

# Kotak's pillars of wealth management success

*Kotak Mahindra Bank's private wealth AUM will increase rapidly given its demonstrated ability to deliver the right mix of people, products and platform, says Jaideep Hansraj.*

Jaideep Hansraj has fashioned the evolution of Kotak Mahindra Bank's wealth management and priority banking business based on what seems to be a simple philosophy.

"The three key things I have worked hard to closely guard are my people,

become very real. "Whenever I look at competing firms, I base my assessment on how well the firm will stand on each one of the three pillars.

That is my only focus," he adds, chief executive officer of wealth management and priority banking at the bank.

---

**"The three key things I have worked hard to closely guard are my people, our products and the platform."**

---

our products and the platform," explains Hansraj.

Indeed, if all three components are in place and well-executed at any private wealth firm, the chances of building, retaining and expanding the business

## **A NEW DIGITAL DIMENSION**

Apart from his belief on the 'fundamentals' of wealth management he also acknowledges that advances in technology will be a further big driver for the industry going forward. "Digital will become really big," he



**JAIDEEP HANSRAJ**  
Kotak Mahindra Bank

predicts. "I am not so much talking about robo-advisory, because I am not the guy wanting to trade online.

But I am keen that we work on areas like the ease of reporting, the ease of MIS and the ease being comfortable with a bank, on behalf of our clients. To me, these will continue to be priorities.”

As things stand already, Hansraj says his strength is the operational side of his business.

“We are among the few players having a demonstrated expertise of over two-and-a-half decades. In the past three years, we have meticulously focused on expanding our advisory services to boost our exist-

hardly any use of capital; it's pure franchise income.”

### **GUNNING FOR GROWTH**

Hansraj manages two divisions of Kotak Mahindra Bank – Kotak Wealth Management, the unit focusing on niche needs of Indian UHNIs located both in India and abroad; and Kotak Priority Banking, a division focusing on the investment and banking needs of mass affluent.

Under Kotak Wealth Management, he also oversees family office and offshore wealth propositions, which includes exclusive offerings on investments,

The types of issues that clients need to consider, for example, relate to where the next generation should be located.

“Should they be in Singapore, or in Dubai?” asks Hansraj.

“Should they look at setting up a paper plant, a cement plant, or buying a hair-oil manufacturing company?”

Such a change in investment attitude may also be attributed to the changing of the guard with business-owning families, as new generations take control.

But Hansraj is reluctant to pinpoint any hard-and-fast new strategies that his team may be looking to deploy for clients.

“Every individual – whether family office member or adviser – is different, and each member of the next generation is different,” he says.

“I haven't dealt with too many of the third generation yet, but advising two generations is quite common now. The requirements of each generation differ, with the youngest keener on technology and less interested in safe, steady investments,” he adds.

While there is no set pattern, however, the people, product, platform philosophy remains core to the Kotak offering.

As a result the broad things he says he would expect, or want, to advise the younger professionals coming into the wealth management business today, would be to formulate a generic practice on how to manage different generations.

“In my opinion, they should be treated on a family-to-family basis,” adds Hansraj. ■

---

**“I see huge traction in our trusteeship business, and I see huge traction in our pure advisory business, in terms of which businesses to look at to put surpluses in, rather than from an investment point of view.”**

---

ing relationships with the clients,” he explains.

And with his AUM in the private wealth arm having grown by almost 45% in 2016/17, he clearly has confidence in the business model.

“With no capital and return on equity infinite, it's a great business model,” he explains.

“Yes, it has virtually zero entry barriers, but that's why it's so attractive to so many people, because there is

banking, succession planning and family wealth structuring.

With a huge chunk of the wealth in India at the upper end of the spectrum being contained within family networks, Hansraj is astute of the target audience who needs advice and guidance for wealth management. “I see huge traction in our trusteeship business,” he explains, “and I see huge traction in our pure advisory business, in terms of which businesses to look at to put surpluses in, rather than from an investment point of view.”