

# Wealth Management for India's Flourishing Affluent Clients:

## A Conversation with Kotak Mahindra Bank's Manish Kathuria

Manish Kathuria is a Kotak Leadership team member at the Bank, and has been part of the consumer banking business for more than two decades. He currently holds the position of President and Business Head for specialised consumer segments within consumer bank; including Priority Banking (affluent banking business) & NRI Banking. He has been instrumental in setting up the bank's affluent banking operations since 2011. Kotak's Priority Banking is now present in 40+ cities and supported by a team of over 425 relationship managers. His role also encompasses managing the NRI customer segment, catering to the financial needs of the Indian diaspora globally. In January, we had the opportunity to meet with Manish in Mumbai to discuss the latest developments and his perspectives on the Indian wealth market. During this meeting, Manish provided insights into the challenges and opportunities facing wealth management in India. He made it clear that his approach to wealth management emphasises the importance of understanding client needs and leveraging technology to offer tailored financial solutions. This strategy has allowed Kotak to enhance its service offerings and efficiently scale operations. Amid India's dynamic economic growth and the expanding wealth sector, Manish is optimistic about the Bank's position and its ability to address the diversification in investment product demand and the needs of the affluent segment. Despite the broader industry's struggle with talent acquisition in the wealth management sector, Kotak's comprehensive platform helps to attract skilled professionals, and the Bank is intently focused on training and development to cater to the rising needs of growing numbers of affluent clients. With NRI's keenly looking to invest in Indian markets, and be a part of the India growth story he sees this as a huge opportunity.

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**MANISH KATHURIA**  
Kotak Mahindra Bank

**Wealth Management is** an expanding space in India and more of this growing pool of funds need more outlets for investments, and that, in a nutshell, is what is happening in India, Manish indicates. "When people make more money, as is happening across the nation, they need guidance for investing to preserve and build their wealth further, the affluent client segment is growing at a fast pace in India " he reports. "Two very strong features of the affluent segment are that customers need recommendations on products which are contextualised for them and also need a seamless

execution platform through digital or hybrid experience. RM assisted digital journeys would be the key to cater to the affluent segment"

### **A steady growth in the affluent segment across the country**

He explains that there are currently around 10 million affluent households in the affluent segment, which is growing at an average of 15% and is expected to grow to 30 million by 20230. Much of the wealth is coming from the burgeoning technology ecosystem, with key concentrations centred on Bengaluru, Hyderabad, Pune and Gurgaon. Also another notable trend is the growth of the B 30 markets like Amritsar, Varanasi, Bhubaneshwar etc where the new opportunity is high.

Apart from the Mutual Funds, they are looking at investment opportunities in the alternative investments and the private markets.

Private Banks have a distinctive advantage in this space as they have a large base of salaried, professionals and self-employed customer base. There is a scope to improve the customer experience.

"To enhance customer experience, we provide RMs and service

managers, and leverage digital capabilities to deliver efficient and comprehensive coverage," Manish reports. "The approach to clients' wealth management and investment recommendations is consultative, involving our investment specialists and RMs alongside technology to curate personalised investment portfolios based on the customers' risk profiles aligned with their stated preferences."

### **SIPs: Democratising the wealth management**

"As individual income goes up, consumption is surging, and new investors in the financial markets are also rising," he reports. "The value of such SIPs has increased to the equivalent of USD 2 billion, with new money entering the equity markets every month."

The SIP is a Systematic Investment Plan, which is a financial planning tool that allows investors to invest a fixed amount regularly, typically monthly or quarterly, into a mutual fund scheme. It is designed to build wealth over the long term and is a disciplined approach to investing.

"Indian investors increasingly want to participate in the India growth story, and the SIP is a great vehicle for that," Manish reports.

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### Key Priorities

Manish emphasises the importance of adapting to the diverse and evolving needs of customers, particularly as India sees an increase in affluent individuals, including those in Tier 2 and Tier 3 cities. He outlines three priorities for catering to this segment.

The first is customising and refining client propositions. “Recognising that customer needs vary significantly, we cannot take a one-size-fits-all approach,” he says. “Instead, as I mentioned, we prioritise tailored propositions segmented according to customer profiles, which we believe essential to accurately meet the specific financial and service expectations of different customer groups.”

Secondly, hiring the right talent is vital, and training them continuously and working hard to retain them. “The retention, grooming, and skill enhancement of talent within the organisation is critical for success,” he says. “By equipping employees with the necessary skills, the firm can ensure high-quality service and advice, meeting the sophisticated needs of our affluent clients.”

Finally, he reiterates the need to drive digital transformation further forward, especially to enhance customer convenience and engagement, as well as improve transaction capabilities and reporting, and add new innovations, such as introducing services for will creation, for example, as part of the wider thrust towards more comprehensive, tech-enabled financial solutions and more holistic wealth management.

It is a great story.” SIPs have truly democratised the wealth management in the country.

### A trust-based business

Manish emphasises the crucial role of trust in the relationship between customers and their Bankers, especially when dealing with investments in the volatile equity markets and the vast range of products on offer. He says that in their market segment, their investment recommendations must be straightforward and aligned with the customers’ best interests.

“To ensure the quality and appropriateness of investment recommendations, our team conducts thorough due diligence on a list of recommended opportunities, following a strict process to scrutinise each recommendation,” he explains. The process involves regular reviews and subsequent adjustments to the client portfolio based on mutual decisions.

### Key qualities and attributes

Manish highlights critical areas in their offering. First is talent retention and development.



### Getting Personal with Manish Kathuria

In an open conversation to end the discussion, Manish sheds light on his personal journey, interests, and the essence of his long and successful career.

Born and raised in the holy city of Amritsar, known for its vibrant culture, the Golden Temple, and the ceremonial grandeur at the India-Pakistan border, Manish harbours immense pride in his roots. His career in finance really began to shape when he studied commerce at the college, followed by post-graduate studies in finance.

Manish's professional journey is a testament to his clarity of purpose and dedication. Starting his career with a finance company and then moving to ICICI Bank, he found his calling at Kotak Mahindra Bank, joining as a branch manager in 2003, when Kotak received its banking license. Over the past two decades, Manish has cherished the entrepreneurial spirit the firm fosters and thoroughly enjoying his mission and the market's momentum.

Manish is married, with two sons, who are both pursuing their higher education - one at Warwick Business School and the younger son is at NMIMS Mumbai. Beyond his professional achievements, Manish enjoys Cricket, Bollywood movies and is a huge SRK fan.

An avid traveller and food enthusiast, he loves to explore new places within India & abroad and says one trip he must make soon is to witness the Northern Lights, as part of his appreciation for nature's wonders.

Pre- pandemic he was an avid half marathon runner; now he keeps fit with regular exercise and yoga. "I do wish to be able to keep fit and take out time to cover the " Mt Everest base camp" soon." he says.

Reflecting on his over 20-year tenure at Kotak, Manish says he appreciates the bank's entrepreneurial environment, which allow him to manage businesses with a sense of ownership and creative liberty.

Manish's story is not just about his professional successes but also his personal interests and passions, his family values, and his love for the simple joys of life, especially nature, making him a relatable and inspiring figure both inside and outside the banking world.

“We need the right people, the right fit and the right skills and aptitudes, so it is not only about hiring; it is also all about ongoing training and development to make sure they deliver the best to clients and that they feel valued and want to stay with us., We recently launched a Knowledge Academy, which is a programme designed for the continuous learning and skill enhancement of our relationship teams” he reports.

Manish explains that the customers expect real time access, and in whatever mode, whether video, voice or chat, with their relationship team and bankers, we have built an engagement platform for our customers to engage with their relationship managers.

### Tech-driven support

He adds that the bank keeps investing in technology to make transactions more convenient and to provide easy access to reports and banking services through mobile and online platforms. He says this ensures that customers have access to their banking information and services anytime, anywhere.

A consolidated wealth portfolio report on the digital platform is a hygiene today.

“The customers also want a real time access to their Relationship Teams and our bank has designed a platform which is secure and there is an effective engagement between the customer and the relationship team.”

### Segmentation within the affluent segment

Manish reports that the bank today has over 425 RMs in the affluent space in the Priority Banking and they are segmented to different levels of customers, aligning the right level of skills and experience to deliver tailored banking and investment services that meet the specific needs of each group.

“Our RMs address both the banking and the investment requirements of clients,” he adds. “For instance, self-employed type customers receive support not just in investment recommendations but also in aspects critical to their businesses, like transaction banking and loan services. This way, we are delivering a broader set of solutions and a more holistic approach to their overall needs.” ■

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