



Data Driven Solution And Services For Modernizing Indian Banking

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Abstract :

This exploration paper explores the transformative impact of Big Data as a Service (BDaaS) on the operations and operations within the Indian banking sector. With the exponential growth of data in the digital age, fiscal institutions in India are increasingly using BDaaS to enhance decision-making, threat operation, client experience, and overall functional effectiveness. The paper delves into the application of Big Data tools within the Indian banking sector, pressing their part in driving invention, enhancing logical capabilities, and optimizing functional processes. As fiscal institutions in India grapple with massive volumes of data, this study reviews the prominent Big Data tools employed to harness, process, and decide meaningful perceptivity from different datasets. Through a methodical examination of case studies and real world operations, the paper aims to interpret the impact of tools similar as Power BI, Machine literacy, and others on data operation, threat assessment, client profiling, and fraud discovery in the dynamic geography of Indian banking. The findings of this exploration contribute to a deeper understanding of the evolving technological ecosystem and the strategic counteraccusations for the banking assiduity in India.

Introduction :

The elaboration of the Indian banking sector, progressing from character-grounded lending to competitiveness-grounded lending, has experienced notable changes, especially with increased technological integration. This shift has also led to a significant rise in technology-related frauds. As of March 31, 2021, banks in India reported fraud amounting to Rs.4.92 trillion, exceeding of all bank credit. Multipoint security measures are essential to maintain sale integrity, and regular technology updates are pivotal. The ultramodern banking geography sees guests counting on mobile operations and online access, transubstantiating the traditional part of bank branches. The adding part of big data in the banking assiduity is apparent, furnishing openings for acclimatized client biographies that enhance communication and trust between banks and guests.

1] Tools useful in banking sector :

Big data tools have come necessary in the banking sector, easing data-driven decision making, enhancing client gests, and optimizing functional processes. Then are some crucial big data tools and their operations in the banking assiduity

1.Hadoop - Use storehouse and processing of large volumes of structured and unshaped data. - operation assaying client data, fraud discovery, and threat operation through the storehouse and processing of vast

datasets.

2. Apache Spark - Use In- memory data processing for real- time analytics and iterative algorithms. - operation Powering real- time fraud discovery, client segmentation, and substantiated marketing enterprise.
3. Apache Flink - Use Stream processing for real- time data analytics. - operation Enabling banks to reuse and dissect streaming data for immediate perceptivity, similar as real- time sale monitoring.
4. Apache Kafka - Use Distributed streaming platform for handling real- time data feeds. - operation Easing the integration of distant data sources and icing flawless data inflow for real- time analytics.
5. Mongo DB – Use NoSQL database for handling large volumes of different data types. – Application Storing and reacquiring client information, sale histories, and other unshaped data efficiently.
6. Power BI - Use Data visualization tool for creating interactive and shareable dashboards. – Application Providing a visual representation of complex data sets, abetting in performance monitoring, and presenting perceptivity to stakeholders. - The Integration of these big data tools empowers banks to handle.

2] Machine learning in banking sector :

Machine Learning in Fraud Detection

1. Anomaly Detection ML algorithms are employed to identify irregular patterns and diversions, furnishing robust defense mechanisms against fraudulent conditioning.
2. Real- time Monitoring The capability of machine literacy models to reuse vast datasets in real- time enables banks to instantly descry and respond to suspicious deals, thereby minimizing fiscal losses.
3. Credit Scoring and threat operation Prophetic Modeling Machine literacy algorithms dissect literal data to prognosticate creditworthiness, easing further accurate threat assessment and substantiated lending opinions. Portfolio Management ML- driven threat models help in optimizing investment portfolios, icing a balanced and flexible fiscal ecosystem.

3] Power BI in banking sector :

Power BI, a robust business intelligence tool, plays a vital part in the banking sector by empowering institutions to transfigure data into practicable perceptivity. Then are crucial operations of Power BI in the banking assiduity

1. Data Visualization and Dashboards - Power BI allows banks to produce visually compelling dashboards that give a comprehensive overview of crucial performance pointers(KPIs) and criteria
 . - Interactive maps and graphs grease quick and informed decision- making for directors and stakeholders.
2. Performance Monitoring - Banks use Power BI to cover and dissect functional performance in real- time. - Tracking criteria similar as branch performance, client satisfaction, and fiscal pointers helps identify areas for enhancement.
3. client Analytics - Power BI enables banks to gain a deeper understanding of client guest and preferences through analytics. - client segmentation, copping patterns, and satisfaction scores can be imaged to enhance substantiated services.
4. Risk Management - Power BI aids in imaging and assaying threat factors, helping banks make data- driven opinions in threat operation. -Real- time monitoring of threat criteria enhances the capability to proactively address implicit issues.
5. Compliance Reporting - Power BI facilitates the creation of dynamic and customizable reports for compliance purposes. - Automated reporting ensures that nonsupervisory conditions are met efficiently and directly.
6. Fraud Detection - Power BI's data visualization capabilities help in relating patterns and anomalies that may indicate fraudulent conditioning. - Dashboards can be configured to give a real- time view of implicit fraud risks.

Types of frauds in banking sector:

Bribery and corruption	Cybercrime	Multiple funding	Counterfeit cheques
Terrorist Financing	Data Security	Identity theft	Tunneling
Money Laundering	Loan loss	Internet banking frauds	Absence of collaterals
Tax Evasion	Fraudulent documentation	Incorrect sanctioning	Mobile Banking Risks

The Ernst & Young Report of 2012 stressed aRs. 6,600 crore loss to the Indian frugality from colorful frauds in 2011- 12, with banks, especially Mumbai, as major victims. posterior reports noted a rising trouble of cyber fraud in the banking sector. Year-wise data from 2000- 01 to 2013- 14 showed a nonstop increase in both the number and quantum of frauds reported by Indian banks to the RBI. Mobile and internet banking contributed to an estimated periodic loss of aroundRs. 2,500 crore. The RBI prompted active pursuit of fraud cases, emphasizing the need for automated discovery systems and robust fraud defense processes.

Number of Frauds and Amount Involved in Indian Banks:

Year ending 31st March	Amount Involved (Rs. in Crore)	Number of Fraud Cases Reported to RBI
2000-01	538.56	1,858
2001-02	470.37	1,353
2002-03	374.97	1,643
2003-04	823.61	2,193
2004-05	451.04	2,520
2005-06	1134.39	2,658
2006-07	844.76	2,568
2007-08	396.86	1,385
2008-09	1911.68	23,941
2009-10	2037.81	24,791
2010-11	3832.08	19,827
2011-12	4491.54	14,735
2012-13	8646.00	13,293
2013-14	169190.00	29,910

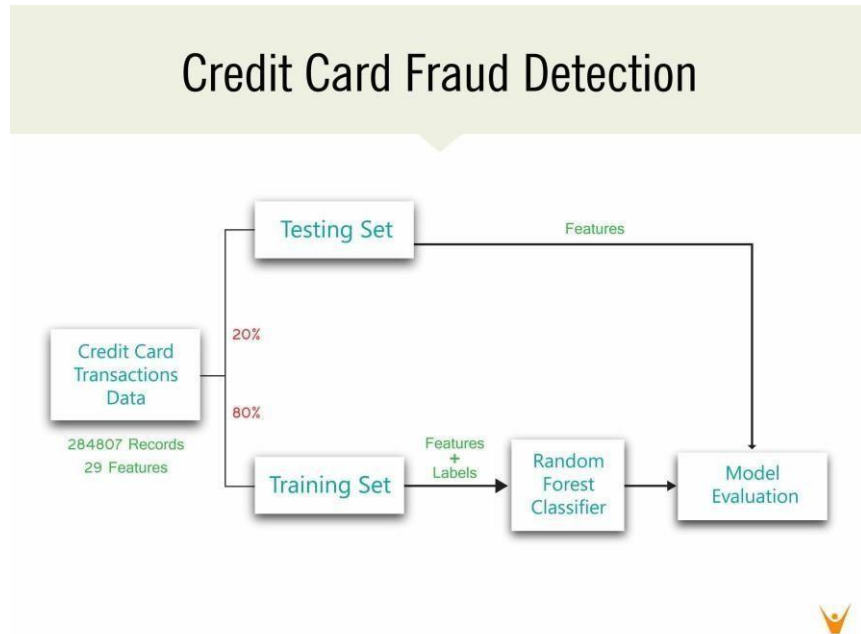
Credit card fraud detection model using machine learning:

The dataset contains deals made by credit cards in September 2013 by European cardholders. This dataset presents deals that passed in two days, where we've 492 frauds out of 284807 deals. The dataset is largely unstable, the positive class(frauds) account for of all deals. We develop a machine literacy model using this data set. As it's a model where the final affair is yes no type we've to use a classifier. We use Random timber classifier to make this model because it's furnishing the loftiest delicacy score, presicion score and recall score.

Random forest classifier Accuracy score – 0.9999

Presicion score – 0.9999 Recall score – 1.0

Diagram :



Result :

Sr no	Database	Algorithm	Input	Output	Accuracy
01	Credit card Database	Random forest classifier	Transaction	Normal fraud	0.9993

Response about technologies used by banks to detect and prevent frauds :

Fraud management system	Strong authentication system	Intrusion Prevention technologies	Encryption System	Neural fraud detection systems
78%	62%	85%	68%	70%

Conclusion :

In conclusion, the integration of Big Data tools, specifically using machine literacy algorithms and Power BI, has steered in a transformative period for the banking sector. The operations explored in this exploration paper demonstrate the significant impact of these technologies on functional effectiveness, threat operation, client experience, and strategic decision- making within fiscal institutions. As the banking geography continues to evolve, the relinquishment of similar advanced tools becomes not just a competitive advantage but a necessity for staying applicable and flexible. The admixture of machine literacy in credit scoring, fraud discovery, and client service has not only enhanced delicacy but has also paved the way for further substantiated and responsive banking services.

Power BI’s part in data visualization and analytics has empowered stakeholders with perceptive, real- time dashboards, fostering a data- driven culture within banks. As we venture into this unborn geography, it becomes imperative for experimenters, interpreters, and policymakers to unite in navigating the ethical, legal, and technological confines of enforcing advanced Big Data tools in the banking sector. The nonstop elaboration and integration of these technologies hold the pledge of not only transubstantiating banking operations but also contributing to a more flexible and client- centric fiscal ecosystem.

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