

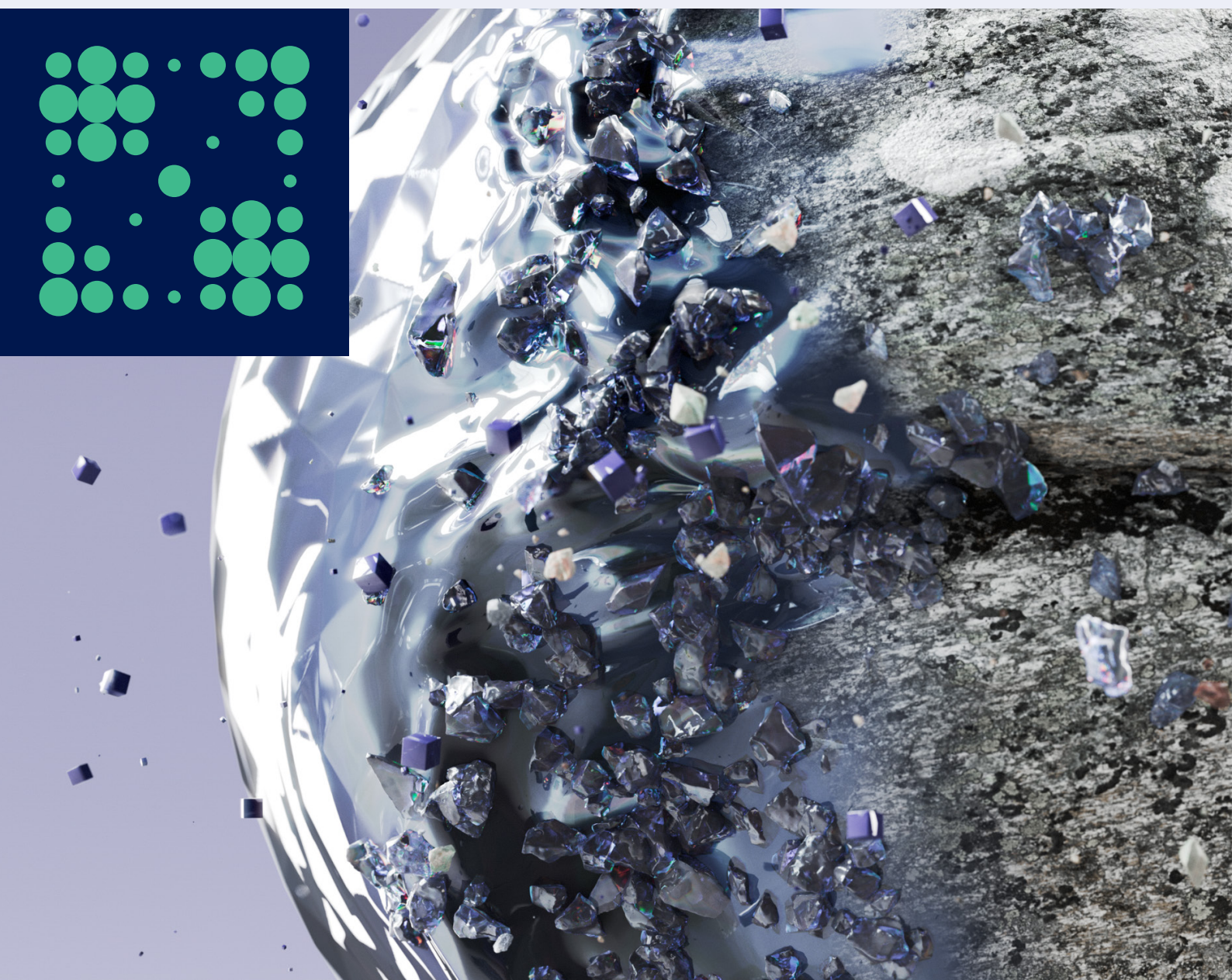


# Nordic Cash Pooling in Practice: Real-World Use Cases for Banks and Corporates

A Strategic Guide for Corporate Banks and Treasury Teams Across the Nordics

Nordic cash pooling has quietly become one of the most effective models for managing liquidity, simplifying compliance, and enabling real-time treasury operations. As the demands on corporates and banks intensify – from instant payments to cross-border complexity – its relevance has only grown.

This paper offers a practical guide to how Nordic pooling works in the real world, with case studies across key industries showing how it can unlock new value, strengthen financial control, and support smarter growth strategies.



# Nordic cash pooling: a fresh look

Once seen as a smart regional workaround, Nordic cash pooling is now stepping into the global spotlight. As both banks and corporates face mounting pressure to modernise their approach to liquidity, this pragmatic structure is being reappraised. Not just as a solution to Nordic tax and regulatory complexity, but as a blueprint for a future-ready liquidity infrastructure.

The timing couldn't be more critical. The shift towards real-time treasury operations and the rollout of the

EU's Instant Payments Regulation (IPR) are reshaping the expectations placed on treasury teams, while eroding the fee- and float-based models many banks still rely on. At the same time, fast-moving technologies – from AI and APIs to virtual branch solutions and central bank digital currencies (CBDCs) – are redefining how treasury functions operate and how they interact with financial partners.

## What is Nordic cash pooling?

In short, this hybrid pooling structure – often called 'balance netting' or 'single legal account pooling' – combines features of notional and zero-balancing pools, tailored for Nordic banks and regulations. It uses one real master account (typically for the parent or treasury centre) and multiple 'fictive' sub-accounts for subsidiaries.

This setup gives treasurers central control and full visibility, while subsidiaries manage their own accounts as usual. The bank handles the internal pooling, sparing corporates from complex intercompany loan administration. Ultimately, the

Nordic model acts as a real-time liquidity hub, centralising funds while letting each unit maintain autonomy and real-time cash insight. And as one corporate treasurer commented: "Nordic cash pooling is relatively quick to implement. It can be operated fully, even without any TMS, as the bank portals are very well developed to track limits, interest calculations and account structures, bank portal reports will provide all the information you need for accounting and transfer pricing, as well as tax."

Value area	Impact
Liquidity efficiency	Reduced need for local buffers and short-term borrowing
FX risk management	Net exposure view enables more accurate, cost-effective hedging
Treasury control	Central visibility and real-time decision-making across the group
Subsidiary enablement	Virtual accounts preserve operational independence
Regulatory compliance	Single legal account structure simplifies audit and cross-border flows
Banking strategy	Consolidation of cash boosts bank negotiating power and unlocks services

Table 1: Strategic value of Nordic pooling for corporates

# Why is Nordic cash pooling worth a second look?

## For corporates



**Real-time treasury enablement:** Nordic pooling supports real-time treasury needs by offering central visibility and instant access to group liquidity, without relying on once-a-day sweeps. This means a treasurer can react immediately to cash needs or market events.



**Single legal account, simpler compliance:** Maintaining a single master account with virtual sub-accounts simplifies audit trails and reduces the tangle of intercompany loan records, supporting stronger tax and compliance positions. One account to reconcile means clearer records for regulators and auditors.



**Local autonomy preserved:** Subsidiaries continue to operate with their own virtual accounts as if they had local accounts, so they maintain independence in daily operations. Meanwhile, group treasury retains control over the consolidated cash, achieving central oversight without micromanaging each payment.



**Efficient FX management:** A pooled structure allows the company to manage foreign exchange exposures at a net level. This leads to more efficient currency conversion (through internal netting) and the ability to automate hedging triggers for when certain currency positions exceed limits – reducing unnecessary conversions and getting better FX rates.



**Better forecasting and working capital use:** With group-wide cash data available in real time, forecasting becomes more accurate. This improves working capital management and investment decisions, as the company knows exactly how much excess cash it can deploy or whether it needs to raise short-term funds.



**Governance is still key:** A sophisticated pooling setup still requires strong governance. Corporates need to maintain clear intercompany agreements, document interest allocation policies, and ensure regulatory compliance in each jurisdiction. The structure must be supported by paperwork and oversight so that it stands up to scrutiny.



**Scalable globally:** While born in the Nordics, the model can scale globally when adapted properly. With the right local customisations, regulatory accommodations, and legal structures, Nordic pooling can become a long-term, worldwide liquidity solution rather than just a regional tactic.



## For banks



**24/7 operation required:** Instant payments (and regulations like IPR) are shrinking or eliminating float income. Banks must rebuild pooling platforms for continuous 24/7 operation, as clients will demand around-the-clock access and sweeping. Legacy batch processing is rapidly becoming obsolete.



**API-first and modular services:** Corporate clients now expect pooling solutions that are API-accessible and modular. Banks need to offer building blocks (virtual accounts, real-time reporting, rule engines) that integrate into clients' treasury systems, rather than one-size-fits-all black boxes.



**Gateway to deeper engagement:** Cash pooling can be a gateway to broader client engagement. Offering a strong pooling solution opens opportunities to cross-sell or integrate FX services, liquidity forecasting, ESG investment options, and strategic advisory. It positions the bank not just as a custodian of cash but as a strategic partner in the client's financial operations.



**Virtual account and cross-border capabilities:** To support clients' geographic expansion without friction, banks should invest in virtual IBAN and cross-border virtual branch capabilities. Helping clients pool across borders (while still complying locally) can be a key differentiator.



**Enhance loyalty through integration:** Banks that provide integrated dashboards, APIs, and compliance support (e.g. help with documentation, onboarding new entities) will strengthen corporate loyalty and increase their share of the client's wallet. If a client can do everything through one bank's platform, they have less reason to split business among multiple banks.



**Think 'platform' not product:** By positioning pooling as a platform, banks can remain embedded in the client's day-to-day processes. Rather than a static product, it becomes an evolving solution that can grow with the client – including features like self-service management, analytics, and integration with other bank or third-party services. This deepens the bank's role from service provider to co-owner of treasury outcomes.



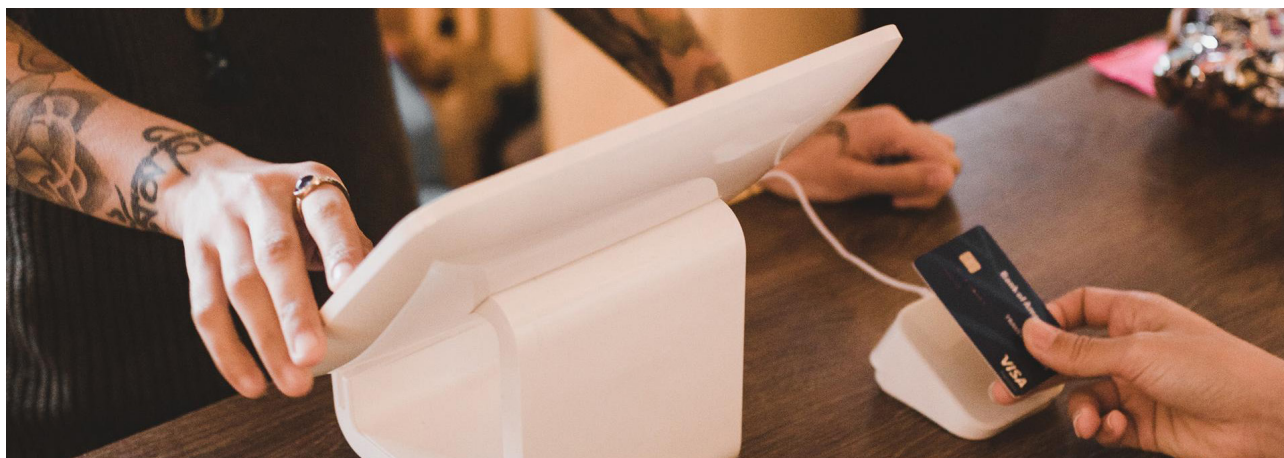
**Modernise or risk disintermediation:** If banks fail to innovate, corporates may turn to fintech alternatives that provide multi-bank visibility and control through their ERPs or TMS. In short, banks risk losing their place at the centre of corporate treasury if they do not advance their pooling and connectivity offerings.



# Case studies

The following use cases illustrate how Nordic cash pooling delivers practical solutions for both corporates and banks facing complex liquidity, compliance, and operational challenges. Each example highlights real-world scenarios where centralised control, real-

time visibility, and local autonomy come together to create measurable value. These cases demonstrate the versatility and impact of the Nordic model across different industries and growth stages.



## Case Study 1:

### A retail group managing seasonal liquidity across markets

#### SCENARIO:

A multi-brand retail group operating in the Nordics, UK, and Germany faces a familiar treasury headache: local subsidiaries run independent accounts, seasonal revenues fluctuate sharply between markets, and visibility into group cash is poor. During peak sales in Sweden, surplus liquidity sits idle while another unit in the UK draws on expensive credit facilities to fund short-term operations.

#### CHALLENGE:

Without a consolidated view, treasury struggles to anticipate cash shortfalls or move funds efficiently. Forecasting is manual and reactive. Subsidiaries are reluctant to give up autonomy, and opening full accounts in every market creates cost and compliance complexity.

#### SOLUTION:

By adopting a Nordic cash pooling structure with virtual accounts and a multi-currency overlay, the group creates a centralised master account while allowing each entity to operate its own virtual ledger. Liquidity is visible and accessible in real time. FX positions can be netted and rebalanced internally. Integration with the company's TMS enables automated triggers for internal lending and funding.

#### POTENTIAL OUTCOMES:

- Avoids unnecessary external borrowing during seasonal imbalances
- Improves forecasting with real-time balance visibility
- Streamlines interest allocation and compliance with transfer pricing rules
- Frees up treasury capacity for strategic work rather than daily firefighting



## Case Study 2:

### A tech scale-up expanding into new markets without local bank accounts

#### SCENARIO:

A cloud-based HR platform headquartered in the Nordics is expanding rapidly into Central and Eastern Europe. The product is localised, but the finance function is not – opening local accounts in every market would introduce a compliance burden the lean team can't afford.

#### CHALLENGE:

Clients in new markets want to pay in local currency, into local accounts. But treasury wants to avoid the cost, time, and governance complexity of setting up banking infrastructure in each jurisdiction. Finance needs a way to collect funds locally while retaining centralised control.

#### SOLUTION:

Using a Nordic cash pooling structure enhanced with virtual IBANs and virtual account overlays, the company assigns each client or region a local bank account number, even in countries where it has no physical presence. Payments flow locally but settle centrally. Treasury retains real-time visibility by region, and all funds are pooled automatically into the group master account.

#### POTENTIAL OUTCOMES:

- Enables entry into five new countries with no local banking setup
- Reduces DSO by offering clients a seamless, domestic payment experience
- Centralises cash without losing visibility or local autonomy
- Keeps treasury headcount flat even as transaction volume grows



## Case Study 3: A Nordic bank supports SME international growth with Virtual Branch expansion

### SCENARIO:

A regional European bank with a strong domestic presence in the Nordics wants to help its mid-sized corporate clients expand into the UK, Germany, and Central Europe. Rather than opening physical branches in each new market, it seeks a more agile way to provide local account capabilities to the international subsidiaries of Nordic-based SMEs.

### CHALLENGE:

Opening physical branches abroad is costly, time-consuming, and subject to heavy regulation. However, local account structures are often necessary for clients to meet domestic regulatory, operational, and tax requirements. Without a flexible, multi-country solution, the bank risks losing Nordic SME clients as they expand internationally and require broader liquidity and banking support.

### SOLUTION:

The bank adopts a virtual branch (see box) framework, offering virtual local accounts (with IBANs) in multiple countries under a single legal entity. These subsidiary accounts are embedded within the bank's existing Nordic cash pooling platform, enabling clients to centralise liquidity at group level while maintaining local compliance and operational capabilities for their international subsidiaries.

### POTENTIAL OUTCOMES:

- The bank retains and grows its Nordic SME client base as they expand into new markets.
- Clients gain access to local account capabilities without needing to switch banks or manage multiple relationships.
- Treasury operations are simplified through centralised liquidity management and local compliance support.
- The bank strengthens its cross-border offering and creates opportunities to cross-sell FX, investment, and advisory services to growing international clients.

## Virtual branches and multi-jurisdictional liquidity support

Virtual Branch, developed by Tietoevry Banking, allows banks to expand their reach into new markets without needing to establish a physical presence. By issuing local account numbers (such as IBANs) linked to a centralised service or nostro account, banks can provide corporates with access to local payment infrastructures – while maintaining a single, streamlined liquidity structure. Nordic cash pooling, supported by virtual branch capabilities, allows banks to maintain those relationships while offering local account functionality and regulatory compliance.

This expands the operational reach of both corporates and banks, reduces the need for multi-bank structures, and supports faster market entry without compromising control.



# What now?

## The road ahead is full of opportunity

The role of cash pooling in corporate treasury is not fading. If anything, it is becoming more central – but it will look and operate very differently than in the past. The drivers of change are already here: instant payments are compressing settlement times, real-time visibility is becoming the norm, and regulators are scrutinising intercompany flows, FX exposures, and liquidity buffers more closely.

At the same time, treasury and finance teams face pressure to do more with less – delivering greater insight and control with smaller teams and leaner processes. In this landscape, the real potential of Nordic pooling lies in how banks tailor and extend it to support industry-specific requirements, technology integration, and advisory-led services that add long-term value for corporate clients.

## Tailored solutions for industry-specific needs

Liquidity priorities vary widely across sectors. A global retailer may need rapid access to intraday liquidity during peak seasons, while a manufacturing firm might prioritise FX netting across currency-heavy operations. Banks that understand these nuances can position Nordic cash pooling as a flexible, sector-sensitive solution.

For example:

- **Tech and SaaS firms** may benefit from virtual account overlays that enable precise client-level cash tracking across markets without needing local accounts.
- **Private equity-backed groups** often require fast onboarding of new entities and clean visibility across portfolios. Nordic pooling's plug-and-play structure and fast scalability suit this need.
- **Logistics and distribution companies** operating in volatile environments value intra-day liquidity control and real-time FX conversion, both of which can be automated through enhanced Nordic cash pooling platforms.

Banks that co-develop bespoke pooling rules, FX automation, or credit overlays aligned with sector cycles and operational risk will become embedded in their clients' financial architecture.

## Integration with cutting-edge treasury management systems

Treasurers now expect their banks to integrate seamlessly with in-house treasury platforms, ERPs, and data analytics tools. Static, file-based communication is no longer sufficient – API-native connectivity and open architecture are essential.

To stay competitive, banks must ensure their Nordic cash pooling offerings:

- Integrate directly with leading TMS and ERP systems, enabling real-time balance and transaction data.
- Support embedded actions such as funding triggers, FX hedging, or interest reallocation based on client-defined rules.
- Offer dashboards and data visualisations that support decision-making across global entities.

Banks that enable this integration can shift the role of Nordic cash pooling from a back-office efficiency tool to a front-line decision engine. Treasury teams can respond to real-time conditions using pre-configured logic, reducing latency and increasing agility.

## Key takeaways

The Nordic approach to cash pooling, built on simplicity, centralised control, and operational flexibility, offers valuable lessons for the broader market. As demands for real-time visibility, regulatory compliance, and automation continue to rise, these principles are reshaping how corporates and

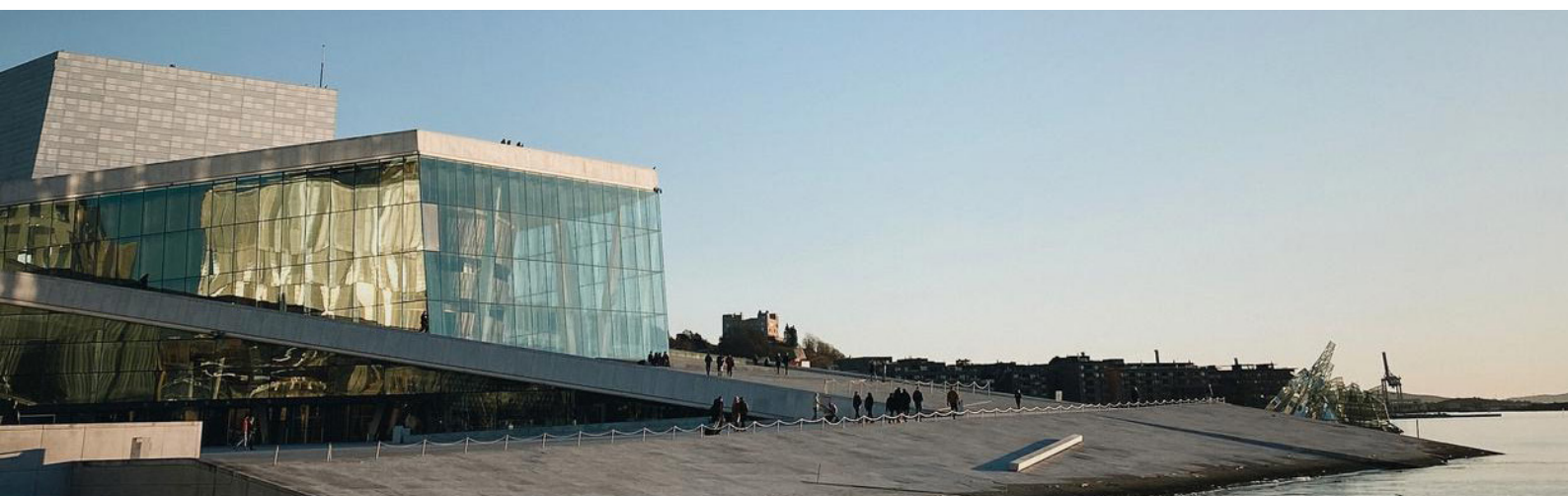
banks manage liquidity. The key takeaways below highlight how a Nordic-inspired model can turn cash management from a technical necessity into a source of strategic strength for both banks and corporates alike:

## Why corporates should reconsider Nordic cash pooling

- **Unlock real-time control:** Nordic pooling delivers instant cash visibility and decision-making without losing local operational freedom.
- **Simplify complexity at scale:** A single legal structure cuts through regulatory, audit, and intercompany loan challenges as you grow across borders.
- **Boost FX and working capital performance:** Manage currency risk and cash deployment smarter with group-wide netting and real-time forecasting.
- **Expand faster, smarter:** Virtual account overlays enable international growth without the cost and delay of setting up full banking operations abroad.
- **Future-proof treasury operations:** Nordic pooling aligns with instant payments, automation, and embedded treasury trends, keeping you ahead of the curve.

## Why banks should upgrade their pooling offering

- **Meet rising client expectations:** Real-time liquidity, instant payments, and seamless integration are becoming mandatory – Nordic-style pooling delivers them.
- **Strengthen client stickiness:** Offering modern pooling keeps you embedded in clients' daily treasury processes and opens cross-sell opportunities.
- **Expand services without heavy investment:** Virtual branch models let you grow client relationships internationally without new physical infrastructure.
- **Move beyond static products:** Position pooling as a dynamic, modular platform that evolves with client needs – not just a back-office tool.
- **Stay competitive against fintechs:** Innovating around Nordic pooling helps banks defend their role at the centre of corporate treasury ecosystems.



## About Tietoevry Banking

A market-leading provider of financial SaaS solutions for the Nordics and beyond. With 3,400 dedicated experts and customers in 60 countries, we deliver solutions for payments and card value chains, financial fraud prevention, lending, and wealth management, as well as a banking-as-a-platform. By combining decades of experience with our modular, scalable, and secure solutions, we empower financial institutions to unlock significant value, and rapidly adapt to market changes, meet regulatory demands, and deliver exceptional customer experiences. Tietoevry Banking is a specialized business unit of Tietoevry; the group's annual turnover is approximately EUR 3 billion. Tietoevry's shares are listed on the NASDAQ exchange in Helsinki and Stockholm, as well as on Oslo Børs.

For more information, visit [www.tietoevry.com/banking](http://www.tietoevry.com/banking)

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### Let's talk



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