



CASE STUDY

DIGITAL CASH CONSOLIDATION **FOR IMPROVED LIQUIDITY AND** **COLLATERAL CONTROL**

How Northern Bank & Trust increased deposits by 10% month-over-month and lowered the bank's lending risk.

PREPARED BY: NORTHERN DIGITAL SOLUTIONS
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EXECUTIVE SUMMARY

Northern Bank & Trust Company (NBTC) implemented Cash Consolidator, a digital cash consolidation and liquidity management solution built by Northern Digital Solutions.

The implementation helped the bank strengthen cash management oversight, improve visibility into customer liquidity across institutions, and support more efficient monitoring of loan covenant requirements.

The result was a 10% month-over-month increase in deposits and more than \$282M transferred into NBTC accounts during the first year of adoption.

Key Results



\$282.5M transferred into NBTC accounts in the first year



10% month-over-month deposit growth during initial customer onboarding



388 external bank accounts connected to the solution



Cash management review time reduced from days to hours



THE CHALLENGE

NBTC is a Massachusetts-based commercial bank with 12 in-state, brick-and-mortar locations. As of December 2025, NBTC reported \$3.2B in total assets. For several years, NBTC has focused on expanding its commercial lending business and currently maintains approximately \$1.2B in outstanding commercial and C&I loans.

As NBTC's commercial lending portfolio expanded, the bank identified an opportunity to enhance operational efficiency and strengthen its processes for monitoring loan covenant compliance and managing customer liquidity.

Commercial loan covenants require customers to maintain all of their funds in their NBTC accounts, with an allowance for small accounts with their local banks. Historically, the bank's credit underwriting and project management teams manually monitored account activity to support covenant oversight. Cash Management reviews were performed using internal account data and focused primarily on deposits in NBTC accounts, earned credit amounts, and account usage. Notably, the process relied heavily on manual review and did not provide visibility into customers' external banking relationships.

Northern Bank & Trust

Based in: Woburn, MA

Locations: 12

Total Assets: \$3.2B

Commercial and C&I loans: \$1.2B

THE CHALLENGE (continued)

In late 2022, NBTC dedicated a full-time resource to conduct Cash Management reviews and support loan covenant monitoring. The review process required the employee to download customer transaction data from the bank's core banking system, export it into Excel, and build filters and pivot tables to analyze activity. The time required to complete reviews varied significantly depending on the size and complexity of the customer relationship, with larger and more complex account structures requiring substantially more manual analysis.

Loan covenants often permitted customers to keep operational balances at other financial institutions while meeting required balances at NBTC, but the lack of visibility into those external accounts introduced operational friction. Additionally, commercial lending customers operating outside NBTC's physical branch footprint often relied on traditional money movement methods such as ACH or wire transfers to move funds between institutions, which could be cumbersome and costly, and did not provide immediate balance updates.

As NBTC expanded its commercial lending relationships, the bank recognized an opportunity to modernize its cash management review processes, improve visibility into customers' external banking relationships, and streamline how customers move funds to maintain covenant-compliant balances at NBTC. These objectives ultimately led NBTC to implement the Cash Consolidator solution.

THE SOLUTION

To address these operational challenges and support continued growth in its commercial lending portfolio, NBTC launched a strategic initiative focused on modernizing its cash management capabilities.

Three key objectives guided this initiative:

- Use commercial loan terms to support the bank's broader revenue strategy
- Improve operational efficiency across cash management processes
- Enhance the customer experience to strengthen engagement across NBTC's product suite



Bank leadership recognized that achieving these objectives would require a combination of digital transformation, operational investment, and organizational change. To support its growth initiatives, NBTC increased its cash management headcount by 23% between 2022 and 2023.

THE SOLUTION (continued)

To support its broader digital strategy, the bank established a technology-focused subsidiary, Northern Digital Solutions (NDS). NDS was tasked with developing technology solutions designed to modernize key banking processes and improve operational scalability.

One of the first initiatives assigned to NDS was to develop a solution designed to address several core objectives:

1. Provide NBTC and its commercial customers with a unified view of all banking relationships and liquidity across institutions
2. Automate manual and time-intensive cash management review processes
3. Enable proactive monitoring of loan covenant requirements while supporting NBTC's lending risk management
4. Strengthen deposit and liquidity positioning within NBTC accounts
5. Simplify and digitize money movement across banking relationships and operating locations

This effort led to the development of Cash Consolidator, a cloud-based SaaS platform designed to provide both customers and bank personnel with a unified view of a customer's banking activity across institutions. Because the solution is delivered as a cloud-based service, it does not require installation within a customer's environment and can be implemented with minimal operational disruption. This approach allows both the bank and its customers to adopt the solution efficiently while minimizing implementation complexity.

THE SOLUTION (continued)



Cash Consolidator uses secure API connections to retrieve account balance and transaction information from external financial institutions through industry-standard, third-party connectivity providers. The solution also integrates with banks' core banking systems to access real-time account balance and transaction information. Together, these connections provide both NBTC and its commercial customers with improved visibility into liquidity across multiple banking relationships and institutions.

These banking connections are then used to facilitate the transfer of optimal amounts of funds based on predefined rules, including loan covenant requirements, balance thresholds, transfer schedules, and other customer-defined parameters. The solution generates transfer instructions that enable automated transfers from customers' external accounts into their NBTC accounts; this functionality helps customers maintain covenant-compliant balances at NBTC, while reducing the need for manual transfers or reliance on traditional money movement methods.

Implementing Cash Consolidator required coordinated operational and organizational changes across NBTC. The bank undertook internal change management and process transformation efforts to integrate the solution into its cash management and commercial lending operations.

THE SOLUTION (continued)

As part of this transition, the Cash Management team assumed responsibility for monitoring loan covenant compliance related to required deposit balances. The bank revised loan covenant language for new and renewing commercial loans to clarify expectations that customers maintain operational balances at NBTC and meet defined account balance requirements.



NBTC introduced a structured onboarding process for new commercial lending customers. During 30-, 60-, and 90-day checkpoints, bank personnel review available cash management services with customers, including Cash Consolidator, to ensure customers understand and adopt tools designed to support covenant compliance and efficient liquidity management.

To support adoption, NDS worked with NBTC's internal marketing team to develop white-labeled user guides and supporting materials to help customers understand and implement the solution.

THE BENEFITS

Cash Consolidator delivered several measurable operational and financial benefits for NBTC:

1. Improved Account Transparency

Through secure integrations with NBTC's core banking system and external financial institutions, Cash Consolidator provides the bank's cash management team with a unified view of customers' banking relationships, including balances held at other institutions. As of September 2025, Cash Consolidator was connected to nearly 400 external bank accounts held by NBTC customers. These connections allow the solution to generate transfer instructions based on predefined thresholds and schedules, facilitating transfers of funds into NBTC accounts.

2. Automated Cash Management Review Process

Using data generated through Cash Consolidator, NBTC developed a Power BI reporting tool that significantly reduced the time required to analyze customer account activity, from days to hours. As a result, NBTC reports a meaningful reduction in the time required to complete cash management reviews.

Key Results:



Money Transferred
\$ 252M

NBTC transferred \$252M from customers' external accounts in the first year with Cash Consolidator.



Deposit Growth
10% MoM

Deposit growth increased 10% month-over-month during initial customer onboarding.



Banks Connected
~400

Customers connect to 388 different external banks via Cash Consolidator.



Time Saved
Significant

NBTC's Cash Management team reduced the time spent on household reviews from days to hours.

THE BENEFITS (continued)

3. Improved Monitoring of Loan Covenant Requirements

Cash Consolidator helped transition loan covenant monitoring from a largely manual process to a more automated and data-driven approach. Customers establish balance thresholds aligned with their loan covenant requirements, and the solution generates transfer instructions when balances exceed those thresholds. Account managers also receive alerts when customers modify transfer schedules or threshold parameters, allowing the bank to review potential covenant-related issues more efficiently.

4. Increased Liquidity

NBTC's strategy of leveraging commercial lending relationships to strengthen deposit balances produced measurable results. In the first year of onboarding customers, Cash Consolidator contributed to a sustained 10% month-over-month increase in deposits during the initial onboarding period. From mid-August 2024 to mid-August 2025, the solution facilitated the transfer of approximately \$282.5M into NBTC accounts. This increased liquidity has supported the bank's ability to invest in additional strategic initiatives and expand its lending activity.

5. Digitized Money Movement and Improved Money Movement

Cash Consolidator gives customers visibility into their balances across banking relationships and supports automated fund transfers based on predefined rules. This capability allows customers to manage liquidity more efficiently while maintaining covenant-compliant balances at NBTC. The solution also reduces reliance on proximity to physical branches, enabling customers to maintain relationships with multiple financial institutions while continuing to meet their obligations to NBTC.

THE BENEFITS (continued)

6. Additional Strategic Insights

Cash Consolidator also provides NBTC with improved visibility into customers' external banking activity. According to NBTC's Head of Cash Management, these insights empower the bank identify opportunities to strengthen customer relationships and expand product usage. In one instance, visibility into external account activity helped NBTC persuade a customer to move their primary operating relationship to NBTC from a large, global bank. While the revenue impact of these opportunities has not yet been fully quantified, the bank believes the insights generated by Cash Consolidator may create additional long-term growth opportunities.



THE FUTURE

NBTC sees significant opportunity to expand the impact of Cash Consolidator solution. As of September 2025, approximately 15% of NBTC's commercial lending customers were using the solution. The bank expects adoption to expand as Cash Consolidator becomes more integrated into its cash management and commercial lending processes.

NBTC plans to increase adoption through its ongoing customer review and onboarding processes. During annual Cash Management reviews for existing customers and as part of onboarding for new commercial lending relationships, the bank introduces Cash Consolidator as a tool designed to support covenant compliance and more efficient liquidity management.

Early results suggest significant potential as adoption expands across NBTC's commercial lending portfolio. With approximately 15% of commercial lending customers using the solution, Cash Consolidator facilitated the transfer of \$282.5M into NBTC accounts during the first year of adoption. As additional customers adopt the solution, the bank believes the platform has the potential to further strengthen deposit balances and liquidity across its commercial portfolio.

NDS continues to enhance the capabilities of Cash Consolidator.) Current development efforts include additional business intelligence capabilities and the use of analytical models designed to identify unusual account activity and liquidity patterns across customers' external banking relationships.

These enhancements are expected to further improve the bank's ability to monitor customer activity, support relationship management, and identify opportunities to deepen customer engagement.

ABOUT NORTHERN DIGITAL SOLUTIONS

Northern Digital Solutions (NDS) is a SOC2 -Type II-certified technology company helping small- and mid-sized banks modernize commercial banking and unlock deposit growth. Through its flagship platform, Cash Consolidator, NDS enables financial institutions to automatically connect to and move funds from customers' external accounts into internal deposit accounts -- strengthening liquidity, enforcing loan covenants, and expanding lending reach beyond traditional geographic boundaries. By aligning lending, treasury workflows, and real-time cash visibility, NDS empowers banks to compete in a digital, multi-bank world while preserving the relationships that define community banking.