



## NEWS HIGHLIGHTS

Bank of Baroda to partner with South Korea's KB Financial Group

RBI's networth criteria may hit ATM operations

BSE postpones launch of platform for startups

Karnataka Bank launches facility to withdraw cash from PoS terminals

## Today's View

### Fancy Debit Cards

Several surveys point out that the millennial population is more comfortable with their debit cards than the alternate – credit cards. A recent Research conducted by **Visa** shows, millennial use debit cards for purchases more than any other form of payment – 28 percent – compared to credit cards, 27 percent, and cash, 17 percent. Another survey conducted by BankRate in 2016, found that just one-third of people aged 18 to 29 years old had a credit card, favoring use of debit card out of fear of getting into financial trouble after the 2008 financial crisis.

Campaigns are being run to entice this customer segment as with increasing wages and reduced debt, they're an attractive target for card marketing, said the same Visa's report. Like every other product that the 'me me me' generation buys, even the humble debit card is getting customized for engaging with Millennials.

In India Banks like **ICICI** and **Axis** Bank are already offering customized debit cards for their customers. ICICI Bank's Expressions debit card can be personalized by choosing from a gallery of 200+ remarkable designs that can be flaunted all the way! Of course there is a nominal charge involved which the 'special snowflake' generation is ready to bear.

Taking a step further, to meet the changing tastes of personal finance, some companies are soliciting world-famous designers for distinct new cards—and

**Akhil Handa**  
+91 22 6759 2873  
akhilhanda@bankofbaroda.com

**Aparna Anand**  
+91 22 6759 2873  
aparna.anand@bankofbaroda.com

**Jack Ma allies with Chinese VC fund Ganesh for \$250 million India fund**

Alibaba Group founder Jack Ma has stepped up his aggressive push into India by joining forces with a \$250 million Chinese venture capital fund called Ganesh Ventures that will be its strategic investment partner.



[READ MORE](#)

Date – 10<sup>th</sup> July 18

millennials are joining waiting lists to get their hands on them. **Acorns** is a popular savings app that helps people to invest. After gathering a need of a physical card amongst its customers, the company hired Ammunition, the design firm co-led by Robert Brunner, a longtime industrial designer for Apple whose work appears in Museum of Modern Art collections in New York and San Francisco for designing the cards. The newly designed card's weight and sleek design is meant to impart a sense of status to the owner – Neighbour's envy, owner's pride!

Another millennial focused financial company Social Finance, the online lender known as **SoFi** with a new digital wealth management platform has brought out an aqua green card in June. The debit card shift to EMV provides an opportunity to get creative with card design.

The new debit card formats are flipping the script. Start-up banking service **Tide** has rebranded, unveiling a new logo and a redesigned, “**vertical**” debit card. The card has the user's name and details on the back, with the aim of making the front look more “clean”, says Tide. The company adds that this feature also improves security as personal data is more hidden and therefore harder to copy.

Not only fancy debit cards, these Fintech companies are offering unique awards like reward programme for coffee purchases, tailor made to millennial spending habits. With these features such debit cards are the must-haves for the new –age customers.

---

## Today's News

### Bank of Baroda to partner with South Korea's KB Financial Group

State-run lender Bank of Baroda will enter into a joint venture with South Korea's KB Financial Group on developing an innovative payments business, which may also include issuance of new branded cards.

The bank is also looking to set up a Korean Desk for meeting financing requirements of South Korean firms operating in India. “This is in line with Prime Minister's Look East Policy,” said PS Jayakumar, MD of BoB. The bank is also looking to provide its services to around 10,000 Korean individuals and fund the requirements of around 500 Korean corporates operating in India.

Source – *The Economic Times*

[READ MORE](#)

### RBI's networth criteria may hit ATM operations

Banks have flagged the possibility of ATM operations getting impacted, transaction costs going up and cash-management business getting concentrated in the hands of a few players following the Reserve Bank of India tightening norms for engaging service providers for cash-management activities.

Source – *BusinessLine*

[READ MORE](#)

This News Letter has been prepared with the assistance of Vikas Madaan and Aparna Anand

### After Flipkart, Walmart eyes Indian tech start-ups

Walmart Labs, the technology unit of the world's largest retailer, is looking for tech acquisitions in India, a top executive said. In May, Walmart Inc. agreed to buy a 77% stake in online retailer Flipkart for \$16 billion. Its tech acquisitions will be of a much smaller size—Walmart Labs is mostly looking for acqui-hires and niche tech-product start-ups here.

Source – *Mint*

[READ MORE](#)

### Early Salary betting big on long-term loan products

Fintech startup Early Salary said it is moving its focus from short-term personal loans, which are linked to salaries, to longer tenure products for its customers Akshay Mehrotra, CEO at Early Salary, told ET that over the next 10 months, he expects half the book to comprise longer tenure (three-12 months) loan products.

Source – *The Economic Times*

[READ MORE](#)

### 90% Indian startups fail within 5 years of inception: Study

India has provided for a nurturing ground to numerous startups in the past few years but they are merely clones of Western ideas. The lack of technical innovation in India has led to venture capitalists restricting funding, resulting in slow decay of entrepreneurship in India.

Source – *Moneycontrol*

[READ MORE](#)

## Karnataka Bank launches facility to withdraw cash from PoS terminals

Karnataka Bank Ltd has introduced 'Cash@PoS' facility through its network of 13,100-plus Point of Sale (PoS) terminals installed at various merchant establishments throughout the country. A press release by the bank said here on Monday that it is a facility through which any bank customer can withdraw cash using his/her debit card or open system prepaid card (issued by banks in India) at PoS terminals.

In accordance with the guidelines of the Reserve Bank of India, customers can withdraw up to Rs 1,000 a day per card in tier-I and tier-II cities, and Rs 2,000 a card per day in tier-III to tier-VI centres through Cash@PoS. It said that the facility is available for Karnataka Bank and other banks' debit/prepaid cardholders, subject to respective banks enabling the Cash@PoS facility for their cardholders.

Source – BusinessLine

[READ MORE](#)

## "Firms need transparency to navigate the dark side of AI"

Companies will have to improve transparency and work at increasing trust in technology if they want to avoid the dark side of artificial intelligence, Manish Bahl, senior director at Cognizant's Center for Future Work, said.

From driverless cars causing accidents and AI algorithms trained to be biased, the consequences of badly-created AI could be significant. Companies are already dealing with some of the backlash — over 4,000 Google employees have petitioned the company to shut its military drone AI project, and about a dozen have quit, media reports have said.

Source – The Economic Times

[READ MORE](#)

## UPI 2.0 will allow linking to overdraft accounts, 'Pay to Aadhaar' feature to be removed as it adopts 'merchants-first' strategy

With UPI 2.0 set to launch soon, features including linking of overdraft accounts and sending invoices shift focus to merchants. After much delay, the latest version of United Payments Interface (UPI 2.0) is getting ready for its launch at the end of this week or early next week.

The new feature, with this upgrade, seems to be primarily focused on increasing Person-to-Merchant (P2M) transactions, which continues to be an obstacle for UPI 1.0. "Most of the features are designed for P2M. I guess the requirement is that P2M players need to scale up with the UPI infrastructure," says a source, requesting anonymity.

Source – YourStory

[READ MORE](#)

## BSE postpones launch of platform for startups

Leading stock exchange BSE has postponed the launch of its new platform for listing startups. The platform, scheduled for launch today, was aimed at facilitating the listing of companies in sectors such as IT, ITES, bio-technology and life sciences, 3D printing, space technology and e-commerce.

Source – Moneycontrol

[READ MORE](#)

## BigBasket aims at \$1 billion gross sales run rate by end of fiscal year

Bengaluru-based BigBasket is aiming to touch a \$1 billion gross sales run rate by March 2019, as it prepares for an intense battle against Walmart and Amazon. "We will hit the Rs 300-crore mark in September and Rs 500-crore in March (2019). Everything in the organization is gearing up towards these two numbers," said Hari Menon, co-founder and chief executive of BigBasket.

Source – Mint

[READ MORE](#)

## ICAI develops software to allot CAs for bank audits

To ensure transparency in the allotment of chartered accountants (CAs) for bank audits, the Institute of Chartered Accountants of India (ICAI) has developed a software that randomly selects the auditors and allots them to banks.

Source – BusinessLine

[READ MORE](#)

**Disclaimer:** The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.