

Leading banks into the digital era

DIGITAL REPORT 2022







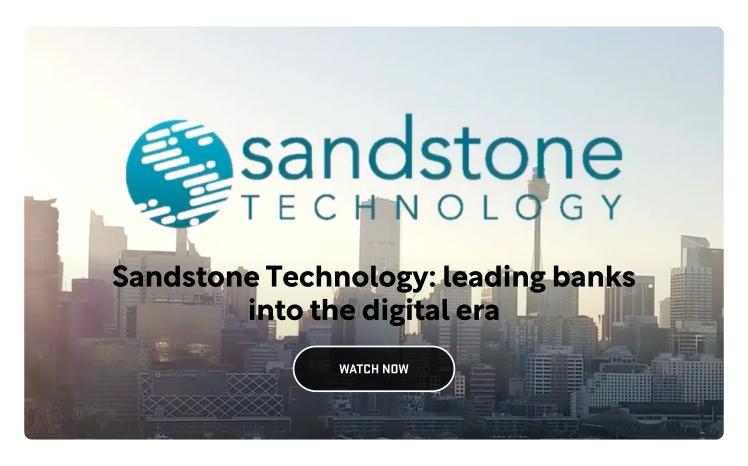




Michael Phillipou, **Chief Executive Officer** discusses how Sandstone Technology brings banks and financial institutions into the digital era

intech digital transformation can be made much simpler if partners are willing to drive value in the direction of their customers. With more innovation taking place in the industry, the ability to meet the customers' needs is what sets a company apart from the rest. As the world continues along its current trajectory towards digital payments and banking services, organisations like Sandstone Technology — with multiple technological capabilities — are encouraging the adoption of fintech among consumers and businesses.

Talking with the Chief Executive Officer of Sandstone Technology, Michael Phillipou, he explains just how important it is for companies in the fintech space to learn from existing digital businesses and continuously develop technology offerings, with the help of investment, to provide clients with market-leading value propositions. Sandstone Technology alongside its 300 technical employees, has been committed to the digitisation of retail banking operations for over 25 years and has since built up an omnichannel repertoire of digital banking products, including internet banking, banking apps, and an end-to-end banking product origination platform, Sandstone Technology also leverages artificial intelligence (AI) and machine learning capabilities.



Transforming financial institutions in a digital age

The company's aim to provide value for its customers is supported by continuous investment in its products, leveraging existing platforms for its current customer base while developing capabilities for small-to-medium enterprises (SMEs). On top of this, the company is expanding its partner ecosystem to deliver better functionality. "We continue to build out our partner ecosystem to provide a more complete marketplace offering. This is very much in line with where we see the market moving, as per customer requirements to work with fewer vendor partners," Phillipou explains.

"Ultimately, our strategy is to expand our market share in our existing markets in Australia, New Zealand and the United Kingdom, and take an entry into other markets, which we are now well placed to do."

In recent years, the firm has identified the key areas in which it can develop its offerings in the future: internet and mobile banking,

"Data is an exceptionally valuable asset, provided companies can make use of it in a compliant way to add value to their consumers"

MICHAEL PHILLIPOU CHIEF EXECUTIVE OFFICER. SANDSTONE TECHNOLOGY

alongside its current loan origination and intelligent document processing functions. These capabilities will add to its platforms and will be offered to both existing and prospective customers, which will also cater for banks and financial institutions who offer small-tomedium enterprise (SME) banking products and solutions. But, what benefit could this provide to Sandstone?

Phillipou says: "When we complete an implementation project, the best possible compliments we can receive materialise when our customers win awards and are recognised by the industry and their peers."

He continues, "one of our customers was recognised by Forbes as Australia's number one bank, as well as being voted the number one bank in Australia by mortgage customers. Across the Tasman, one of our New Zealand customers was recently awarded as having the most satisfied customers, based on customer experience, according to Canstar, and one of our UK customers was recognised as Bank of the Year in the 2021 Dealmaker Awards."

Delivering a partner ecosystem through a single platform

Sandstone identified its customers' demands for access to a variety of functions, managed by a single provider for an effortless user experience. To achieve this, the company works with third parties as it builds its partner ecosystem to offer a comprehensive suite. Over the years, the company has identified some of the key organisations that drive its vision for both digital banking and origination.

"We partner with a range of fintech companies, across eIDV, property valuation



New customer accounts in less than two years.

less time spent on loan applications

While discussing the inspiration for Phillipou's career in fintech, he explained how other successful businesses and leaders led him to his current line of work.

How did you become interested in financial technology?

"My interest in financial technology was piqued in 2013 to 2014, reading about the likes of TransferWise — now Wise disrupting payments and the international payments vertical in particular. Moreover, I followed companies such as Credit Karma, Revolut, N26, Monzo and Starling in the B2C space."

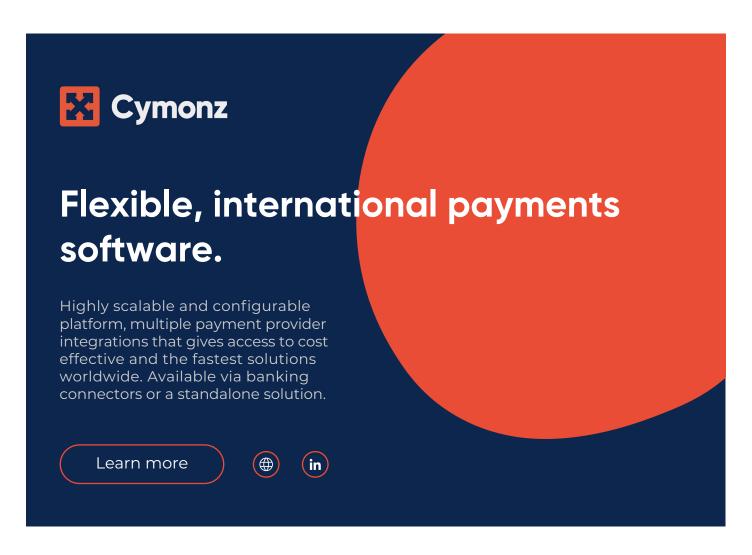
What inspires you the most?

"I am inspired by the ability to grow businesses through delighting customers. Accordingly, Financial technology impresses me because, through the use of automation, it can be used by banks to provide frictionless customer experiences, which in turn can delight customers and enable banks to enhance their customer satisfaction and advocacy, while also gaining market share."

Which industry leaders inspire you the most?

"The way Co-founders, & Co-CEO's, of AfterPay, Nick Molnar and Anthony Eisen have built and scaled the business to be a global force in under 10 years, is nothing short of inspirational and incomprehensible."

"From a business to business perspective, Temenos' CEO, Max Chuard has been very impressive in guiding Temenos to be a global market leader in cloud & SaaS technology."



capabilities, credit decision-making and many more," Phillipou says, as he divulges the company's key third-party technology and fintech providers. "A couple of exciting partners include Brilliance, which provides pricing and profitability capabilities, Codat, which is a data aggregation platform, and Cymonz, which offers international payments capability. While they are not exclusively fintech, we are exceptionally well supported by AWS from a cloud hosting perspective and have recently partnered with DOMO to power our internal and customer business intelligence and automated analytics."

In the coming months, Sandstone will leverage its partner ecosystem to create its fintech vision. "We'll be focusing our efforts on three key areas in order to deliver exceptional business, customer and people outcomes," says Phillipou. The first aspect of its development is its customer-centricity.

"With our existing customer programmes, where we are collectively delivering new platforms, features or capabilities, it's key that we delight our customers." He also explains how the company will leverage its existing platforms. "Secondly, we will continue our investment in both our retail and SME platforms and products to enable us to deliver more value to our existing customers, as well as the focus on onboarding new prospective customers."

"Finally, and very importantly, we will continue to focus and invest in our people and culture, ensuring that our team is set up for success and highly engaged in all streams of work across the business," Phillipou says.

Digital payment solutions are the future

It has become more apparent that having physical money is of less importance to a growing number of individuals and is almost non-existent in business.

"In order to provide best in class features and functionalities, there are times where we will partner with third parties, who offer exceptional capabilities"

MICHAEL PHILLIPOU CHIEF EXECUTIVE OFFICER, SANDSTONE TECHNOLOGY





TITLE: CHIEF EXECUTIVE OFFICER

INDUSTRY: COMPUTER SOFTWARE

LOCATION: NORTH SYDNEY, NSW

MBA, B.Sc. (Maths), ADFS (Fin. Planning), Cert IV FS (Finance /

Mortgage Broking)

Michael Phillipou is responsible for the performance of Sandstone Technology's Global Operations. Deeply passionate about people leadership, banking, financial services & technology, Michael has over 20 years of experience in financial services holding Executive people leadership roles in Advice, Retail & Business Banking, Digital Banking, and Enterprise Technology Sales & Transformation programs for Westpac, MLC-aligned businesses and Bendigo Bank. In addition, he co-founded a disruptive digital banking business, Lodex. Michael holds a Master of Business Administration (MBA). Bachelor of Science (Maths), Advanced Diploma of Financial Services (Financial Planning) and Certificate IV in Financial Services (Finance / Mortgage Broking).

EXECUTIVE BIO



"The use of physical money or cash is diminishing markedly," Phillipou explains as he discusses how he thinks payments will become increasingly digital in years to come. He continues, "boasting first-class online payment capability is essential for banks or businesses. Data is an exceptionally valuable asset, provided companies can make use of it in a compliant way to add value to their consumers. From a payment solutions perspective, I think we'll see more and more partnerships where the key endto-end payment solution providers will work with companies that boast significant user bases or customers and enable them to offer market-leading payment capabilities."

"It's logical that there is one global currency that has utility in every country across the world in the end"

MICHAEL PHILLIPOU CHIEF EXECUTIVE OFFICER, SANDSTONE TECHNOLOGY

Another key factor that will shape the future of the fintech industry is the use of digital currency and how organisations look to use it for everyday transactions. Phillipou believes "it's logical that there is one global currency that has utility in every country across the world in the end. That said, in my view, that won't be bitcoin, but more likely a stable coin that is pegged to the world's major currencies."

Aside from cryptocurrency becoming more mainstream, he believes that big data companies will also look to extend their offerings and enhance their contributions

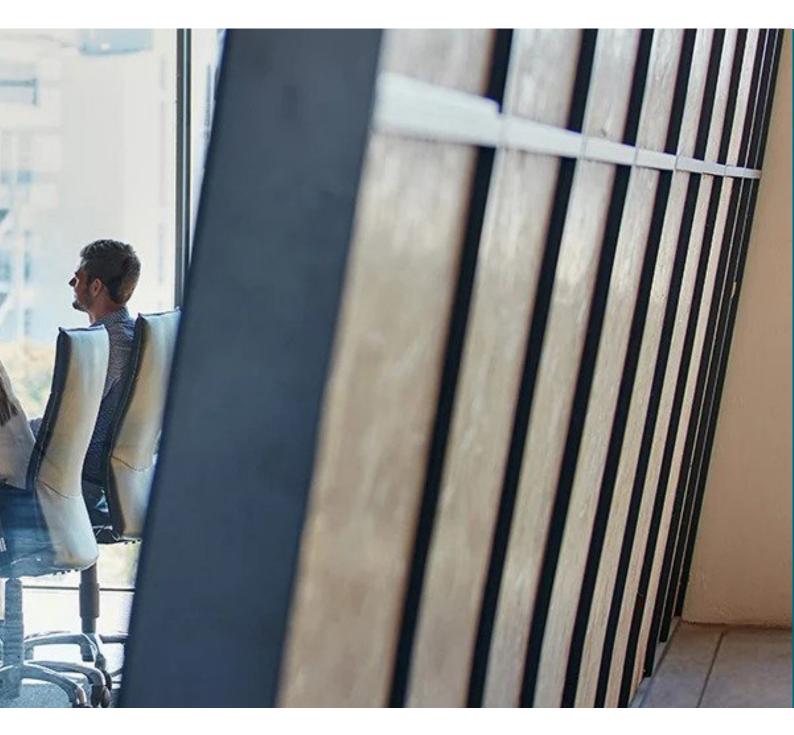






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through the strategic acquisition of fintech companies. "Similarly, I think banks will continue to invest heavily in their financial technology strategies and systems to maintain and grow their market share," Phillipou says. "In order to execute on these outcomes, I would expect to see the big data companies and financial institutions ramp up their partnerships and make a number of acquisitions in the space, which will further bolster up their internal technology Intellectual property."

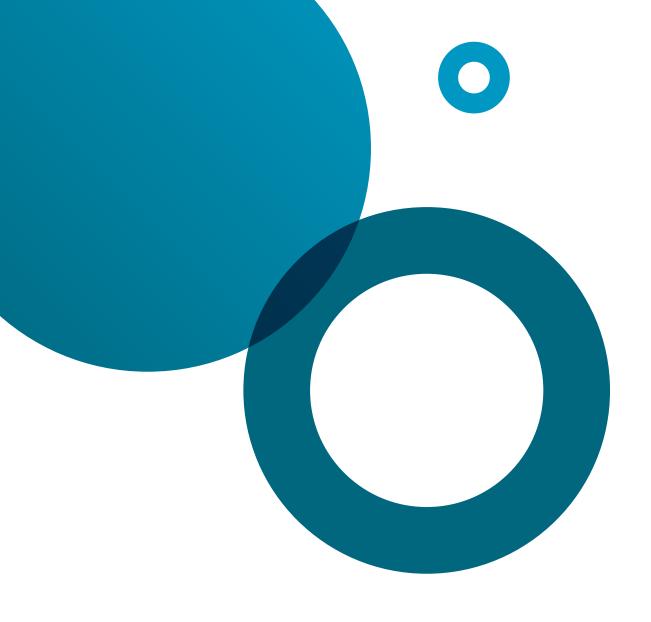
Through many careful investments and innovations, Sandstone Technology will undoubtedly support its banking clients through the ever-changing digital landscape. As an aggregator of functions from various members of its partner ecosystem, its clients will benefit from the effortless implementation and continuous improvement in line with industry trends. •













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