

# A STUDY ON CLOUD BANKING IN INDIAN BANKS

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**Abstract :** The Banking sector in India has seen a main growth for many decades. Right from the Traditional in which bank accept money from the general public and repays on demand, then the Nationalizations of 14 major commercial banks and 6 major commercial bank in the year 1980 embarked a great turn in the workings of Banks in India. In today's era the bank has been doing all the transaction through Internet. Reputation in long queues for the payment of Electricity bills, phone bills, school fees, etc., have been summary to a great extent by making all the payments online just by the click of the mouse. This study enables us to have a brief understanding of how the banks transformed their operations from the Tradition one to the Cloud Banking system .

**IndexTerms-** A banking, Cloud banking, Cloud Computing, Indian Banking Service.

## I. INTRODUCTION

In order to know the difference between the Traditional Banking and Cloud Banking it is always better to have a general idea on what the both terms mean.

**1.1 Traditional Banking:** The traditional Banking works on the foundation of Deposits and Loans system. It receives deposit from the various persons at a supposed rate of interest and lends it to the desired people at moderately a high rate of interest. Thus this banking process rest upon the foundation of capital and thus the returns in these types of bank is a market driven force.

**1.2 Cloud Computing:**Cloud computing is a method for deliver information technology (IT) services in which possessions are retrieved from the internet through web-based tools and application, as opposed to a direct connection to a server.

## II OBJECTIVES OF THE STUDY:

- To study about the various Scenario in Cloud banking.
- To study about the reasons for adopting cloud in banking system.
- To study about the challenges encountered in adopting to cloud system.
- To study about the models of cloud of cloud services.

## III THREE MAIN CLOUD COMPUTING SCENARIO:

Cloud computing can be broken into three main services: Software – as –a – Service Infrastructure –as-a – service and Platform-as-a Service. These three services make up what calls the cloud computing stack, with at the top, in the middle bottom.

### 3.1 REASONS FOR ADOPTING CLOUD BANKING:

It would be the fast growing technologies in the forth coming years. The major market for the cloud would be the business applications. There would be greater transition 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 cloud computing arena cautiously, for the following reasons:

- ✓ (i)**Cost Savings and Usage-based Billing:** Larger front up capital can be made into smaller amounts ongoing operational cost with the help of this cloud computing technology. Addition cost which is incurred with the installation of new hardware and software technology investment is no longer needed. This technology allows you to go pay- as-you- go basis.
- ✓ (ii) **Business Continuity:** Financial firms can have a higher level of data protection, fault tolerance and disaster recovery with the introduction of this cloud computing. This also provides for a high level of redundancy and back-up at a lower price than traditional managed solutions.
- ✓ (iii) **Business Agility and Focus:** Thereinflexibility to shorter the development cycles for new products.This enables to a faster and an efficient response to the needs of the banking customers. Since the cloud is available on demand, less infrastructure investment is required thus helps in saving the initial set up cost. It involves the development of a new product without capital investment. Some of the non-critical services can be moved to cloud including software patches, maintenance and other computing issues. As a result it can focus on business and financial services, not IT.
- ✓ (iv)**Green IT:** Organizations can use cloud computing to transfer their services to vital environment that reduces the energy consumption and carbon footprint that comes from setting up a physical infrastructure. It also leads to more efficient utilization of computing power and less idle time.
- ✓ The cloud computing offers the financial institution to move from capital intensive approach to more flexible business model.

#### IV CLOUD SERVICE MODELS:

The success of any business depends upon the adoption of suitable model. In this lies the underlining principle of success.

- ❖ **Business Process as a Service:** This form is used for standard business operation such as billing, payroll, or human being resources. BPS combines all the other service models with the process expertise.
- ❖ **Software –as-a –Service** A cloud service contributor houses the business software and connected data, and users access the software and data via their web browser. Types of software that can be delivering with this way include secretarial, customer relationship management, enterprise resource preparation, invoicing, human there source management, content management and service desk management.
- ❖ **Platform-as-a Service** This service supplier offers a complete platform for application, interface and record development, storage and testing. This allows the entrepreneur for the development, upholding and support of custom applications, lowering IT costs and minimizing the need for hardware, software and hosting environments.
- ❖ **Infrastructure-as-a Service** In this cloud model the business model the services can be outsourced instead of making huge investments in the purchase of servers, software, etc.,

#### V CHALLENGES ENCOUNTERED IN ADAPTING TO CLOUD:

When a bank moves to the cloud it encompasses two major problems:

(I) **Security:** Banks cannot afford to lose the confidentiality of the customer personal information. It cannot offer to take such a huge risk.

(ii) **Regulatory and Compliance:** The banks must have a clear understanding of where their data are to be stored in the cloud. Since greater part of the banks does not want to intermix the data of the customers with other data's. Moreover many of Bank regulations restrict that the data of the customers should be maintain with the home country itself. Before taking into any cloud services the banks should have adequate knowledge in taking into account the deployment, service and in commission models to address security and compliance concerns. In the initial stages the banks should seek the help of the service providers in taking the possession and control of the cloud infrastructure.

#### VI TOP 10 CLOUD BANKING SOLUTION PROVIDERS:

Cloud banking is redefining the connection between the enterprises and the customers, as it enables customer centric experience, unlike traditional method that stop at the customer commitment. However, it has to go a long way due to security reasons and the regulatory framework of the country. The top 10 Service providers in cloud banking are:

Company Name	Company Description
Automated Financial System, Inc	Transforming commercial lending capabilities through flexible cloud-based solutions that boost value and revenue for banks.
Avoca	Provider of cloud based digital sales solutions and services
Breezy	Secure, cloud-based print management software, delivered through a highly flexible micro services architecture
Ear nix	Offers integrated customer analytics software empowering financial services companies through data science and predictive analytics
HID Global Corporation	Banking solutions to secure facilities and ATMs, sensitive customer data, and safeguard online transactions.
Cano	Bank operation system is a cloud-based solution for comprehensive management of banking operations.
NICE	Software solutions that enable crime compliance for mid-sized organizations to improve customer experience and business results.
One Touch Tech Solutions	Renders solutions to build, maintain, and support business critical applications for enterprise clients.
Risk Focus	Risk Focus enable cloud-enabled trading and risk solutions and banks, financial services, and global capital markets.

#### VII SUGGESTIONS FOR BANKS:

- ✓ Before considering cloud solutions the financial solutions for financial services it should partner to gain cloud expertise.
- ✓ These cloud service providers should have a clear strategy.
- ✓ The rate of return on investment should be considered.
- ✓ The capabilities of the cloud service delivery.

**VIII CONCLUSION:**

The banks may have many reasons for moving into cloud banking but one of the major reason would be for the making the capital expenditure to be reduced to a larger extent. When an organization introduces itself into cloud computing it can opt for other operational cost. It is the easier and the cost effective technology adopted in the recent years. In order to be on a safer side the bank should maintain an application portfolio consisting of both cloud and on-premise applications. When adopted with greater care and cautions cloud banking technology has a greater impact on the future of the world. It has many uses for the business and one of which is that it reduces the spending cost on maintenance and up gradation of software. But it has other challenges to that are to borne in mind. People are very skeptical about whether their data is secure and private. There are no standards or regulations worldwide provided data through cloud computing. But once, there are standards and regulations framed worldwide it will definitely revolutionize the future.

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