

Bank of Baroda's Wealth Management Leader on Delivering Scale and Quality across the Major Client Segments

Virendra Somwanshi, Head of Wealth Management & Capital Markets at the major state-owned Indian financial institution Bank of Baroda, is a veteran of the private banking and wealth management market in India. He has worked in the industry for more than 26 years, including nearly 18 years at Citibank in multiple business areas across consumer banking, wealth management, securities and investment management in both India and Singapore, after which he spent three years at Bank of Baroda Capital Markets before heading off for a stint as CEO of Motilal Oswal Private Wealth Management, and returning to his current role in December 2020 to complete what he says is an exciting mission to build the bank's wealth management platform from within a vast edifice that includes more than 8000 branches and a customer base estimated at 10% of the entire Indian population. Since he arrived at the Bank in late 2020 at the height of the pandemic, he has devised and articulated a mission of creating a 'new era' agile and fit-for-purpose wealth management offering within what is a traditional banking behemoth, a mission for which he says he is well-supported at the very highest echelons within the institution. It is little surprise then that he needs both great stamina and endurance to achieve these goals, and for that, he draws upon his regular marathon running.

GET IN TOUCH

[View Virendra Somwanshi's LinkedIn Profile](#)

[Find out more about Bank of Baroda](#)



VIRENDRA SOMWANSHI
Bank of Baroda

Somwanshi opens the discussion by reminding us of the sheer scale of Bank of Baroda, one of the largest banks in the country with presence across 17 countries, 8000+ branches, 165 million customers and 70,000 plus employees. The wealth business headed by Somwanshi covers the entire spectrum of clients ranging from mass affluent to HNI and UHNI clients.

Owing to Bank of Baroda's mammoth branch network, the Wealth Business too is spread across the length and breadth of the country. Through 'Baroda Radiance' the Bank caters to its HNI & affluent client segment in the top 30 cities by offering value added financial services through a

dedicated Relationship Manager. To cater to Baroda Radiance customers beyond the top 30 cities, the bank has instituted a centralized digital hub through which relationship managers connect with clients virtually enabled by technology. With the recent launch of its state of the art digital investment & insurance platforms namely 'SmartInvest' & 'SmartInsure', Bank of Baroda is positioning itself to expand its digital footprint, offering a hybrid model of reaching clients across India's tier two and three cities.

Scale and access

"Many wealth managers do not have our scale and access," he says. "We combine direct access through our network with digital connectivity to reach as many of these actual and potential clients as possible. A key question for the bank has always been how to leverage our vast banking customer base and deliver wealth management products and services to as many people as possible across different segments of wealth. And that is what we have been doing since this operation began in earnest close to five years ago. We have made huge progress, but there is still a long way to go."

He explains that with the bank covering such a vast cross-section

of India's dynamic demographics, segmentation has proved to be central to their approach to wealth management. And it has required a careful approach to hiring the right teams for each segment. "The wealth business is almost like a private business within this vast state institution, and it requires specialised skills around - relationship management, investments expertise, financial planning and other key areas of focus," he comments.

Making headway

He says progress has been encouraging, and it has been an exciting journey. "I have drawn on my long experience at Citibank as a major global institution to build the right teams and to develop the right platform here," he reports. "For example, on the investment side, we are now in the top 15 operators in India, moving towards the top 10, and then the top five, we hope. Five years ago, we were not counted among the leading wealth players."

Clear segmentation, dedicated offerings

Drilling down into more detail; he also explains that they had created their premium banking brand, Baroda Radiance, as the core offering for the emerging affluent and lower tier HNI

« “We have the skills and capability for *greater product innovation*, but realistically there is incredible untapped potential within the client base for the more established investment products.” »

segments, and they later launched Baroda Radiance Private Clients for customers with over USD2 million to invest.

Somwanshi zooms in on Radiance Private, noting that it is a completely differentiated offering from the Baroda Radiance proposition. He explains that key products in this segment include investments and protection, but there are also other areas covered and which are in strong demand, such as lending, trade and FX.

He also points to the Bank of Baroda Capital Markets operation -, which delivers a full range of institutional-level broking, capital raising and investment banking services, which many HNI clients can use. Additionally, the bank seeks to leverage access to the fullest range of banking products.

Horses for courses...

Turning to their investment offering, Somwanshi explains that they cater to many clients across different segments, and entered the wealth market only in recent years, and need to move carefully to make sure they deliver the types of products that their customers need today. "We are a relatively late entrant, and our focus has largely been on aligning our wealth management proposition with the industry's best offerings, while ensuring that we fully align with customer needs and expectations," he says.

He explains that the bank's learning curve involves transitioning from basic mutual funds to more sophisticated products like Portfolio Management Services (PMS) and Alternative Investment Funds (AIFs). However, this transition is

Getting Personal with Virendra Somwanshi

Virendra Somwanshi comes from Aurangabad in the state of Maharashtra, and that is where he completed all his studies through to an engineering degree and then moved to Pune for his MBA at the Symbiosis Institute of Business Management.

"I started my working life as a Mechanical engineer in SKF Bearings Ltd," he recalls, "but MBA opened doors for me and changed my horizons, and it was not long before I joined Citibank; I then stayed with them for close to 18 years, most of it in India except for a short stint in Singapore.

He then joined Bank of Baroda Capital Markets in 2017 at the outset of a major transformation, where he was instrumental in conceptualising, designing and launching the wealth management and equities platform by creating various affluent and emerging affluent client segments across the Bank's domestic and NRI customer base to leverage Bank of Baroda's extensive network of branches. For a year, he had moved as MD & CEO of Motilal Oswal Private Wealth post which he returned back to Bank of Baroda to carry forward the transformation agenda. "This a great challenge, being such a vast and state-owned bank," he says. "But in scaling up and developing the wealth management business, we are unravelling what is truly a massive opportunity here."

Happily married, they have two children, a son aged 16 and a daughter of nearly 19 who is already studying engineering in the UK.

In his spare time, he loves reading, watching Bollywood movies, and also plays cricket and other sports. A favourite recent Bollywood movie was '12th Fail', which has been winning nationwide plaudits.

For the past five-plus years, he has been a running enthusiast, completing several marathons. He reports he ran in the Tokyo marathon last April, that he will run in the New Delhi Marathon in Feb and the London marathon this coming April,

"Yes, as you can see, I remain entirely struck by the mid-life running bug!" he quips. "And yes, as I mentioned last time we talked, I continue to sustain yet more injuries; in fact, I broke my wrist after my Tokyo run last year, resulting in an operation and the insertion of a titanium plate. That just added to my long list of injuries, but I remain determined as I believe the rewards continue to outweigh all those negatives."

He also has some of his travel bucket list still to fulfil and counts Antarctica and Latin America as two major trips he is planning. Amongst his favourite trips, he recalls a small white beach village in South Africa named Hermanus as one of the most beautiful places he had ever visited. "South Africa was a wonderful experience, and that beach and village was a genuine highlight," he says.

gradual, and there is substantial potential for expansion by gradually incorporating more innovative and specialized products, rather than shifting focus to them entirely at once.

Foundational products first

“We have the skills and capability for greater product innovation, but realistically there is incredible untapped potential within the client base for the more established investment products,” Somwanshi reports. “We are really focusing on the huge mass affluent market and promoting these foundational financial products and deepening penetration of mutual funds, PMS, and AIFs, rather than focusing heavily on highly innovative products.”

Digitisation and the client experience

As to access and the client experience, he also notes that he is very pleased with the progress they have been making in their digital transformation. “As we drive towards a fully digital journey for our clients, from onboarding through execution and reporting, we are making rapid advances. For

example, clients no longer need to provide any physical signatures for account opening or KYC and AML processes; this not only simplifies the onboarding experience but also helps to free up client relationship management capabilities so they can focus on adding value and being more productive.”

He reports that their digital transformation journey had significantly improved customer satisfaction. “It is not only onboarding,” he says. “Customers can execute and then they can independently access and monitor their portfolios through the bank’s app and website, reducing the need for more administrative type communication with relationship managers for information and other updates. All these advances improve the client and the relationship manager experience, productivity and satisfaction.”

Looking ahead to international expansion

International coverage is also a key objective. “We are the only Indian bank with a local license in the UAE, where we have five branches serving our large base of Non-Resident Indian (NRI) customers,” he reports. “Building from that presence, the bank is also aiming

to extend more services in the UAE, and explore opportunities in other markets.”

He says a key element of this strategy is leveraging GIFT City in Gujarat, which is on track to become an international hub for banking, allowing the bank to serve international clients, including NRIs and foreign investors targeting India, as well as to facilitate Indian clients investing overseas, largely through dollar-based funds and products and subject to the government’s liberalised remittance scheme.

Solid growth

The emphasis of the wealth business more towards the mass affluent and lower tier HNI customers is evident from the numbers Somwanshi proffers. He reports that they have over 200 RMs presiding over a total AUM that stands currently at about USD 1.6 billion, that number calculated entirely on investment accounts. “If I were to add the Banking assets, then the total AUM would rise to USD 5.2 billion,” he explains.

Somwanshi draws the conversation towards a close by

« “We are the *only* Indian bank with a local license in the UAE, where we have five branches serving our large base of Non-Resident Indian (NRI) customers. Building from that presence, the bank is also aiming to extend more services in the UAE and *explore opportunities* in other markets.” »

focusing on some key priorities. These include the ongoing digital transformation and, most specifically, encouraging greater adoption by the team. “The better our teams engage with these solutions, the better the outcomes for them, our clients and the bank,” he reports. “This is a challenge and one we are addressing, and it is helping us build the customer base, as digital

connectivity is central to scale and the overall proposition.”

Growth requires new talent

His final word is on the quest for talent, an industry-wide challenge. “RMs with the right skills and experience are difficult to find and retain,” he says. “This challenge is not unique to us, but what we can offer in terms of a more unique

selling point is the huge client base and the massive potential ahead, opening the doors to rapid client acquisition for new team members. We have the platform, the products, the technology and the processes and as we build the RM talent pool, they have a ready set of existing and potential clients they can serve. We believe this is a great vehicle for their careers and their aspirations.” ■

For further reading on Bank of Baroda’s wealth management offering, see these Hubbis articles:

From 2023: <https://hubbis.com/article/delivering-wealth-management-at-scale-and-with-customisation-across-india-s-vast-wealth-management-landscape>

From 2022: <https://hubbis.com/article/prominent-bank-of-baroda-leader-examines-rapid-expansion-of-the-indian-wealth-market>

From 2021: <https://hubbis.com/article/bank-of-baroda-builds-new-age-offerings-across-the-length-and-breadth-of-india-says-head-of-wealth-management-virendra-somwanshi>

