



Scaling Trust Capital

Why digital-first is the only way to stay **human-led**



Foreword

Digital banking modernisation, for mutual banks and building societies, is often viewed as a compromise. For Australia and New Zealand's member-owned institutions, the journey to modernisation has long been framed as a trade-off between updated technology and the all-important human touch.

For decades, the global banking industry operated under a seemingly unbreakable law of physics: bigger was invariably better. This was the era where the sheer size of a balance sheet and the depth of a technology budget acted as a protective moat, leaving smaller institutions at a structural disadvantage. Today, however, we are witnessing a reversal. The massive, monolithic legacy infrastructures that once

provided global behemoths with an unassailable competitive advantage are caught in costly diseconomies of scale.

This economic shift has a historic opportunity for member-owned institutions across Australia and New Zealand. For these institutions, digital evolution is designed to run alongside, rather than disrupt, the deep trust and steady continuity their members have always valued. At Engine by Starling, we believe the most powerful element of modernisation for these banks is digital proximity. The abstract, ultra-automated customer journeys standard among global behemoths are not the mandatory price of admission for the digital age. Rather, they champion a



completely separate approach to banking; an approach that fundamentally misses the essence of community value. True modernisation takes place from the inside out. By leveraging a cloud-native core to systematically eliminate administrative burdens, mutuals can dismantle the legacy system drag that traditionally consumes their teams' time and energy. This structural shift is an exercise in operational efficiency, as well as a route to holistic employee empowerment. By automating

the routine, community banks can scale the interpersonal strength that forms their ultimate competitive advantage. When frontline staff are no longer fighting siloed data or manual workflows, they gain the cognitive bandwidth to do what they do best: delivering the high-empathy, personalised service that keeps members loyal for life.



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