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**Mr. Uday Kotak on CNBC**

(December 10, 2003)



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Kotak Mahindra Bank has launched an advertising campaign to communicate its new positioning - the bank says it is not competing in the banking space. Its USP lies in its investment advisory service.

MD of Kotak Mahindra Bank, Uday Kotak, spoke to CNBC-TV18 in an exclusive interview.

**Q: How do you plan to go ahead with the banking sector in India becoming overcrowded**

**A:** My view is that the space is not crowded at all because the entire space has been focused on the saver. In the area of investment advice combined with a broader financial services platform, which includes banking, insurance, mutual funds and what else, we have the ability to transform the saver into the investor for the future. In this space, I think the mindset of most of the people in the financial sector has still not moved towards the investor.

**Q: You are targeting nine million households. What is the marketing network that you have planned to reach out to such a large audience?**

**A:** By March we will at about 18 branches in ten locations. This is the first year and we see that grow to 75 branches in three year. We see that the growth is happening much faster in terms of the mind-share of the customer. We see that the investment platform and the advice platform, which really makes us bank plus, these are the certain base level of branches. But our ability to reach out to the customer at a broader end is significantly larger.

**Q: After HSBC tied-up with UTI Bank, the entire grammar of competition in the banking segment has changed. How do you plan to counter this kind of competition?**

**A:** I think ultimately whether it is an individual as an investor or us a firm, we believe first and foremost of all, we are in the value game. It is just not the number of customers but the value you create out of those customers, for the customer and for yourself, which is a differentiator. You do not need to be the largest to be creating the most value.

**Q: Are you looking for a tie-up with any foreign institution?**

**A:** We are not in a hurry because I believe that there is huge advantage we have in terms of our overall platform. You mentioned HSBC and UTI Bank, you have to keep one thing in mind that the financial landscape of India is dramatically turning. Banks alone are not the repositories of all the customers. In addition to the bank we have mutual fund, insurance, the securities firm.. all these add muscle to the broader financial services vision we build.

**Q: Considering that you have a network of customers and outlets, are you being approached by any foreign institution? What will be your response if you are approached?**

**A:** We are very happy to look at association. But we are very clear that we want to build a world-class firm for India and Indians. There is a very strong element of building a world-class institution which India and Indians should be proud of.



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**Q: Do you really think that a small bank like yours stands a chance? Do you think that this is a small banks game at all?**

**A:** I think that the answer is very simple; a lot of banks and financial players are building more and more hardware. Ultimately what would differentiate and create the success is a software. We believe that investment and advice platform is the software of financial services business and that is where we want to excel.