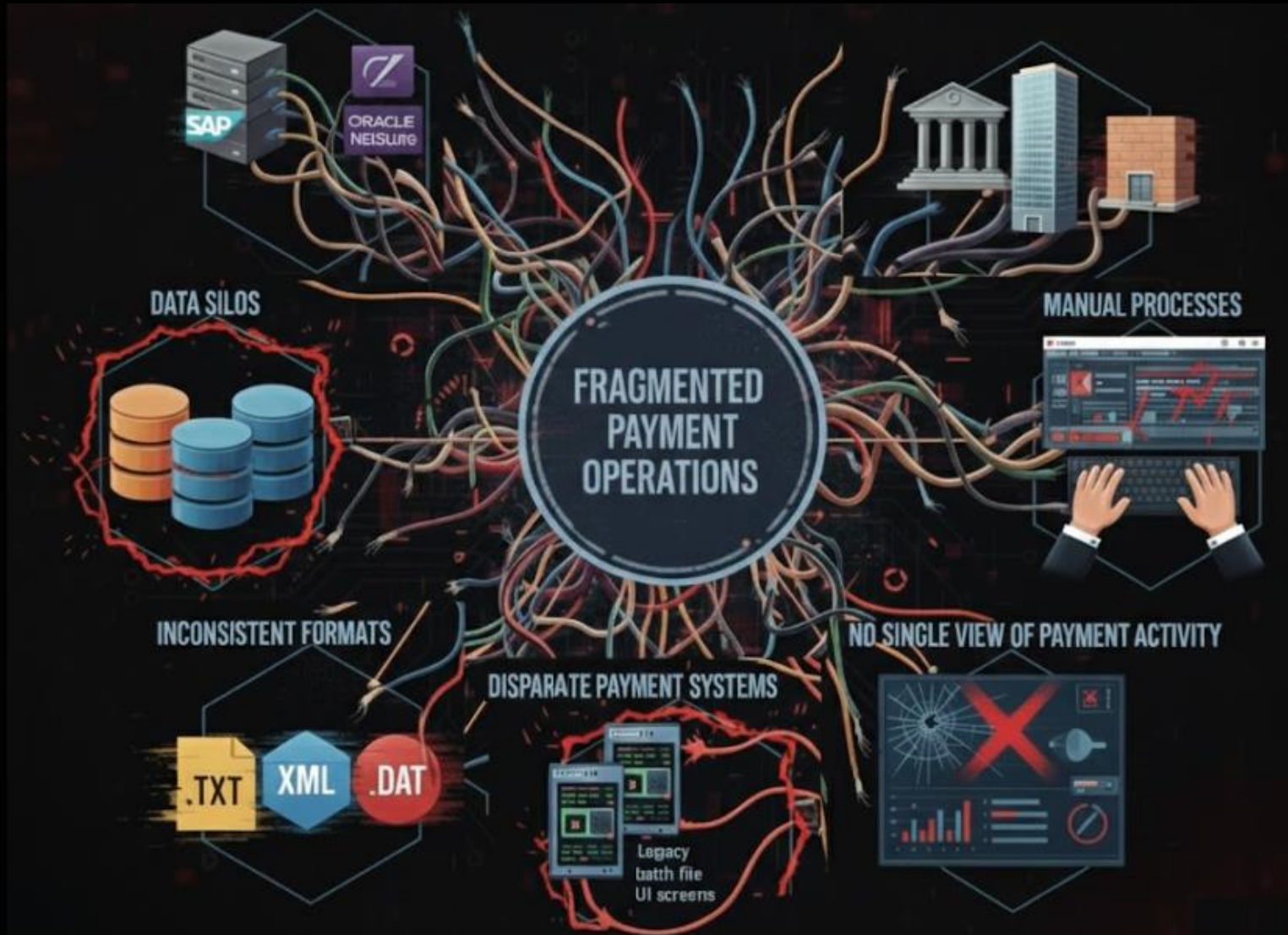
2

**Single source of
truth regardless of
execution method**

3

**Foundation for
real-time visibility,
control, and AI-
enabled analytics**

What We See Across Global Enterprises



What Fragmentation Costs Your Organization

Department	Risk
CFO / VP Finance	No centralized oversight, fraud risk, audit exposure, can't answer "where's the cash?"
Treasury	Inaccurate cash forecasts, missed FX optimization, manual liquidity management
Finance Operations	Slow close cycles, reconciliation backlogs, compliance gaps
Accounts Payable	Processing delays, duplicate payments, late fees, vendor disputes
Shared Service Centers	Inconsistent processes across regions, high volume with no automation, compliance gaps
Compliance & Audit	Slow close cycles, reconciliation backlogs, compliance gaps
Vendors	"Where's my payment?" – no easy tracking or visibility to provide answers
IT	Managing multiple direct bank connections (H2H, SWIFT, EBICS – separately), risky batch file transfers, security vulnerabilities, integration complexity multiplies with each bank, each format, no centralized monitoring, distributed troubleshooting, every new bank relationship = new integration project



93% of CFOs & treasurers report cash flow forecast inaccuracies led to avoidable losses¹

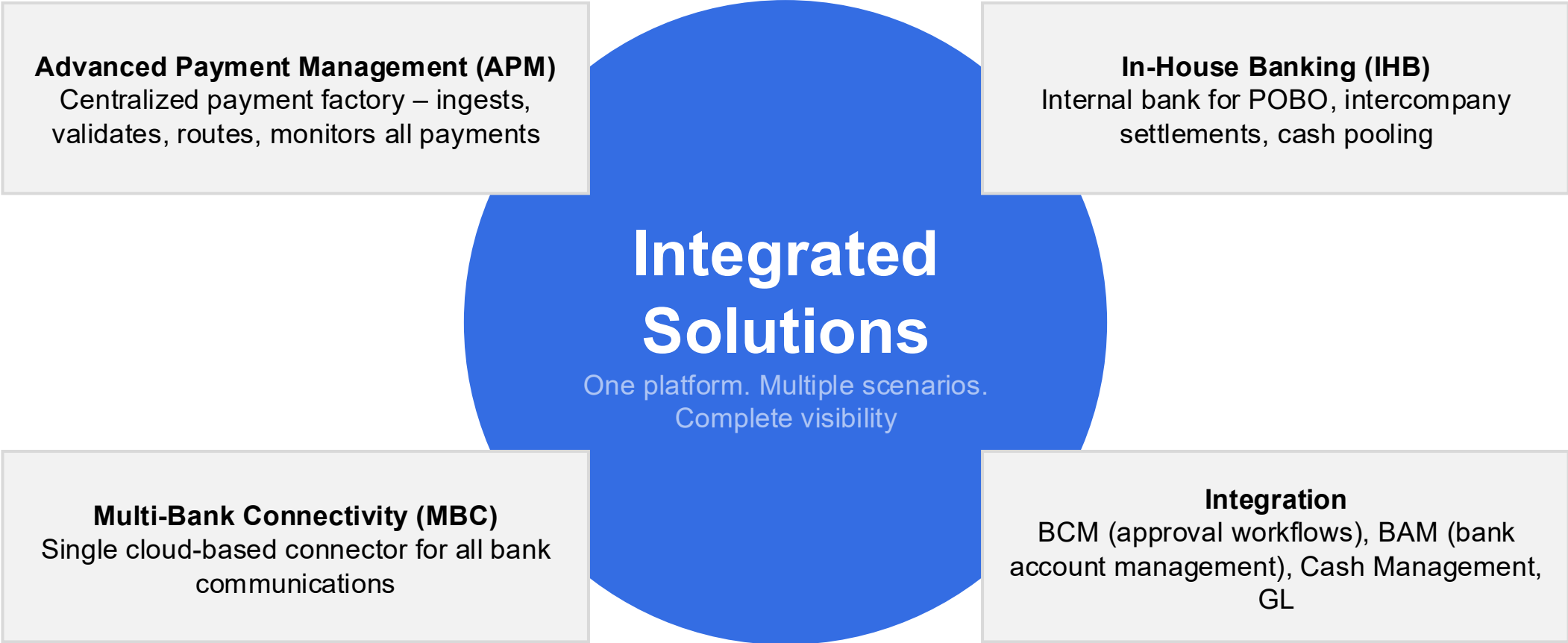
Audience Poll Question 1

Where is your organization today on centralized payment processing in SAP?

- A. Multiple local payment processes in each ERP
- B. Partially centralized for select entities or regions
- C. Largely centralized on a single SAP instance but with exceptions
- D. Fully centralized “payment factory” across all entities and systems

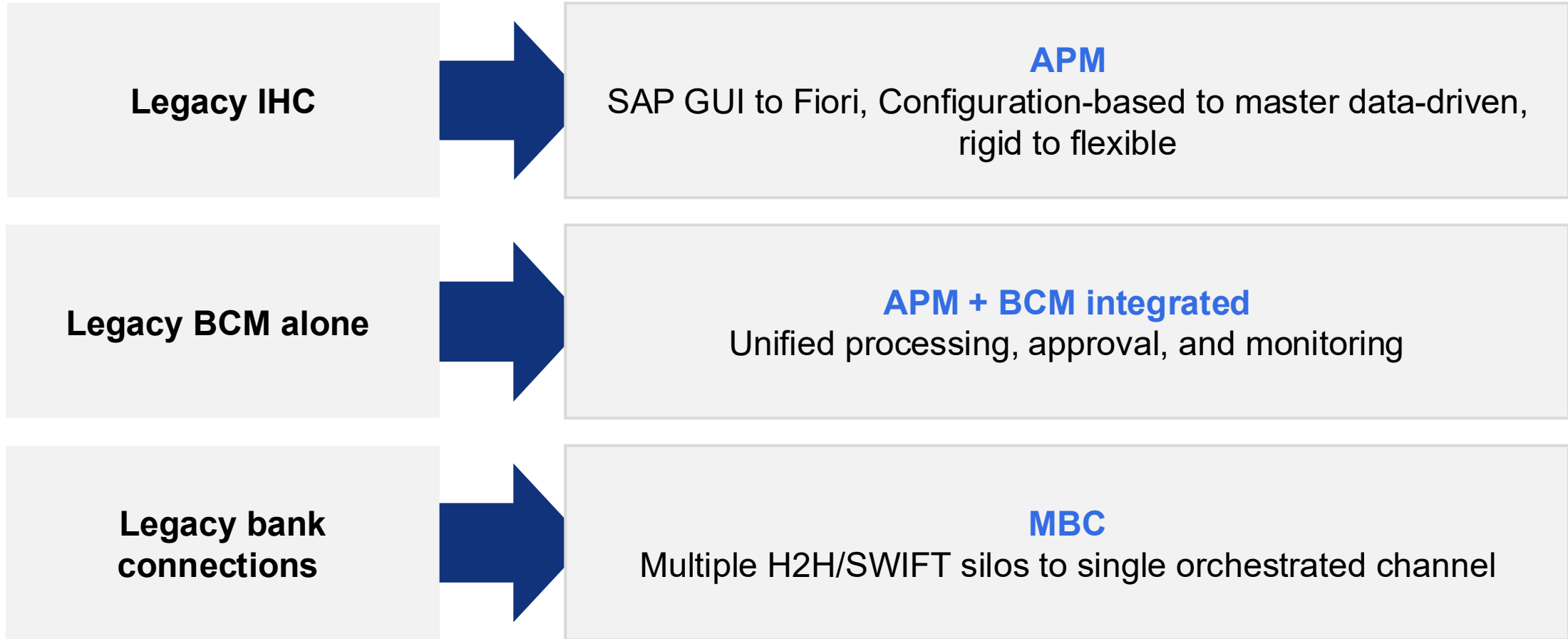
SAP's Next-Generation Payment Automation Platform

APM + IHB + MBC: The Integrated Solution



This is SAP's Next Generation

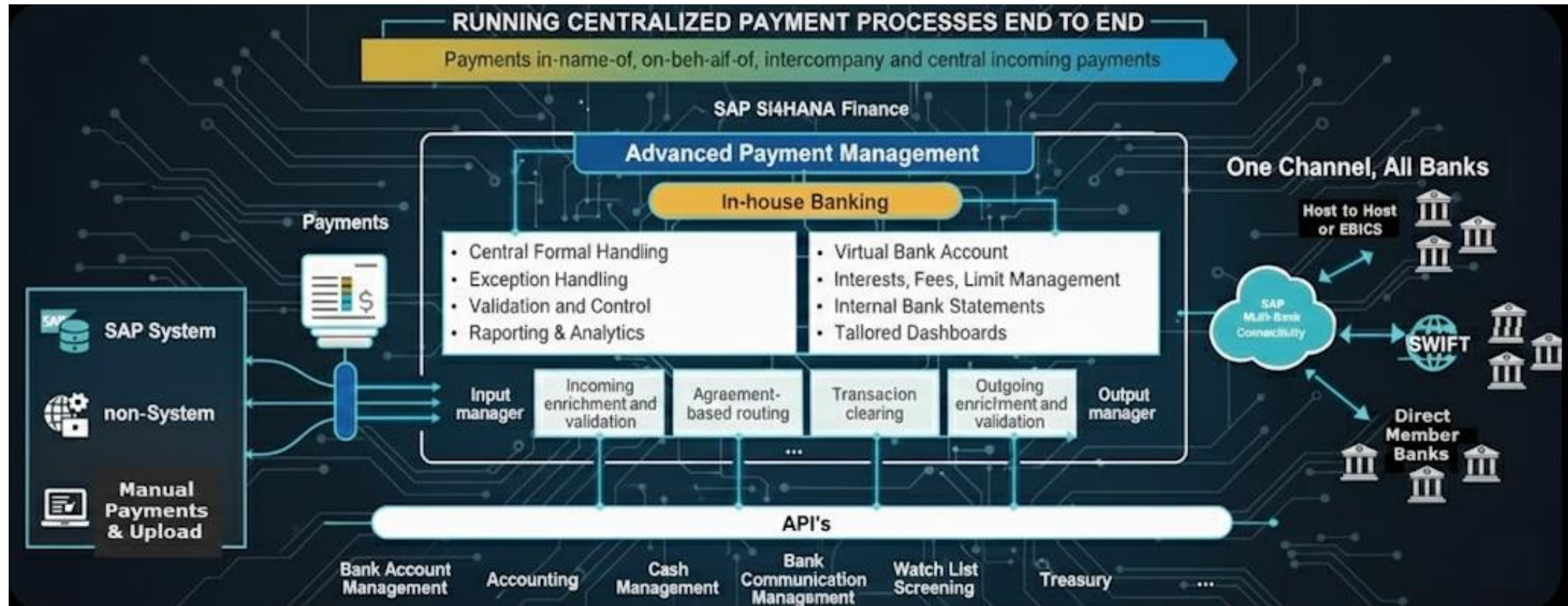
Not a Refresh. A Fundamental Advancement.



SAP's ongoing development investment ensures best-of-breed capabilities - Future-proof architecture designed for AI, analytics, real-time processing

Fully Integrated Payment Flow

From Payment Initiation to Bank Execution



Payment requests from any source (SAP, non-SAP, manual) via API, IDoc, file

XML framework converts all formats to canonical ISO 20022 structure

Enrichment, fraud checks, compliance screening

Business rules determine optimal path (PINO, POBO, internal)

Approval via BCM → format generation via DMEEEX → transmission via MBC

Real-time visibility from initiation to bank confirmation

Three Scenarios. One Platform

The Right Model for
Each Situation



Organizations rarely go "all in" on one model. Hybrid is the norm.
APM enables choice without sacrificing visibility or control

PINO

Payment in name of

Central processing,
local bank account

POBO

Payment on behalf of

Full centralization
through in-house
bank

Internal Payments

Intercompany
settlement without
external banks

Three Scenarios. One Platform

The Right Model for
Each Situation

PINO

Payment in name of

Central processing,
local bank account

Strategic Choice, Not Just Regulatory Workaround

- Subsidiaries retain their own bank accounts
- Payments processed centrally through APM
- Central visibility, compliance, and control without full consolidation
- Two sub-scenarios: Pass-through forwarding vs. conversion and routing

When to use: Local bank relationships matter; regulatory restrictions; operational efficiency favors local processing

Scenario A – Pass-Through Forwarding:

Payment file forwarded
to bank
as received
(no transformation)

Forwarding flag set in
APM, No FI postings
from APM

Central tracking and
monitoring only

Scenario B – Conversion and Routing:

Files from multiple
sources/formats
converted through
XML framework

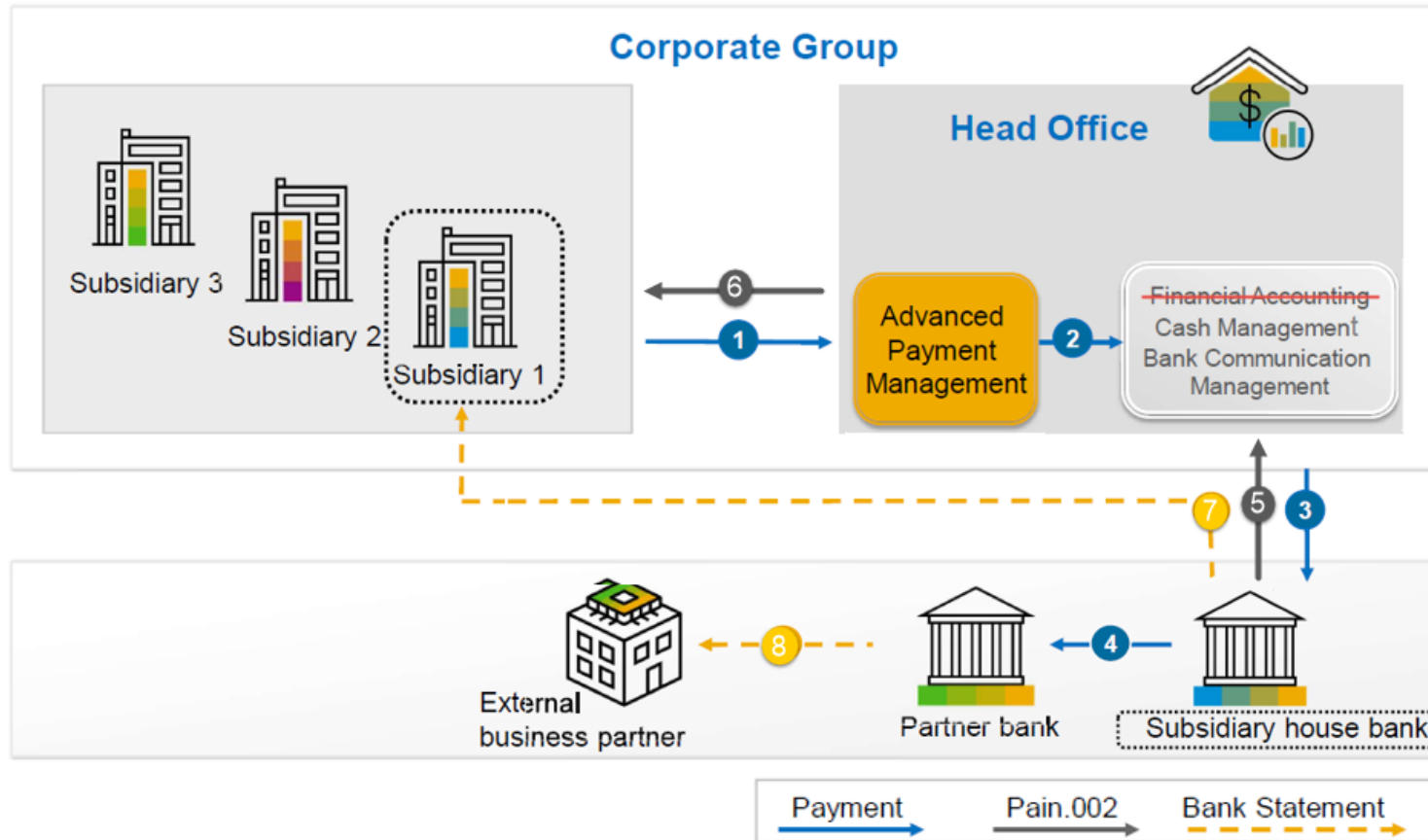
Schema validation,
enrichment, business
rule routing

Standardized formats
sent to appropriate
banks

Full APM processing
with visibility

PINO – Payment in the Name of

Central processing, local bank account



Why PINO through APM?

- ✓ **Centralized processing:** Standardized workflows, reduced errors, efficiency
- ✓ **Improved visibility:** Real-time cash insights, better forecasting, risk mgmt
- ✓ **Fraud control:** Central fraud detection, sanction screening, risk mitigation
- ✓ **Data standardization:** Uniform structures, easier audits, improved compliance
- ✓ **Economies of scale:** Global process standardization; payment factory setup
- ✓ **Enhanced control:** Reduced interfaces; Improved connectivity & reliability

Three Scenarios. One Platform

The Right Model for
Each Situation

POBO

Payment on behalf of

Full centralization
through in-house
bank

Maximum Control, Maximum Efficiency

- Subsidiaries' payments executed from central group accounts
- In-House Bank (IHB) manages virtual accounts for each affiliate
- Real-time intercompany posting: affiliate ↔ IHB ↔ vendor
- Bank account consolidation where it makes sense

When to use: FX optimization; cross-border payments; liquidity centralization; bank relationship consolidation

Virtual Accounts and Real-Time Intercompany Accounting

- Each affiliate holds virtual account within IHB (not traditional bank accounts)
- Payment request flows: Affiliate → APM → IHB → External Bank → Vendor

Automatic dual posting:

Debit: Affiliate's IHB
virtual account

Credit: IHB position
→ payment to vendor

Routing rules
determine bank,
currency, urgency,
method
(ACH, SEPA, SWIFT)

Full audit trail
automatic
reconciliation, real-
time balance updates

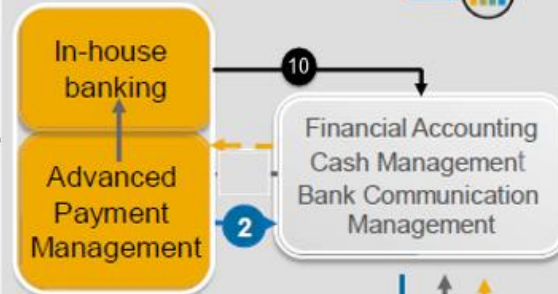
POBO – Payments on Behalf of

Full centralization through in-house bank

Corporate Group



Head Office



Why POBO through APM-IHB?

- ✓ **Bank account consolidation:** Fewer accounts and relationships, lower fees
- ✓ **FX optimization:** Central exposure mgmt; internal FX netting, economies of scale
- ✓ **Enhanced Reporting:** Real-time global affiliates view; improved forecast accuracy
- ✓ **Fraud control:** Single point of oversight for approval, monitoring, & risk mitigation
- ✓ **Payment routing optimization:** Cheaper transaction costs, aggregation enablement
- ✓ **Cost reduction:** Minimized external bank fees; improved internal funding efficiency

Audience Poll Question 2

Which SAP payment scenario is most relevant for your roadmap in the next 12–24 months?

- A. Payments In Name Of (PINO)
- B. Payments On Behalf Of (POBO) / in-house bank
- C. Internal or intercompany payments (including netting)
- D. We are still focused on getting basic automated AP/AR payments in place

Three Scenarios. One Platform

The Right Model for Each Situation

Internal Payments

Intercompany settlement without external banks

Eliminate Fees, Accelerate Settlement, Simplify Reconciliation

Intercompany obligations settled through IHB without external bank transactions

- **Intercompany netting:** Consolidate payables/receivables; single net settlement per affiliate if cash settlement required
- **Cashless settlement:** Clear AP/AR positions without cash movement
- **Intercompany loans:** Internal funding at favorable rates; automated tracking and interest - Immediate settlement; no float; no external fees

Virtual Accounts and Real-Time Intercompany Accounting

- Each affiliate holds virtual account within IHB (not traditional bank accounts)
- Payment request flows: Affiliate → APM → IHB → External Bank → Vendor

Closed-Loop Intercompany Settlement Logic:

Net Obligation Determination
AP/AR positions analyzed across entities; System determines gross vs. net vs. book settlement requirement

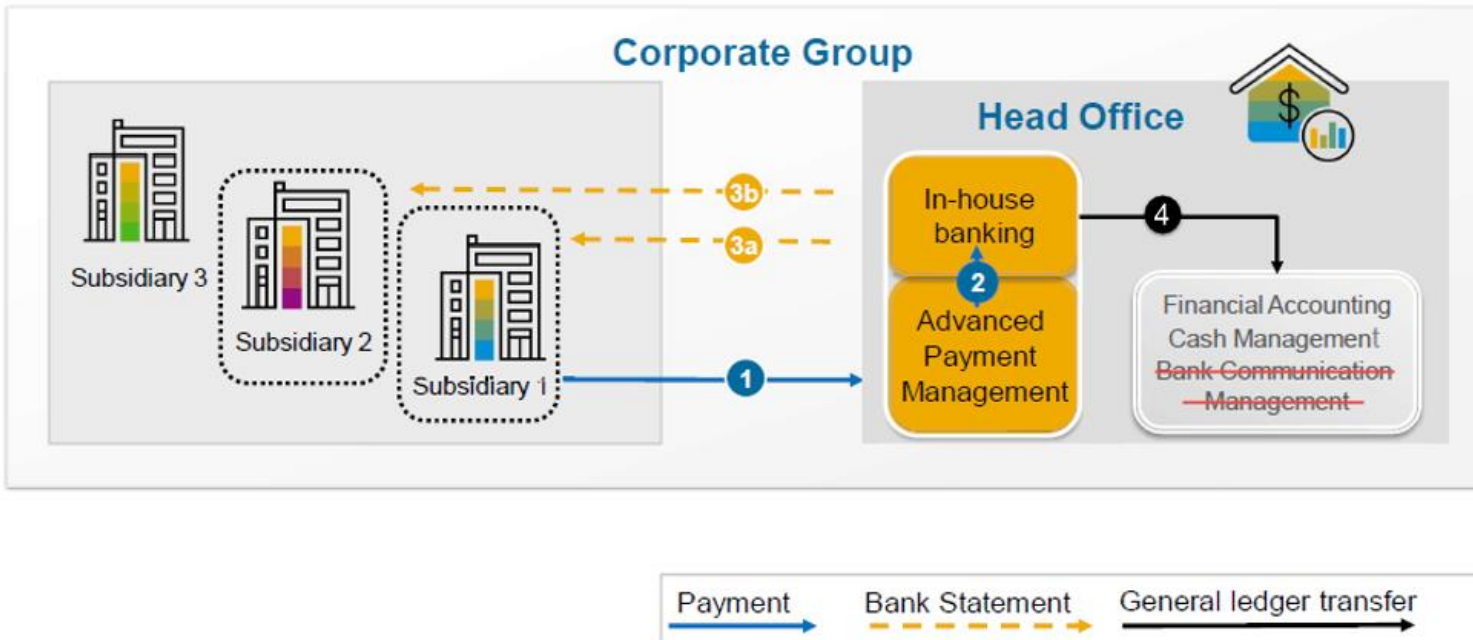
Internal Debit/Credit Posting
Debit: Paying affiliate IHB account; Credit: Receiving affiliate IHB account; No external payments executed

Open Item Clearing
Intercompany invoices automatically cleared; Sub-ledger and GL updated in real time

Optional Loan or Balance-Carry Logic
If imbalance remains, auto-create intercompany loan; Interest and limits managed within IHB

Internal Payments

Intercompany settlement without external banks



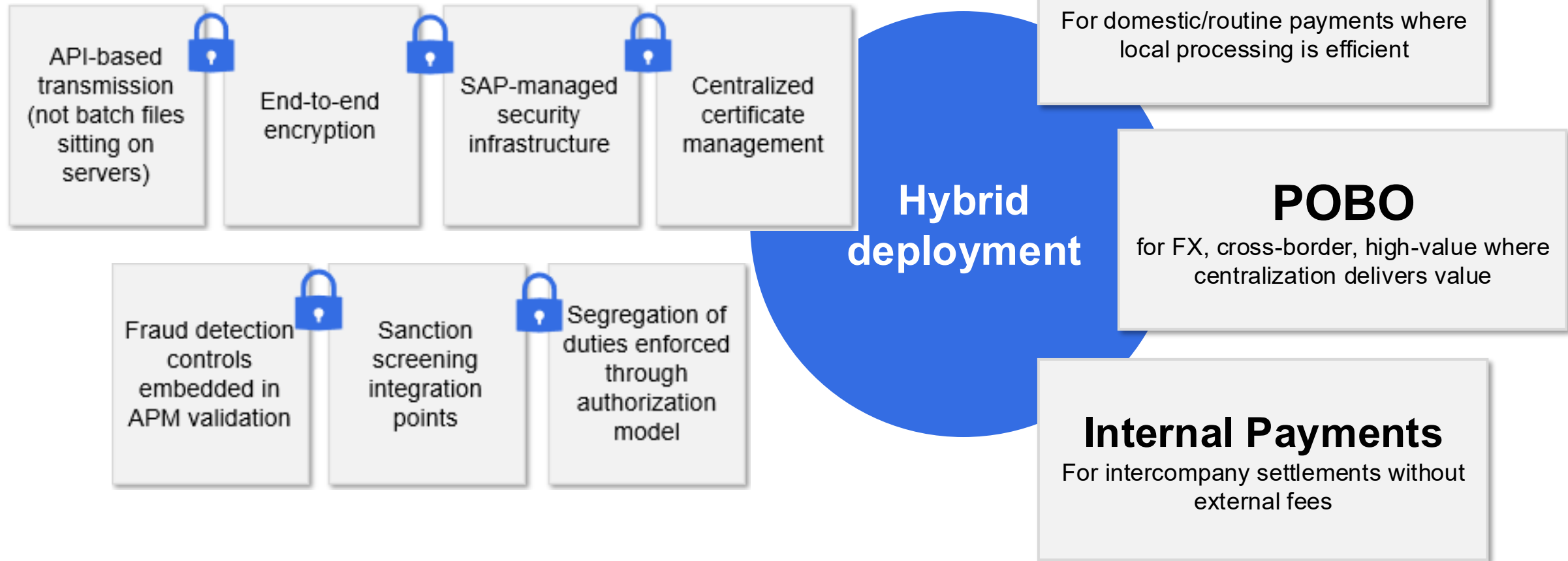
Why Internal Payments through APM-IHB?

- ✓ **Intercompany netting:** Automated clearing AP/AR, reduced external transfers
- ✓ **Internal liquidity management:** Enables internal lend/borrow, minimized idle cash
- ✓ **FX exposure netting:** Natural internal exposure offsets, lowers hedging costs
- ✓ **Cost avoidance:** Reduces/eliminates external bank fees for interco. payments
- ✓ **Centralized visibility & control:** Real-time interco balances, accurate forecasts
- ✓ **Process efficiency:** End-to-end auto settlements; shortened month-end close

One platform, centralized security regardless of execution model

Centralized Security by Design

Protecting Payment Data and Processes across use cases



Structured Data Enables Everything

From Fragmentation to Foundation

Before

Payment data scattered across systems, formats, regions



After

All payments flow through APM in standardized XML format
Single source of truth regardless of PINO, POBO, or internal execution

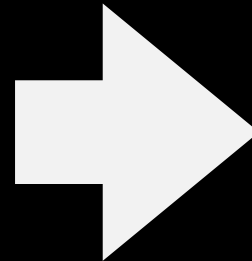
Consistent data structure enables real-time reporting and dashboards, trend analysis and forecasting, AI and machine learning applications

Structured Data Enables Everything

From Fragmentation to Intelligence

Before

Payment data scattered across systems, formats, and regions



After

All payments flow through APM in standardized XML format
Single source of truth regardless of PINO, POBO, or internal execution

Structured, standardized data is the prerequisite for AI

Potential Applications

Predictive cash forecasting

Anomaly detection

Payment optimization

Vendor behavior analysis

Working capital optimization

Compliance monitoring

Audience Poll Question 3

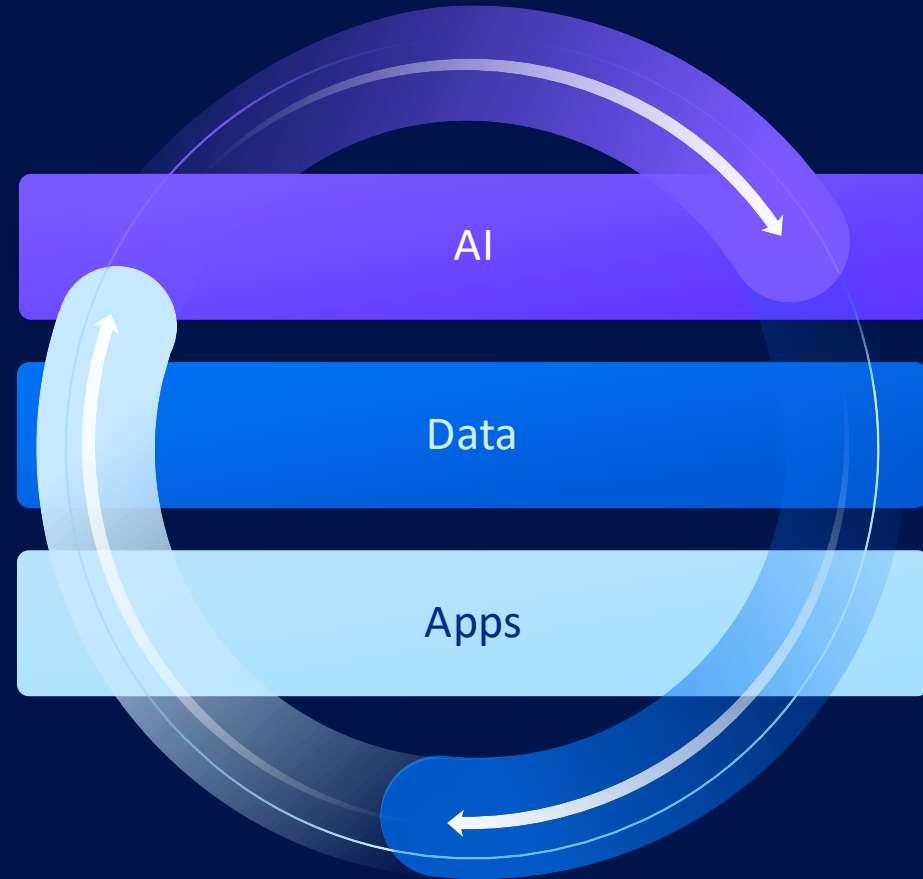
What is your primary business driver for evaluating SAP Advanced Payment Management (APM)?

- A. Reducing bank and transaction fees through routing optimization and in-house banking
- B. Improving real-time cash visibility and payment status monitoring
- C. Simplifying multi-bank connectivity and payment formats
- D. Enhancing compliance, controls, and auditability in payment operations



AI reinvents
business applications

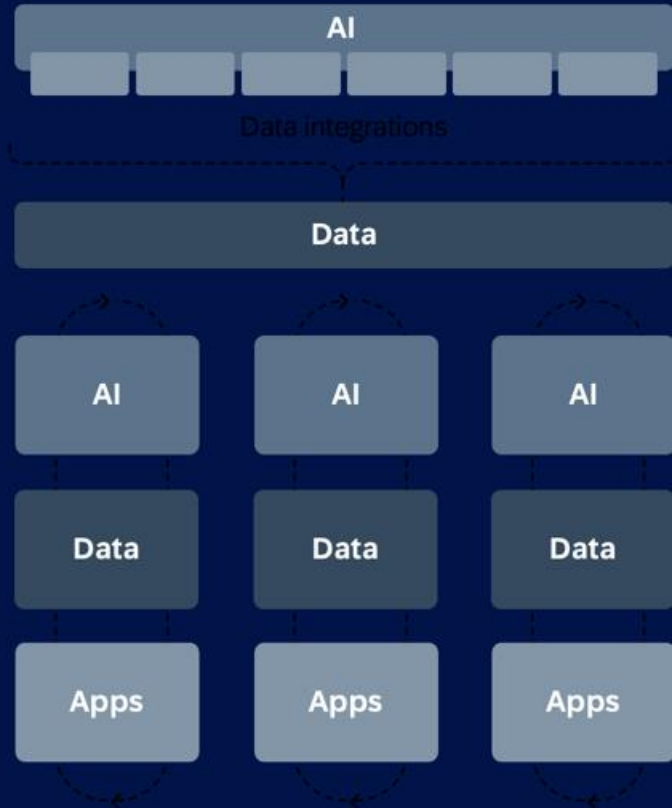
Bringing together apps, data, and AI into a virtuous flywheel



AI with the broadest context provides the deepest value

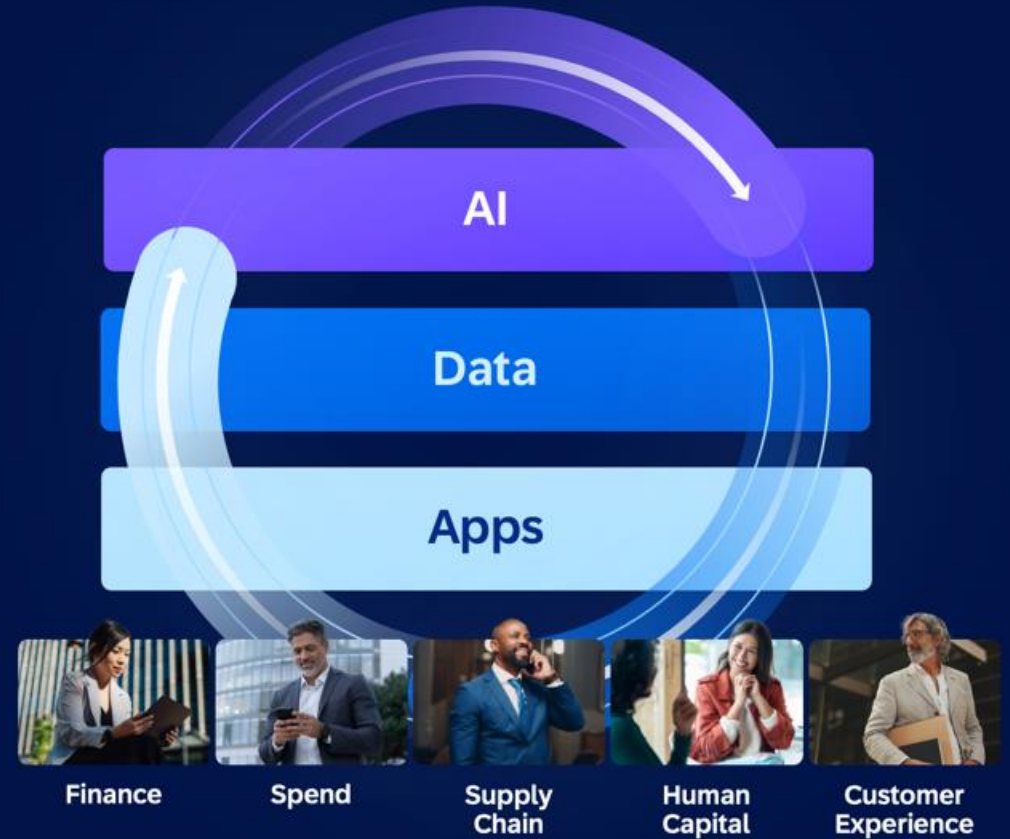
From

Disconnected silos with separate AI bolt-on

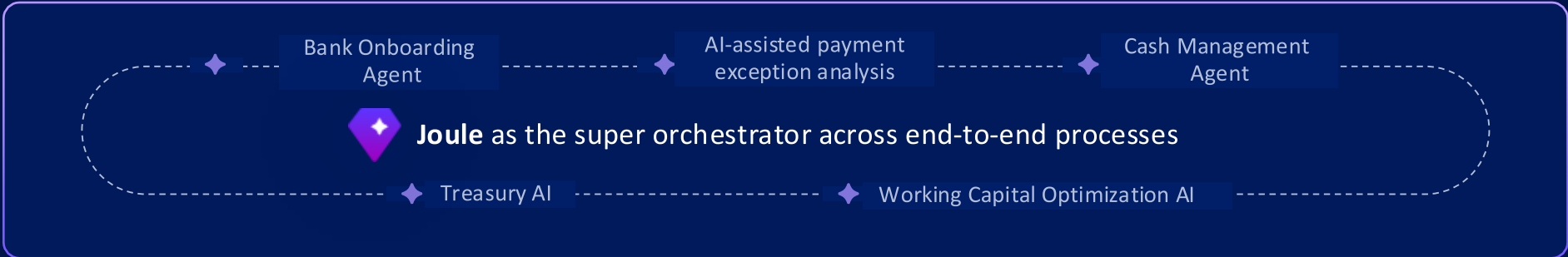


To

Harmonized context across the full breadth of your business



AI



Data



Apps



SAP Takeaways

Continuous Development and Innovation

- APM-IHB is SAP's strategic direction for payment processing
- IHC remains supported but development focus is on IHB
- MBC is the strategic bank connectivity solution
- Regular release updates with new capabilities
- SAP's ongoing investment ensures best-of-breed functionality
- Integration with broader SAP roadmap (AI, analytics, BTP)



The Window to Modernize

Timing Matters



The longer you wait,
the harder it gets

S/4HANA migrations happening now – opportunity to modernize payments

Peers are centralizing and automating – competitive pressure

AI capabilities are maturing – but require data foundation

Regulatory complexity is increasing – need centralized control

Cost pressure demands efficiency – fragmentation is expensive

SAP's Next-Generation Enterprise Payment Automation

Centralized, Controlled, Intelligent

- **The Problem:** Fragmented payment operations create cost, risk, and strategic limitations
- **The Solution:** APM + IHB + MBC – integrated platform for all payment scenarios
- **The Flexibility:** PINO, POBO, Internal – right model for each situation
- **The Foundation:** Standardized data enables visibility, control, and AI
- **The Time:** Modernize now during S/4HANA transformation



Serrala Treasury Services

Experience of 400+
SAP treasury & Finance
transformation projects

Deep APM-IHB, MBC, BCM,
Cash Management expertise

Your partner for
transformation

Questions?

Let's continue the conversation



Scan to connect

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Thank You!

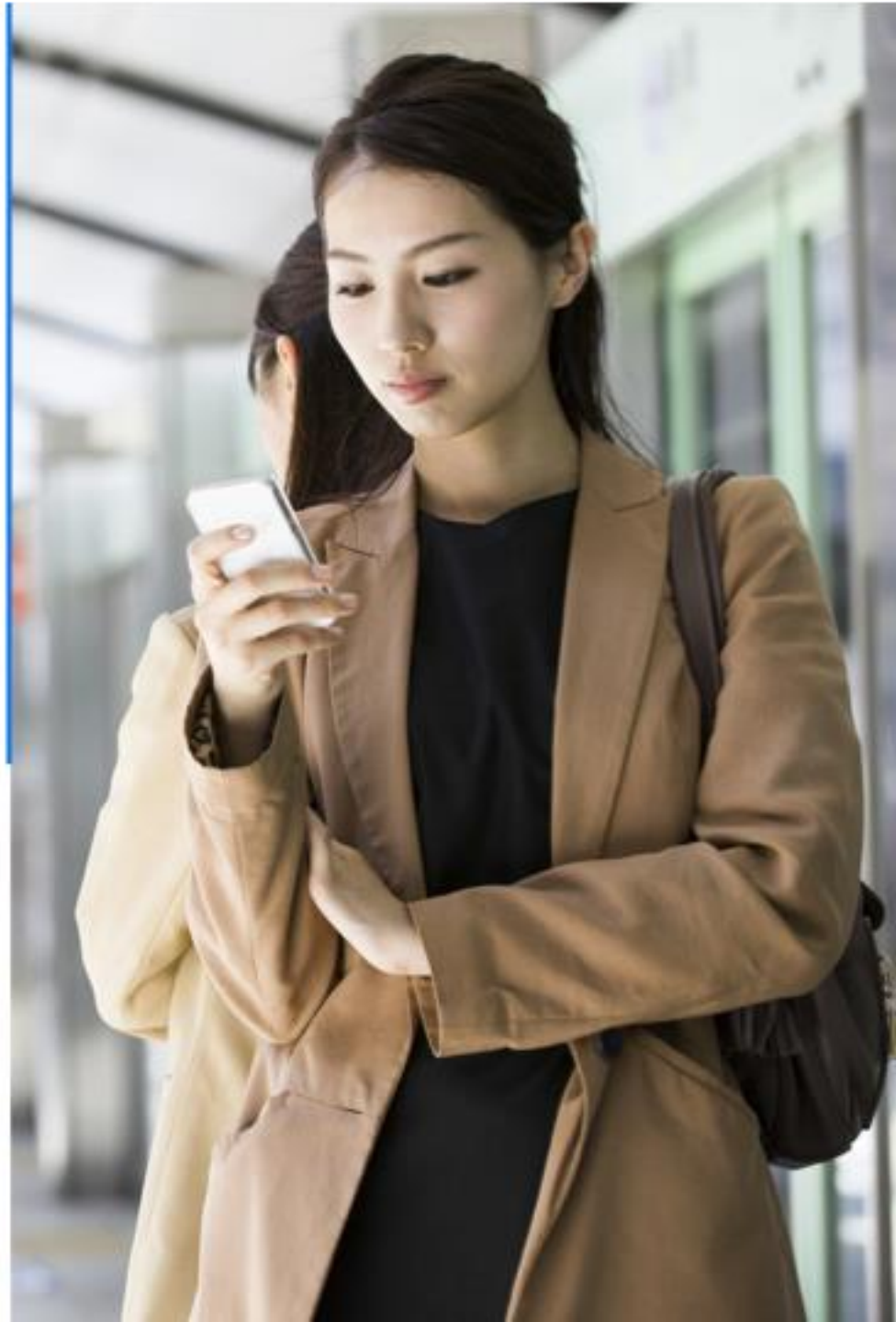
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Technical Architecture Comparison

Strategic Direction: IHB vs. Legacy IHC

Category	In-House Banking (IHB)	In-House Cash (IHC)
System Availability	S/4HANA Cloud & On-Premise	On-Premise only
Strategic Direction (SAP)	Strategic solution going forward	Legacy solution (not strategic for future S/4 roadmap)
Integration Framework	Integrated with Advanced Payment Management & BCM	Standalone functionality
Payment Factory Capability	Full payment factory capability	Limited internal clearing functionality
User Interface	Fiori-based modern UI	SAP GUI / Backend driven
Dashboards & Monitoring	Fiori dashboards & monitoring apps	No dashboards
Account Creation	Mass & single account creation supported	Single account creation only
Limit Management	Single & group limits supported	Single limits only
File Format Support	Multiple formats (ISO20022, XML, MT, etc.)	IDoc format only
Bank Communication	Integrated with Bank Communication Management (BCM)	Limited integration
Multi-Bank Connectivity	Supports modern bank connectivity scenarios	Limited support
Central Payment Support	Strong support for Central Payment & shared services	Basic intercompany clearing only
Real-Time Processing	Supports modern real-time payment scenarios	Batch-oriented
Cloud Readiness	Fully cloud-compatible	Not available in cloud
Scalability	Highly scalable for global treasury structures	Limited scalability
Future Enhancements	Actively enhanced by SAP	Minimal innovation focus
F111	No F111, It calls API for approvals via BCM, updates to cash management and general ledger.	Independent and needs to be executed separately
End to End Visibility	End to end Payment visibility back to source system	Limited Payment visibility only on IHC system.

Capability Evolution Analysis

From Legacy Processing to Enterprise Payment Orchestration

Payment Functionality	Description	Pre-APM	Post-APM
Payment Centralization	Ability to process payments from multiple sources through a consolidated channel to an external party.	No*	Yes
Payment Format Handling	Ability to receive and send messages in multiple formats along the ability to transform from one to the other based on the requirements of the recipient.	No	Yes
Payment Message Routing	Distribution of payment message based on pre-defined criteria - Route by all attributes of a payment and several special dimensions, e.g., Cut-off times, Percentage of business, Beneficiary bank, Available liquidity, due date and more.	No	Yes
Automation and Integration	High level of automation and integration into cash management, bank account management, payment approvals, accounting & bank integration channels. Open architecture to integrate with non-SAP products throughout the process.	No	Yes
Real-time Processing	Ability to respond instantly to changing requirements such as reprioritization, cancellation, up-to-the-moment status.	No	Yes
High-volume Processing	High transaction throughput including processing power for low-value ultra-high-volume processes.	Yes	Yes
Validation and Control	Message content validation based on extensive set of rules including standard-delivered and embedded plus checks for duplicates, embargo, sanctions, check, configurable blocks (such as banks, currencies, countries).	No	Yes
Exceptions Management	Built-in functionality to monitor and fix exceptions in a central place, either manually or automatically.	No	Yes
Monitoring, Reporting and Analytics	On-the-fly reporting and analytics for the full payment flow.	No	Yes

Operating Model Maturity Matrix

Standalone Internal Clearing vs Integrated Payment Factory

Payment Functionality	Description	IHC Only	APM + IHB
Payment Centralization	Ability to process payments from multiple sources in a through a consolidated channel to an external party.	Yes	Yes
In-house Banking	Ability to manage subsidiary balances in the In-house bank accounts as sub-ledger of external bank accounts with fully functional In-house Bank in SAP.	Yes	Yes
Payment Format Handling	Ability to receive and send messages in multiple formats along the ability to transform from one to the other based on the requirements of the recipient.	No	Yes
Payment Message Routing	Distribution of payment message based on pre-defined criteria - Route by all attributes of a payment and several special dimensions, e.g., Cut-off times, Percentage of business, Beneficiary bank, Available liquidity, due date and more.	No	Yes
Automation and Integration	High level of automation and integration into cash management, bank account management, payment approvals, accounting & bank integration channels. Open architecture to integrate with non-SAP products throughout the process.	Limited	Yes
Real-time Processing	Ability to respond instantly to changing requirements such as reprioritization, cancellation, up-to-the-moment status.	No	Yes
High-volume Processing	High transaction throughput including processing power for low-value ultra-high-volume processes (such as FI-CA).	No	Yes
Validation and Control	Message content validation based on extensive set of rules including standard-delivered and embedded plus checks for duplicates, embargo, sanctions, check, configurable blocks (such as banks, currencies, countries).	Limited	Yes
Exceptions Management	Built-in functionality to monitor and fix exceptions in a central place, either manually or automatically.	No	Yes
Monitoring, Reporting and Analytics	On-the-fly reporting and analytics for the full payment flow.	No	Yes