

CLOUD COMPUTING IN BANKING SERVICES

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Abstract : The banking industry is fronting several changes. Control is now in the hands of the customer, rather than the bank. Customers are energetic in new business models. Technology changes the old-style business transformation. Banks need to react to this new customer-driven environment with invention in business models, operations and IT. For banks, the value suggestions for cloud multiplying affects the entire business. Cloud technology deals a new model for delivering inventive client experiences, effective collaboration, improved speed to market and increased IT efficiency.

Cloud computing provides a platform for enhancing financial services operations while creating and delivering the kind of inventive services that differentiate and propel your business forward. It is alertness that will be the lifeblood of successful financial enterprises going forward, and cloud computing is one way of achievement that alertness. Cloud services deliver revolutionary performance that allows the banking industry to power and manage their processes.

IndexTerms- Banking, Cloud computing, cloud, and model Optimization

I. INTRODUCTION

Cloud computing is expected to be one of the fastest-growing technologies in the coming years. Business applications will be the largest market for cloud services spending, with a gradual change from on-premise to cloud-based services especially for general business applications like customer relationship management and enterprise resource planning .

Banks are expected to enter the cloud computing groundwisely, with no single cloud services delivery model being a silver bullet for best meeting their demanding business needs. Cloud computing can offer financial institutions a number of advantages, including;

- ✓ Cost savings
- ✓ Usage-based billing
- ✓ Business continuity
- ✓ Business quickness
- ✓ Green IT

But before moving to the cloud, banks must consider issues around data privacy, security, regulatory compliance, interoperability of standards, and quality of services.

II EXPLANATION OF CLOUD COMPUTING:

The cloud is a paradigm shift in computing, by which infinite computing experiences and resources are delivered as a service to customers using internet technologies. The Microsoft Windows Azure platform, which serves as the foundation for developing and running applications in the cloud is built to be flexible and give customers the capacity to run the technologies they choose and scale as necessary paying only for what they consume. For banks, running their presentations in Windows Azure means they don't have to deal with the basics of the operating system. They have automatic scalability and automatic failover as well as disaster recovery, without having to actively manage and maintain the technology themselves. For smaller banks in particular, cloud computing is the most cost-effective information technology solution available on the market today, as it allows them to benefit from the consumption-based pricing model, as well as the scalability of Windows Azure as they grow. Cloudcalculating has the capacity to change completely the financial services landscape. By making enterprise-level banking systems and associated technologies available in the cloud on a pay-per-use basis, now anyone, anywhere can have access to modern fundamental banking systems without the cost and other barriers usually associated with this technology.

Cloud calculating is a model, not a specific technology. Today, cloud technology is not just a tool being used information technology, but a paradigm shift to an entirely new business model. Cloud computing, allows companies to access IT-based services via.To drive growth and innovation in banking, it is gradually necessary to dramatically bound the competition using IT and business model transformation.

III CLOUD COMPUTING FOR BANKS

Cloud computing can help financial institutions improve performance in a number of ways.

3.1 Cost Savings and Usage-based Billing

With cloud computing, financial institutions can turn a large direct capital expenditure into a smaller, uncompleted operational cost. There is no need for heavy investments in new hardware and software. In addition, the unique nature of cloud computing allows financial institutions to pick and choose the services required on a basis.

3.2 Business Continuity

With cloud adding, the provider is responsible for managing the technology. Financial firms can gain an advanced level of data protection, fault acceptance, and disaster recovery. Cloud computing also provides a high level of unemployment and holdup at lower price than traditional managed solutions.

3.3 Business Agility and Focus

The flexibility of cloud-based operating models lets financial institutions experience shorter development cycles for new products. This supports a faster and more efficient response to the needs of banking customers. Since the cloud is available on-demand, less structure investments are required, saving original set-up time. Cloud computing also allows new product development to move forward without capital investment.

Cloud computing also allows businesses to move non-critical services to the cloud, including software areas, preservation, and other computing issues. As a result, firms can focus more on the business of financial services, not IT.

3.4 Green IT

Organizations can use cloud computing to transfer their services to a virtual environment that reduces the energy consumption and carbon footprint that comes from setting up a physical structure. It also leads to more well-organized utilization of computing power and less lazy time.

IV BENEFITS OF CLOUD COMPUTING IN VARIOUS BANKING IT SERVICE AREAS:

4.1 Analytics:

Participating customer data across banking platforms to enable near real-time insights.

4.2 Collaboration:

Qualifying employees across distributed branches to access trading and banking systems through a security-rich cloud arrangement

4.3 Cost Savings and Usage-based Billing:

With cloud computing, financial institutions can turn a large direct capital expenditure into a smaller, current functioning cost. There is no need for heavy investments in new hardware and software. In addition, the single nature of cloud computing allows financial associations to best and choose the services required on a basis.

4.4 Desktops and devices:

Bring together a private cloud to centralize management of desktops allows for greater remote flexibility without sacrificing control, while enabling banking employees to access the applications and data they need

4.5 Development and testing:

Allowing a bank's development teams to quickly and easily create virtual environments thus increasing the alertness of development and testing

4.6 Industry applications:

Allowing payment providers to order and improve transaction processing

4.7 Infrastructure compute:

Allowing capacity to be allocated, expanded and changed efficiently gives banks flexibility and quickness while determining the issues of difficulty and cost increases related to ascending up traditional network models to put up future growth

4.8 Infrastructure storage:

Providing scalable storage solutions to ensure that the real-time demands of today's trading and analytics processes are maintainable

4.9 Managed backup:

Backing up a bank's critical business data to ensure that in the event of a disaster a bank can bound back fast and easily

4.10 Security:

Enforcing active security and endpoint management to confirm corporate governance and banking information technology policies are maintained

Success Factors for Cloud Implementations

When considering cloud descriptions for financial services, banks should partner to gain cloud knowledge. Cloud services providers should have:

- ✓ A clearly defined cloud strategy
- ✓ Demonstrable return on investment
- ✓ Proven cloud service delivery capabilities

It has experience advising large financial institutions on cloud computing. We were developed four key success factors that banks should consider when launching cloud initiatives:

- ✓ **Clearly define the ROI for cloud-based projects.** Banks should be cautious about making significant investments in cloud computing until tangible benefits are available. As a first step, cloud providers should explain the costs and implications of transferring existing banking applications and arrangement to the cloud.
- ✓ **Choose service providers with proven expertise in cloud services management.** Banks should use a road map to best manage cloud services delivery programs. Service providers who have participated in model projects will have actual experience and business cases for cloud totalling creativities. Banks can start small with less thoughtful presentations such as CRM and then move on to essential business applications.
- ✓ **Sign outsourcing contracts that use pay-per-use cloud delivery models**
For cloud creativities, banks need service level agreements that link promoting to ordered system performance.
- ✓ **Understand data confidentiality and regulatory requirements**

Banks may need to keep sensitive data within firewalls to fulfil local regulations and client privacy requirements. Therefore, private cloud-based operating models are currently a better first choice than public or hybrid clouds. As public clouds gain trust and confidence among consumers, banks through changeover to these models. Advantages such as the Cloud Security Alliance¹ are looking at these concerns. But to best take advantage of cloud computing, banks must have a clear understanding of privacy and regulatory issues to make informed decisions

V CONCLUSION

While banks will benefit in a similar way to other cloud users from this particular offering, especially in terms of lower total cost of ownership, develop their operations and help them develop new offerings with bounce and rapid time to market. Cloud computing may soon prove essential as an answer to the discouraging new demands for alertness, transparency, and efficiency. Shrinking markets and global competition pose numerous challenges for banks – the Cloud offers the speed, flexibility and real-time information needed to meet those challenges on a cost-effective basis. Global economic situation to more stringent regulatory controls, nimble new competitors, and shifting Customer expectations bankers and others now face a dramatically different market reality. Banks must collaborate and technology must be part of that collaboration. We successfully integrated on promise and cloud-deployed bank sector for web service. The benefits can include not only lower costs, but increased revenue and optimized customer relationships. Cloud computing represents game-changing shifts in how banking services organizations acquire and leverage IT resources. Cloud computing also provides a high level of redundancy and back-up at lower price than traditional managed solutions. The Cloud vendor provided infrastructure services are used to address scalability, performance, security, availability, disaster recovery, monitoring requirements of the systems.

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