



# Shaping Banking's Next with Cloud

Cloud has emerged as a cornerstone of digital transformation in banking, offering agility, flexibility, and scalability at significantly reduced infrastructure costs. The discussion has shifted from “why” to “how” and “how soon” banks should adopt cloud. Over the years, cloud has evolved through multiple models—private, public, and hybrid—each with its own strengths and challenges. As we look to 2025 and beyond, cloud’s importance will grow and so will the complexities with its implementation, hosting models, and business outcomes.

Within the broader cloud trend, some critical themes are emerging as focal points for banks for 2025 and upcoming years. Hybrid and multi-cloud are expected to accelerate significantly as banks navigate complex regulatory, security, and operational demands. Synergies between cloud and AI are also expected to change the pace of technology adoption and act as a catalyst for growth. Finally, as the focus and investments grow, banks are expected to evaluate their cloud ROI and maximize it through FinOps and AIOps.

### Industry Trendline

By 2025, over 85% of organizations will adopt a cloud-first approach, with more than half of these relying on multi-cloud strategies  
Gartner

In 2025, AI won't just be another service running in the cloud—it will be the intelligent force optimizing every aspect of cloud operations.  
CNCF

Banks are increasingly using a FinOps approach to track and optimize cloud expenses, indicating a need to maximize the return on cloud investments.  
Deloitte

### Banks to strike balance between innovation and optimization with Cloud in 2025

Accelerated shift towards Hybrid and Multi-Cloud

Cloud and AI as mutual catalysts for enhanced tech adoption

Banks to maximize Cloud ROI with FinOps

# Accelerated Shift Towards Hybrid and Multi-cloud

It has now been widely acknowledged that the right way to embark on cloud transformation journey is not an either/or model approach. Banks would want to have the control and security of a private cloud while benefiting from the agility and scalability of a public cloud model. The concerns around risks, regulations, governance, latency and security also presents the challenge of striking the right balance between on-premise, private and public cloud options. Hybrid and multi-cloud offers that opportunity to banks.

The adoption of hybrid cloud is gaining momentum, however, the adoption rates vary for different application areas. In [Innovation in Retail Banking survey 2024 by Infosys Finacle and Qorus](#), 26.5% banking executives chose hybrid cloud as the most preferred cloud model for payments – highest for any application area. Other banking application areas where hybrid cloud is a popular model include loan servicing (22.7%), digital channel suite (22.3%), data lake, analytics and AI (20%), and loan origination (18.9%). In 2025 and upcoming years, we expect the hybrid cloud adoption rates to increase further across all application areas.

On similar lines, multi-cloud is expected to transform enterprise technology use in 2025, allowing banks to utilize multiple cloud platforms while avoiding dependency on a single vendor. Multi-cloud integration will enable flexibility as banks are able to select top-tier services from various cloud providers

based on their storage, computing power, AI, and similar requirements. Gartner predicts that by 2025, over [85% of organizations will adopt a cloud-first approach](#), with more than half of these relying on multi-cloud strategies to fuel business innovation and digital transformation. Multi-cloud approach will also improve resilience and ensures business continuity by distributing workloads across multiple cloud environments, reducing downtime risks with a single provider. According to a report, [82% of organizations are already leveraging a multi-cloud approach, and 78% are running workloads in at least three public clouds](#).

With this accelerated shift to hybrid and multi-cloud, banks will also have to address challenges associated with the adoption. This includes workload allocation and governance practices around data transfer between applications and environments. To get hybrid & multi cloud strategy right, banks need a comprehensive business-driven decisioning framework to identify right cloud setup for each workload. This, along with a data and application governance framework is key to drive success. Banks must also look at hybrid and multi-cloud investments as catalyst to drive enhanced enterprise security. An integrated approach to harmonize security posture across the cloud estate, along with building a single pane of glass is of paramount importance.

# Case-in-Point

Banco Santander has opted for a hybrid cloud approach which already hosts 90% of their infrastructure for modernizing its entire core banking business.

KeyBank has been leveraging a multi-cloud and hybrid cloud management software to power its digital properties and apps.

## Innovation in Retail Banking Report 2024

### Cloud Adoption: Current Adoption Rates Across Key Banking Applications

	Private cloud	Public cloud	SaaS	Hybrid	Yet to adopt
Core banking	43%	5.80%	8.30%	16.50%	26.40%
Data lake, analytics, and AI	35.70%	8.70%	6.10%	20%	29.60%
Loan origination	27.90%	11.50%	14.80%	18.90%	27%
Digital channel suite	25.60%	13.20%	14%	22.30%	24.80%
Payments	25%	7.50%	15%	26.70%	25.80%
Wealth management	19%	8.30%	12.40%	14%	46.30%
CRM	31.70%	10%	10%	15%	33.30%
Loan servicing	25.20%	9.20%	14.30%	22.70%	28.60%

- Indicates top preferred cloud hosting model for the banking application area
- Indicates second preferred cloud hosting model for the banking application area
- Indicates top two banking application areas where public cloud and SaaS are most preferred

# Cloud and AI as Mutual Catalysts for Enhanced Tech Adoption

Cloud and AI are being seen together as catalysts with powerful synergy. Where AI brings the capability to analyze datasets and make informed decisions, cloud provides necessary infrastructure to store, process, and access the data anywhere. In 2025 and upcoming years, this integration of cloud and AI will help banks scale operations efficiently, optimize costs, and deliver personalized customer experiences, ensuring innovation and competitiveness.

Cloud-native banking platforms will facilitate the rapid development, deployment, and scaling of applications. This is crucial for AI and generative AI models, which require substantial computational power and experience fluctuating demands. In 2025, AI won't just be another service running in the cloud—it will be the intelligent force optimizing every aspect of cloud operations. Cloud also fosters interoperability between different technologies, enabling banks to seamlessly integrate AI with other emerging technologies like edge computing, quantum computing, and IoT, thereby creating innovative solutions.

On the other hand, AI will transform cloud infrastructure management by leveraging machine learning algorithms to automatically monitor, analyze, and optimize cloud resources. This will help banks predict potential

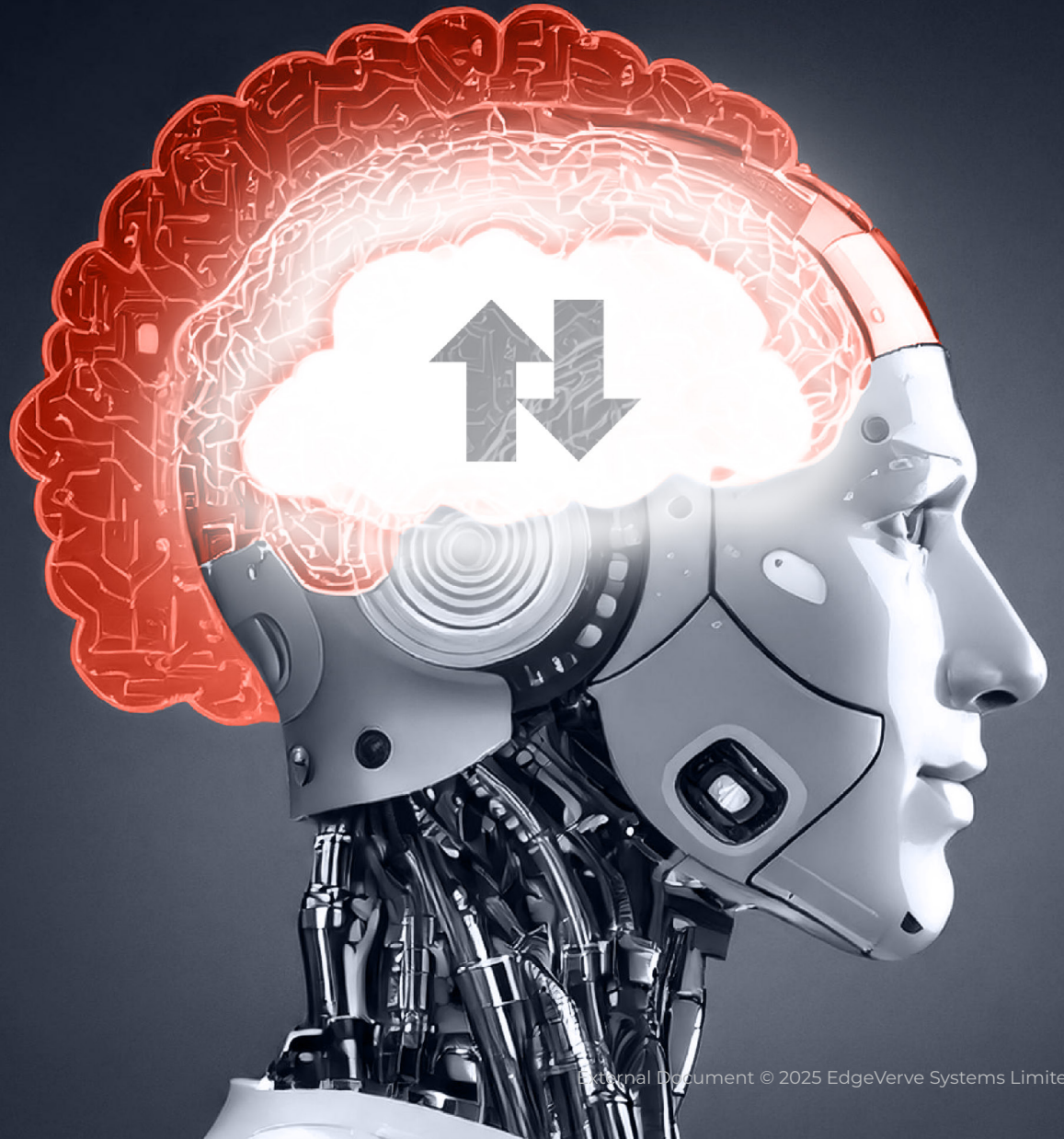
discrepancies proactively, optimize resource allocation, and handle routine tasks like patch management and scaling. As AI continues to evolve, cloud will become more resilient, adaptive, and capable of supporting increasingly complex workloads.

In 2025 and beyond, banks will increasingly view cloud and AI as mutual catalysts, planning pilot projects and proof of concept initiatives to experiment with emerging technologies. This will mean banks will have to ensure a thoughtful cloud strategy which includes equipping their talent with right skills to work with cloud-native technologies. It is also important to make sure that their cloud providers enable interoperability to avoid vendor lock-in. A culture of experimentation and collaboration between IT and business teams will help banks embrace cloud and AI strategy that facilitates better tech adoption.



## Case-in-Point

One of the aspects of [Deutsche Bank's](#) cloud transformation journey has been to utilize AI and ML to simplify and accelerate their cloud migration decisions.



# Maximizing Cloud ROI with FinOps

The need for scaling cloud workloads is greater than ever today as banks are increasingly integrating AI which leverages the elasticity and computing power of cloud. As more core workloads move to cloud, volume of data will grow, necessitating greater scale of cloud consumption and fluctuating computing requirements. As banks progress in this journey, managing and optimizing cloud costs is one of the biggest challenges they will face. The complexity is further compounded by hybrid and multi-cloud environments, supported by different cloud providers. This makes the ROI conversation more challenging.

In 2025 and beyond, banks will focus more on balancing cloud costs with measurable outcomes, especially as they navigate public and private cloud options, security concerns, and the economics of cloud. Industry findings show that banks that fully leverage cloud are ahead of peers in achieving measurable returns, suggesting a growing emphasis on demonstrating tangible value from cloud initiatives. Forty percent of cloud-powered companies, compared to 24% of the rest of the survey population, say they expect 15%+ revenue growth over the next 12 months. This trend reflects the view that cloud is not just a cost-saving tool but a driver for top-line growth.

Imbibing advanced capabilities and processes around FinOps (Financial Operations) and AIOps (Artificial Intelligence for IT Operations) as part of the hybrid cloud operating model will help banks maximize their returns

from cloud investments. According to Deloitte, banks are increasingly using a FinOps approach to track and optimize cloud expenses, indicating a need to maximize the return on cloud investments while managing costs effectively. FinOps aids banks by meticulously monitoring and managing cloud expenditures, enabling them to see how and where cloud services are being consumed across the entire cloud estate. With this, banks can better forecast demand for cloud services, take data-driven decisions to optimize cloud spending and right size resources in line with business priorities. On the other hand, AIOps strengthens the impact of FinOps by leveraging the cognitive power of AI and ML models to accurately predict the optimum level of resource allocation. With such practices and enablers baked into the hybrid cloud operating model, banks stand to save over 20% of cost on their cloud operations.

To succeed with FinOps and AIOps strategy, banks will have to navigate the additional concerns related to data sensitivity and integration with existing systems. Implementing FinOps and AIOps involves collecting and analyzing vast amounts of data. Establishing clear data governance policies and procedures will help secure data security, privacy, and compliance. Banks should also focus on fostering collaboration between finance, IT, and business teams to ensure buy-in and shared ownership of FinOps and AIOps initiatives.

## Case-in-Point

Capital One, a leading financial services provider, implemented FinOps practices to optimize cloud spending and improve financial management processes. By leveraging FinOps tools, Capital One was able to save over \$100 million in cloud expenses.

## The Cloud Path Ahead for Banks

Cloud is expected to remain at the heart of banking transformation—serving both as a technology foundation and a business enabler. Banks' success in this space will be increasingly defined by how they adopt more practical cloud models, ensure ROI with cost optimization strategies, and innovate with emerging technologies. The stepping stones towards these cloud imperatives lie in ensuring a right mix of capabilities, talent, and technology providers. This holistic approach will enable banks to strike the right balance between innovation and optimization they strive to achieve with their cloud initiatives.





# Why we exist

To inspire better banking so that billions of people and businesses can save, pay, borrow, and invest better.

# How we do it

Our solutions and people help banks to engage, innovate, operate and transform better, so that they can improve their customers' financial lives, better.

# What we offer

A comprehensive suite of industry-leading digital banking solutions and SaaS services that help banks engage, innovate, operate and transform better.

Finacle is an industry leader in digital banking solutions. We are a unit of EdgeVerve Systems, a wholly-owned product subsidiary of Infosys (NYSE: INFY). We partner with emerging and established financial institutions to help inspire better banking. Our cloud-native solution suite and SaaS services help banks engage, innovate, operate, and transform better to scale digital transformation with confidence. Finacle solutions address the core banking, lending, digital engagement, payments, cash management, wealth management, treasury, analytics, AI, and blockchain requirements of financial institutions. Today, banks in over 100 countries rely on Finacle to help more than a billion people and millions of businesses to save, pay, borrow, and invest better.



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