



Business challenge

Dashen Bank was growing rapidly, with 22 percent customer growth in the past year. How could it scale IT systems to manage growing workload and innovate to reach even more of the unbanked population?



Shimelis Legesse
 VP for Information Systems & E-Banking Services
 Dashen Bank

Transformation

Dashen Bank upgraded its Oracle FLEXCUBE core banking solutions running on IBM® Power Systems E850C servers and IBM Storwize® V7000 storage, which enhanced transaction speed and system availability while reducing operating costs.

Business benefits:

90%
 faster transactions thanks to processing capacity of IBM Power Systems servers

75%
 faster end-of-month account closing achieved with more powerful, robust platforms

Over 99%
 system availability due to optimized infrastructure and successful implementation

Dashen Bank Driving financial inclusion and customer-centric banking services throughout Ethiopia

Dashen Bank was established on September 20, 1995. The first founding members were 11 businessmen and professionals that agreed to combine their financial resources and expertise to form this new private bank. Today, Dashen is a leading operator in the domestic banking market. The bank also works in partnership with leading brands in the electronic payments industry.

“With the Oracle and IBM solution, the bank has benefited from vastly reduced times to close its accounts daily, monthly and annually, and customers have been able to access services up to 90 percent faster.”

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Banking for the many

According to the World Bank, only 35 percent of Ethiopian adults currently enjoy access to a bank account, meaning 43.7 million citizens lack the ability to save, borrow or make payments. The country sits well behind its neighbors Kenya and Rwanda in terms of financial inclusion, and within Ethiopia it remains far more likely for the wealthy to have a bank account than for less privileged members of society.

There are many encouraging signs, however. Financial inclusion has risen in recent years, and Ethiopia is now Africa's fastest-growing economy, with the International Monetary Fund predicting an 8.5% expansion in 2018. The country's banking sector, having once been one of the least developed in the region, expanded more in 2017 than in the previous six years.

At the forefront of this growth has been Dashen Bank, which leads the way both in providing access to services for unbanked people across Ethiopia, as well as offering sophisticated international banking products. Dashen Bank has more than 380 branches, 400 automated teller machines (ATMs), and 1,000 point-of-sale units – and increased its customer base by 22 percent year-on-year in 2017/2018, with 380,598 new customers opening accounts.

This growth placed significant pressure on Dashen Bank's IT systems, potentially impacting customer service and limiting its ability to continue to launch new offerings.

Shimelis Legesse, VP for Information Systems & E-Banking Services, Dashen Bank, explains: "Our rapid development in recent years has been remarkable, and is a testament to the hard work of our over-7,000 employees. We wanted to continue the upwards trend, and bring our services to even more Ethiopian citizens. In particular, our Amole services, which include mobile and online channels, have the potential to reach the vast majority of the country.

"However, we realized our existing IT systems were struggling to keep up with the already huge and rapidly growing volume of data that we were working with, and internal business processes were slow and could hold us back from achieving our goals. To enhance the quality of our customer services, and to continue innovating, we decided to upgrade our core banking solutions."

"The new solution has enabled Dashen Bank to cut our total cost of ownership significantly, including licenses and hardware."

Shimelis Legesse, VP for Information Systems & E-Banking Services, Dashen Bank



Powering ahead

The bank decided to upgrade its core banking solution to Oracle FLEXCUBE 12.2 running on Oracle Database 12c to improve the performance, availability and scalability of its services. Dashen Bank uses Oracle FLEXCUBE 12.2 to deliver banking functionality to all its branches and operating divisions. Features include the ability for Dashen Bank's customers to take control of their own banking services, using dashboards to view information and analysis about their accounts.

To support the new Oracle solution, the bank deployed three IBM Power Systems E850C servers running the IBM AIX® 7.2 operating system. Shimelis Legesse reports: "Selecting IBM Power Systems E850C servers to support our new Oracle FLEXCUBE solution was an easy decision. We are a long-term user of IBM Power Systems and were the first financial services company in Ethiopia to run our core banking systems on IBM hardware. That means we are well-acquainted with the exceptional reliability and stability that Power servers provide.

"Of course, we also did our research on other banks who were using FLEXCUBE 12 on IBM Power Systems – and we saw the advantages they had gained in terms of efficiency, availability, flexibility and total cost of ownership."

Alongside its IBM Power Systems E850C servers, Dashen Bank deployed two [IBM Storwize V7000](#) storage arrays, one for production and the second for disaster recovery purposes, combined with IBM Spectrum Storage Suite backup solutions. Shimelis Legesse explains: “In light of the fact that we were using [IBM Power Systems](#) servers, it made perfect sense for us to deploy IBM solutions for the rest of our hardware environment. We were keen to transition to software-defined storage, and IBM Spectrum Storage Suite provides a range of excellent applications to suit our requirements.”

[IBM Systems Lab Services](#) and local IBM Business Partner Afcor handled the implementation of the IBM hardware to support the Oracle FLEXCUBE upgrade, as well as providing training to Dashen Bank staff.

The migration went extremely smoothly, and we were delighted with the support provided by both IBM and Afcor – from the outset, they were keen to understand the needs of our business, and address them in any way possible”, comments Shimelis Legesse. “They truly exceeded expectations, working day and night to get the solutions up and running, and even on the weekends. Having worked with IBM for over two decades, we have seen time and time again that this dedication to client satisfaction is a core characteristic of their teams.”



Time is money

Implementing Oracle FLEXCUBE 12 running on IBM Power Systems has transformed the way Dashen Bank does business, helping it to enhance its offerings and transform its internal processes, and ensuring it is well-placed to reach even more unbanked Ethiopian citizens.

Previously, end-of-day, month and year account closing posed a considerable challenge for Dashen Bank, as the data being processed placed significant strain on its IT systems. Shimelis Legesse elaborates: “End-of-day closing took around six to eight hours; end-of-month closing was sometimes not even completed, and for end-of-year accounts we usually had to close our branches for half a day.

“Now, with Oracle FLEXCUBE 12.2 on IBM Power Systems, end-of-day closing takes us two hours, end-of-month closing lasts around four hours, and our year-end processes are also much quicker and can be run during normal business hours. Accelerating our book-closing enables Dashen Bank to focus on giving excellent, uninterrupted client service, while providing us with a clear overview of our finances.

“With the Oracle and IBM solution, the bank has benefited from vastly reduced times to close its accounts daily, monthly and annually, and customers have been able to access services up to 90 percent faster. The new solution has also enabled Dashen Bank to cut our total cost of ownership significantly, including licenses and hardware. The bank has been able to attain more than 99% system availability due to the excellent performance of our new IBM hardware, which helps make our products and services even more efficient.”

“With the Oracle and IBM solution, the bank has benefited from vastly reduced times to close its accounts daily, monthly and annually, and customers have been able to access services up to 90 percent faster.”

Shimelis Legesse. VP for Information Systems & E-Banking Services, Dashen Bank

On the customer-facing side, Oracle FLEXCUBE 12.2 on IBM Power Systems has unlocked major performance improvements for the bank’s ATM services. Prior to the implementation, an ATM transaction could typically take up to five minutes to complete – with the new solution, customers can access a range of services in a matter of seconds. This cuts the time customers spend waiting in line considerably, providing more people access to the banking services they need.

The new solutions have also enabled Dashen Bank to improve its mobile and online banking offering. Previously, the bank’s customers had access to a limited mobile payments platform, which ran independently from its other services.

Now, with Oracle FLEXCUBE 12.2 on IBM Power Systems, Dashen Bank has been able to develop an omni-channel digital payment service that enables customers to perform everyday tasks such as paying television and utility bills, purchasing cellphone service and transferring money, and provides access to online products and services from third-party service providers in a range of sectors.

Shimelis Legesse concludes: “Our new Oracle banking solution supported by IBM Power Systems servers and IBM Storage have proved a real-game changer for our business. We’re now even better placed to help drive financial inclusion in Ethiopia, while strengthening our market-leading position in the country’s banking sector. We look forward to continuing to grow and develop new projects, with unrivaled support from IBM.”

Solution components

- IBM AIX® 7.2
- IBM Spectrum™ Storage Suite
- IBM Power® Systems E850C
- IBM Storwize® V7000
- IBM Systems Lab Services
- Oracle FLEXCUBE 12.2
- IBM Business Partner: Afcor

Take the next step

To learn more about Oracle solutions on IBM Power Systems please contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/services/oracle/systems

Afcor plc is an IBM Business Partner that focuses on being the “computer solution provider of choice in Ethiopia”. Headquartered in Addis Ababa, Afcor specializes in providing IBM products and services mainly to the banking industry, government and telecoms sectors.

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