

US Bank links up with Microsoft's cloud services to power its applications

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U.S. Bank is taking another big step to upgrade its digital capabilities by moving most of its applications to the cloud.

The nation's fifth-largest bank, based in Minneapolis, announced Tuesday that it will migrate that infrastructure to Microsoft Azure, which will be its primary cloud provider.

Terms of the deal were not disclosed.

Company executives said the move will allow U.S. Bank to more quickly add new products and services. In addition, the partnership will help the bank tap into [machine learning](#) and [artificial intelligence](#) to create richer and more personalized experiences.

Dilip Venkatachari, U.S. Bank's chief information and technology officer, said the company has been experimenting and working with different cloud platforms and will continue to do so. But the linkup with Microsoft will result in it moving the vast majority—or between two-thirds to three-quarters—

its applications away from its [data centers](#).

"It's a significant step up," he said.

As a result, U.S. Bank will reduce its number of data centers in the U.S. from four to two, he said. It also has two data centers in Europe.

Venkatachari added that U.S. Bank intends to keep its core systems, which includes information such as account balances, on its private data servers.

In general, the banking world has been slower to adopt cloud services than other industries because of regulatory issues and [security concerns](#). But that has been changing.

Last year, Wells Fargo announced it was moving some of its workloads over to two cloud providers—Google and Microsoft. Morgan Stanley has also shifted to using Microsoft's cloud service for some parts of its business.

And in 2020, Capital One migrated its data, applications and other IT systems to Amazon Web Services.

"None of this changes our commitment to privacy or security," Venkatachari said. "If anything, this gives us more tools, better tools to manage those."

By moving some of these applications to the cloud, he said the company will be able to integrate more security and risk controls into the applications themselves.

He added that he expected to add some jobs in the Minneapolis area to support the migration to the cloud. He did not specify how many people the bank hoped to hire, but said, "We're eager to bring on as many talented skilled engineering staff as possible."

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