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Banks willing to move data storage to public cloud: Microsoft

By *Jochelle Mendonca*, ET Bureau | Updated: Feb 22, 2016, 04.18 AM IST

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MUMBAI: Microsoft says it is in talks with 'almost every' bank in India to move some parts of their business to the public cloud, a complete reversal of their earlier technology strategy, as the country's banking sector looks to cut costs.

Financial services companies have typically had to build their own data centres, or use more expensive third party providers. But with large multinationals finally putting their data centres in the country, financial institutions are looking to use cloud companies such as Microsoft Azure and Amazon Web Services.

Wooing Banks

- ▶ Microsoft opened data centres in Mumbai, Pune and Chennai to tap cos that had been unable to use public cloud services due to rules surrounding data sovereignty
- **\$204 B:** Market size for public cloud services by 2016, says Gartner
- With banks being hit by surging NPAs, they will look to control costs to boost profitability

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"Before we put the data centres in India, we would talk to a few financial institutions. Now, I would say we are talking to almost every bank about moving some part of their business to the public cloud," Peter Gartenberg, general manager - enterprise partner group at Microsoft India, told ET.

Experts have said that as Indian banks grapple with the surging bad loans on their books and a pressing need for more capital, they will look to control costs to boost profitability.

Last year, Microsoft opened data centres in Mumbai, Pune and Chennai to tap companies that had been unable to use public cloud services due to rules surrounding data sovereignty.

"We put the data centre in Mumbai mainly to be close to the financial institutions. Now, we are

talking to them about Office 365 on the cloud, customer relationship management and disaster recovery. Banks don't have to build out infrastructure to service peak loads," said Gartenberg.

The public cloud market in India is still a miniscule component of the overall IT spend. Research firm Gartner said public cloud service revenue was expected to grow to \$1.9 billion in 2019, from about \$730 million at the end of last year. Globally, the research firm said the public cloud services market would reach \$204 billion in 2016.

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