Red Hat

BCEL cuts time to market, operating costs for digital banking services with Red Hat

BCEL

Banque Pour Le Commerce Exterieur Lao Public (BCEL), one of the leading state-owned banks in Laos, faced increasing competition in the growing digital financial services market. To maintain its competitive advantage at scale, BCEL decided to upgrade its core banking system application platform to Red Hat JBoss Enterprise Application Platform (EAP). With this flexible, modular foundation, the bank has reduced delivery time for new, innovative services, cut operating expenses (OpEx), and improved attraction and retention of highly skilled developer talent.

Software

Red Hat® JBoss® Enterprise
Application Platform (EAP)

Vientiane, Laos ●

Headquarters

"Our most critical systems depend on Red Hat. We've been able to not only scale up as needed, but also cut downtime at the same time."

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Sengsavath Souvath
Systems Team Lead,
Banque Pour Le Commerce Exterieur
Lao Public (BCEL)

Banking

2,000 employees
20 branches

Benefits

▶ Reduced time to deliver
  and scale innovative
  digital services

▶ Improved OpEx with
  flexible enterprise open
  source subscription

▶ Enhanced talent attraction
  and retention

Maintaining leadership as market shifts to digital banking

BCEL, one of the largest state-owned banks in Laos, competes with more than 40 other banks to serve a population of 7.2 million people. Like many of its competitors, BCEL's customers are increasingly shifting to digital service channels—particularly during the COVID-19 pandemic when lockdowns limited branch access.

To grow its 20% share of the Laotian online banking market, BCEL decided to rethink its technology approach and investments by upgrading its 10-year-old core banking system.

"Online banking lets us handle more transactions at a faster pace. We have also integrated with government and private sector utilities to let our customers pay their phone or energy bills online," said Sengsavath Souvath, Systems Team Lead, BCEL. "But any drop in performance risks our market-leading position. To maintain efficiency and stability as we grow, we wanted to adopt automation, smarter management, and DevOps cultural practices."

Adopting a modern application management approach with Red Hat technology

BCEL decided to deploy Red Hat JBoss Enterprise Application Platform (EAP) to create a modern, responsive application infrastructure based on innovative open source technology.

"We're a big advocate of open source technologies. We like the community aspect and being part of something bigger. Choosing open source also reflects our willingness to explore the latest technology and continually grow our skills," said Mr. Souvath. "Our team had already explored the community version of JBoss EAP, but we needed an enterprise version for our digital transformation efforts. We needed Red Hat's proactive, enterprise support and security."

Part of Red Hat Runtimes, Red Hat JBoss EAP is a robust server for creating, testing, deploying, and managing Java™ and Jakarta Enterprise Edition (EE) applications. With a modular, services-based architecture, JBoss EAP gives organizations high application performance and scalability across environments.

The bank worked closely with Red Hat's support team for guidance during design, installation, and integration. BCEL has now deployed the platform to its on-premise production and disaster recovery environments, completing the upgrade of its core banking infrastructure in 2021. "Our previous middleware layer took a full day to install. JBoss EAP was less than half that," said Mr. Souvath.

The application server now supports a range of digital capabilities, from loan approvals and cashless payments to artificial intelligence (AI) authentication and anti-money laundering.

Delivering innovative digital banking faster—and at lower cost

Reduced time to deliver and scale innovative digital services

As more consumers shift to digital banking, BCEL can now deliver new services faster at scale to meet demand and stay ahead of tough competition.

The bank has used Red Hat JBoss EAP's supported frameworks and application programming interfaces (APIs) to build and enhance innovative features, such as the IBS core banking system, Report Dashboard app, and loan origination system (LOS). Compatibility with enhanced APIs and common

microservices-based patterns also lets BCEL's development teams more easily complete integrations between services and with third-party partners to enhance the bank's customer experience with new capabilities.

Additionally, BCEL can use the modular, flexible architecture provided by JBoss EAP to ensure customers can access its services—and their accounts—even during times of peak traffic.

"Our most critical systems depend on Red Hat. We've been able to not only scale up as needed, but also cut downtime at the same time," said Mr. Souvath. "Instead of having to dedicate resources to manual maintenance tasks, our teams can now focus on service delivery and support to continue improving our customer experience."

Improved OpEx with flexible enterprise open source subscription

Beyond delivering services to customers faster, achieving operating expense (OpEx) savings has also helped BCEL maintain its competitive advantage by delivering resources on demand.

Additionally, Red Hat's flexible, subscription-based product model helps the bank avoid vendor lock-in to specific hardware or infrastructure software, giving BCEL the freedom to adopt the right technology to help it meet regulatory requirements and market demand.

Financial savings can be reassigned to new projects or to protect the bank's profit margin, the percentage of sales the business keeps.

"Although community open source solutions are free, we have seen the value of investing in Red Hat's enterprise open source technology," said Mr. Souvath. "Their support helps us maintain the high security and performance we need to operate in a regulated market, as well as optimize our use of new technology approaches like DevOps."

Enhanced talent attraction and retention

BCEL's shift to modern technology and work approaches reinforces its reputation for innovation, helping the bank attract and retain skilled developer talent.

"In addition to adopting open source technology, recruiting experts with highly desired skills will help us continue to build and maintain high-quality financial services for our customers," said Sengsavath.

Enhancing application development with automation and containers

After successfully updating its application development and deployment approach, BCEL is now focusing on increasing its use of automation to eliminate manual tasks as its digital services business grows.

"When we think of Red Hat's technology and support, we think stability," said Mr. Souvath. "The success we've had working with their teams and products so far means that as we start to look at containers, we plan to talk with Red Hat."

About Banque Pour Le Commerce Exterieur Lao Public (BCEL)

BCEL is one of the leading state-owned banks in Laos. Formed in 1975, it has 20 branches and 2,000 employees nationwide.

About Red Hat Innovators in the Open

Innovation is the core of open source. Red Hat customers use open source technologies to change not only their own organizations, but also entire industries and markets. Red Hat Innovators in the Open proudly showcases how our customers use enterprise open source solutions to solve their toughest business challenges. Want to share your story? Learn more.

About Red Hat

Red Hat is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux, hybrid cloud, container, and Kubernetes technologies. Red Hat helps customers develop cloud-native applications, integrate existing and new IT applications, and automate and manage complex environments. A trusted adviser to the Fortune 500, Red Hat provides award-winning support, training, and consulting services that bring the benefits of open innovation to any industry. Red Hat is a connective hub in a global network of enterprises, partners, and communities, helping organizations grow, transform, and prepare for the digital future.

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