

00:00:00:09 - 00:00:34:22

James

There is a huge chance if our leaders we accept to confront the challenge of Africa. If we don't confront the challenge of these young people getting opportunities to livelihood, then it will continue to be a migration problem.

00:00:34:24 - 00:01:13:08

Reeta

Hello. Welcome to Transcending Boundaries. I'm Reeta Roy. Today, I'm honored to host a visionary leader whose extraordinary journey has reshaped the financial landscape and redefined the possibilities for millions across Africa. Born in central Kenya, he grew up with economic hardship but had the good fortune of the indomitable spirit of his community. These early experiences catalyzed his lifelong commitment to champion equity.

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Reeta

As the group managing director and CEO of Equity Group Holdings. He has built not just a financial institution, but a movement under his stewardship. Equity Group has grown into an exemplar of inclusive finance, empowering millions to access banking services, start their businesses, pursue education and secure their futures. He established the Equity Group Foundation, focused on education, leadership development and entrepreneurship.

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Reeta

He has received numerous awards and recognitions, including the Oslo Business for Peace Award in 2020 and the Lifetime Achievement Award from CNBC Africa and Forbes in 2023. Please join me in welcoming a transformative visionary, a champion of equity and one of the most influential architects of Africa's progress. Doctor James Mwangi. Welcome, James, and thank you so much for making time to be on this podcast.

00:02:23:24 - 00:02:25:18

James

Thank you for having me.

00:02:25:20 - 00:02:53:22

Reeta

Now, James, you are a hero to many, many people, around the world, especially young people in Africa. You've had a remarkable career, and for many, you're just at that pinnacle, that global platform. And yet there's some things people don't know about you. They don't know about necessarily about your early beginnings. Would you tell us about your childhood?

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James

I thank you very much Reeta. I was born up, in a rural setting. It was on the eve of the independence of the country. And, as a result, there was no formality in the rural areas. It was more of a peasantry life. I was born to parents who had not had the privilege of going to school.

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James

And unfortunately lost dad at, a very tender age. So I was left under the care of my late mother, Grace, who was widowed in her late 30s. And left with, six kids to bring up. Broadly, there were many challenges. Because, as I said, there was no mechanism or means of earning, money.

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James

The environment and setup had not commercialized. And so broadly, it was, growing food to feed the family. And that was all. Life was simple. And broadly challenges started when then mom put her foot down that all of us must get

educated. An education meant, paying some money, and we didn't have a means, of generating money to pay school fees.

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James

And so mom set the pace that all of us must work very hard and contribute to our school fees. So late in the evening, after school, we had to make a contribution, to what would generate, anything in terms of income. Early in the morning. So we would wake up, very, very early at 4 a.m. in the morning.

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James

Milk and go vend the milk, before going to school. And during holidays, then we would be involved in activities like vending fruits at the shopping centers and burning charcoal so that, we could generate revenue. That would pay school fees. The school fees we are talking about was two shillings. But getting two shillings was really a hell of a challenge.

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James

It was a whole bag of, charcoal would, be, Ksh0.25. So to generate, two shillings, it was a really, a lot of, effort and that's how we grew. But that, build, a very entrepreneurial thrift culture in us. So we knew.

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Reeta

How to save.

00:05:55:06 - 00:06:23:11

James

That earning meant saving. We would only go to school if you saved what you have earned. You go to the vend fruits in the shopping center. But you would not be tempted to go and spend even a cent in, the restaurant. We'd stay hungry the whole day to go and eat dinner in the evening, because saving that one shilling, meant getting to school.

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James

So that, thrift culture, that, the understanding income and expenses started that.

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Reeta

That was very early

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James

But also the community was very generous. All these efforts because as I said, we were six all attending school. Could not be funded by these, activities. And the community became handy in supporting. I was very talented in school. And, the community sacrificed others so that I could get to school. My mom was, assisted as I progressed to high school.

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James

The government came in handy with the bursary, and the chief understood the about this widow, who had no means who's children were very hardworking, but they needed to bridge the gap. So I was awarded that government bursary and that, saw me through school, but, the community was central, to, my education

00:07:29:04 - 00:07:35:14

James

The teachers, treated me very well and tolerated me throughout.

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Reeta

Tolerated you

00:07:36:18 - 00:08:02:15

James

Studying throughout primary without ever wearing shoes. And, and of course, sometimes, with shorts that, had many colors because of the patches. Yeah. Along the way. But that, saw me through school and taught me about resilience and focus so that, it was not what I was wearing, or it's the grades.

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James

I was getting in class that mattered at that point in time. And the progress I was making in school.

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Reeta

Yeah. There are not many photos, of you as a kid. But there's one with you, and I think mom's there. Your family's there? Yes. Tell us. Tell us about that picture.

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James

Yeah. This photo speaks, a lot. To me, it speaks of belonging. I belong to a family. That loved me, that treated me and shielded me. But also, if you look at, the photo, my, mother's friend there, again, we belonged to a community. And, what is talking about, Community. Despite our circumstances, we belonged.

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James

And that family level, as you can see in the photo. I'm shielded by my elder, sisters. And I was spoiled with love. And that, really, gave me a sense of pride. I didn't focus on, a life of need and scarcity. I focused on belonging and being loved. And it's the feeling secure within the entire set up, of the family.

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James

And, that's how I grew with a lot of love, around me.

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Reeta

It's an incredible James, such an incredible story. Because after you finished, your education, you know, you started life as an accountant. You were working at a firm, and then there was that phone call that came, and you were summoned to meet the governor of the central bank. What happened at that meeting?

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James

Ideally, the village had, set up, savings and credit Association, commonly in Kenya, known as savings and credit cooperative, SACCO under the Building societies act. So, and essentially after six years, they had ran into trouble. They had not reached a break even. They had started with the million shillings.

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James

That's, capital. But, by the sixth year, they had accumulated, 33 million of losses.

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Reeta

Oh my God.

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James

Yet the total savings was only 22 million. So essentially, this was a technically insolvent, building society and also condemned to for closure. And essentially, the sponsors and founders failed to that because I was a very senior banker in the Kenya banking industry. I could help and I could intercede for them. But it turned out, after this meeting, I was, challenged by the governor that the only way he could not, close or could lift closure was if I chose to turn it around.

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James

And of course, the elders looked at to me, and gave, the unspoken command, that, and that was my beginning of my journey, of, managing Equity at the tender age of 28, years.

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Reeta

Wow, 28 years. And so I kind of only mentioned the dinner conversation when you went home and you told Jane your wife that you were quitting your job, stable job to jump into this organization, which was insolvent. What did she say?

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James

Yeah, I think we had a very difficult conversation with Jane, and we had just, had, just married and, we had just been blessed with our firstborn. This is senior banking, international bank, occupying group financial, controller. And here, despite the responsibilities, I choose community before family, I choose community and village before self.

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James

To move to a technically insolvent, institution. And she joked that, she had made the vow, thick or thin she will stick with me and, but she didn't think it was a, bright decision, because, it brought in uncertainty in our lives. And, that's uncertainty to, like any other a wife, doesn't sit well.

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James

And so, she, she saw it as a foolish decision, but,

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Reeta

I'm sure there were stronger words used at home, not foolish decision.

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James

Yeah. Yeah. Of course. She joked and said there was a competition of somebody who lives with the most foolish and stupid man, she could win hands down. And simply because, it didn't make sense to be honest. It was an emotional decision. It was not to rational, the question of choosing, the village before my family, the choosing the community before my career could even make sense at that time.

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James

But that's how I had been brought up. The, the community nurtured me. The community supported me, when I needed support. And this was my moment of giving back to them in a substantial way. Looking back, I take a lot of pride because, I then went back to the village and said, yeah, we can build this institution, but this is the support I need.

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James

Each of you needs to take, 20, 30% of your savings and give me to as capital to capitalize, and, essentially, the

community was very kind. And.

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Reeta

My mom was number one

00:14:05:21 - 00:14:32:11

James

Mom was a number one. And, the entire village, and, today if you look, it's the maybe the most banked, or most included, financially included village on the African continent. But because of the success of the bank, they have been really rewarded. Maybe the GDP per capita of the village would compare to GDP per capita of the developed markets.

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James

So that was, the flip side of it. But, yeah, that was not visible.

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Reeta

I was going to say, that no one, knew it at the time. I wasn't it wasn't a foregone conclusion. Yeah. Because, it was a journey. The journey of almost 30 years.

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James

Yes, 35 years.

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Reeta

35 years, 35 years.

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James

Yeah. Which has taught me about, patience. It has also taught me about, development and growth. It's an intergenerational process. Each of us make a humble contribution, but lay a foundation that others can build on. So that, it's not a startup society into perpetuity, but one generation learns and hands over and lays the foundation, heads over to the next, and they build on and, these stack of efforts, contribute to progress and develop.

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Reeta

I love it stack of efforts. There is another photograph. You showed me this little book is a black and white picture. You are. You must be in the community or in one of the communities. It's a man talking. And you, the young James, is in the background, and you're leaning on a, against the wall. And I can tell you're listening, listening hard to what this man was saying.

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Reeta

And it's just seems to me in so many ways speaks to the culture of Equity that I've come to know, one that listens to the clients. And you don't call them clients. That was the other thing I learned everybody is a member, a member of Equity. Can you talk about the culture?

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James

Yeah. I think as you have referred to equity, it's culture, It's philosophy, It's beliefs, It's ethos. They've been borrowed heavily from the life of a village. It's my experiences, my exposure, the village that has informed and the values that, I borrowed from my mother at a very tender age.

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James

There is a great, personification of Equity. Through Equity, I belong to a family. I'm a member of a family. So for the villagers and, client, they are members of the equity family. So the concept of family, is brought in to an enterprise. That, we are the in this together. We are bound like we were bound in family by love.

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James

And values. That's what, defined us. And, our destiny is tied together. As, members. And so that's where the concept come. But getting back to this photo, this is now me, getting back to the village and say you educated me to be your eyes and ears and, to acquire knowledge. But this knowledge needs to be practical.

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James

This knowledge needs to be applied, but needs to be applied first and foremost, to the village and, the community and so this is what you could call financial literacy. This is when I became more of an evangelist. But this time it's a gospel of financial inclusion. I needed everybody in the village to be included. But inclusion with understanding their obligations, their rights, the opportunities, and what they needed to know so that they could really benefit from the financial. So we carried a lot of, civic education, but of a financial nature so that we could move these communities from peasantry lifestyle and,

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James

bring them forward to a commercial world and, it is need for somebody to think a peasant could step into a commercial construct of a relationship and still do well. You need to educate, the way we had to go to school to learn to speak English. You need to take them to a school of learning, financial services so that they can understand the product, their obligations.

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James

The legal construct of what, the relationship between the bank and the client is or the member is. So that is it. But again, we borrowed this concept. We listen to each other. If we look at, the tagline of equity is the listening, caring, financial partner. The community showed a lot of empathy to me, and compassion.

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James

And that is what we borrowed. That members must be treated with empathy and compassion. So and if the community are the members, we like a membership club are the servants of the member to serve them, you know, so you see the, construct, instead of just saying the customer is keen, you truly demonstrate it by the, the power structure.

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James

This is a members club. So the members, give us an opportunity and a privilege to serve. So you don't, build an inverse for a power structure because, you are a manager. You are a servant

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Reeta

And it seems like that it's so counterintuitive, I think, with many financial institutions, and probably they were experiences when you went with mom to the bank where you saw a completely different world. Were there things which formed your view, which holds so strong to the culture of equity?

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James

Yes. I was, loaned, 16, 17 years, when, the Kenya Tea Development Authority or the organ that, process tea for the small scale farmers had stopped giving these monthly brown envelopes to the farmers and forced all of them to open bank account. And ideally, so my mom, as I early on said, had not gone to school.

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James

So she carried her son to go with her.

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Reeta

So you accompanied her

00:21:04:23 - 00:21:40:04

James

Yes. To the to the bank so that, I could write, the yellow or blue, slip for her, the withdrawal slip. And there is this, bank officer who called loudly, Grace Wairimu Mwangi. There is no money and threw the slip to my mother. It meant that, tea agency had not processed payments, and, so my mom had not been credited.

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James

But the humiliation, because this is being said in, their local language, the humiliation that my mother went on. Why are you coming to the bank when you have no money? Yeah. You know, the issue of, infringement on privacy, the indignity of treatment, the abstract, of seeing her only on an empty account, but not to the human dignity of.

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James

now, of this account. And this humiliation of my mother before me. So at 28, which, is broadly ten years later when, by then i developed the beliefs and the corporate philosophies of Equity. That was the first thing to change. That Equity would be a purpose driven organization.

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James

And the purpose is to give dignity, honor, change lives and expand opportunities for wealth creation for its members. So dignity was first before financial services. Honor was central because it's not what you do to me, it's how you do it that really. So I didn't like how my mother was treated and that really formed it

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James

The second thing is, I said it's not just purpose. But the how must be defined by the values we must all live. And that is how we build value based, Equity building society. And the values were very special.

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Reeta

I think one of the most telling things about an organization which is imbued with such strong values, first of all, it's extraordinary. People know about the storied growth of a building society to bank to one of the largest banks in the region and now with a footprint in seven countries. But it's not just those values. It's those values that enable innovation.

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Reeta

And the bank has been nothing but innovative with particularly with the use of technology. But you've also introduced, products, I guess I could say, which are accessible, affordable, free. Free checking accounts. I mean, yes, and savings accounts for your customers and for the members. That innovation, that ability to think about to be competitive and yet highly relevant to the lives of the members.

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Reeta

How do you do that?

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James

Yeah. If you look at the construct of financial institutions, it's legal frameworks, you are told this is a current account. This is a loan. This is, a treasury instrument. And that's what people practice. So it becomes supply driven. It doesn't care whether it does a handshake with the demand. So for us, we constructed it from the village.

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James

For me, the successful bank was the one that, my mother became the standard. Does she understand? Is she's treated differently from how I saw her being treated when I was 16 with indignity. And so it is focused group conversations with the villagers. And, when we started, the journey in 1991, only 4% of Kenyans had a bank account.

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James

And so we said banking is not in the marketplace. Banking is a niche, 4% is a niche, 96% is the market, and the market is excluded. There's nobody in the market. So we said, how do we get into the market? And when we did the focus group discussion in the village, seated, in people's houses or in the shopping centers, we discovered that, there were about seven barriers that made, people from the Nyagatugo village, not access the bank.

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James

The first most ridiculous one, was that they must have been introduced by somebody who has their current account. There was nobody in the village who had a bank account, so.

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Reeta

They couldn't be introduced.

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James

The whole village was condemned never to have bank accounts. There was nobody to introduce them. So yes, if a Kenyan government has given you an ID, it knows you. So I said this is a rule that we'll break from day one. So we removed, introductions. And so the introduction is the identity that you have been given by the Kenyan Government.

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James

The Kenyan Government knows you. If you have tea, the Kenya Development Authority has given you a tea number through which your proceeds are processed. That will introduce you. And, that's what we are getting. That's all the proceeds we are getting. So it was a governance accountability problem. The second thing was, a requirement that, you had, to keep a minimum of 10,000 shillings.

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James

in your bank account. At that time, a university graduate who was earning 4500 and here is ten. So it's two and a half months of salaries sitting in a bank, earning you nothing because it's a minimum balance. And yet you have not even bought, the needs of, the house or you are not able to pay rent.

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James

And, so I said: What about if we abolish the minimum balance? The second thing is there was something called the

ledger fee. Every month, the bank deducted 300 shillings from your account, whether you went to the bank or not. So it was not related to service. It's an arbitrary fee, to maintain the bank.

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James

I said if you don't give me service, why are you charging me?. So we abolished ledger fee. The fourth one was the most ridiculous one. It's my money, but I can't go to the bank more than once in a week. So if I withdraw money on Monday for the rest of the week, it doesn't matter what happened. Whether my child or my spouse got sick, I could not go and withdraw money.

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James

And if you went, you were turned down to come after seven days, it's your money and you couldn't be explained anything. I later realised that it was about liquidity management to bring certainty about liquidity, how they withdraw money from central bank. I said this is equally ridiculous. But, if we wanted to withdraw more than, then there was a limit on how much you could do with the dough.

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James

You could not withdraw more than 10,000. And if you wanted to withdraw more than 10,000, you give notice of 14 days. So if your neighbor was selling a cow and you had money and it was costing more than 10,000, you missed the opportunity to buy. Because your neighbor is selling, because he has a need to, you know, and will not wait for 14 days.

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James

So I said, let's, remove this. And suddenly we realized, the villagers confirmed these are all the when we removed those, limitations, Equity grew, like bush fire, in the savannah. This wildfire in the savannah. And from being the smallest, financial institution number 66 out of 66 with, only 2800 members, today, we have 22 million members in the region, in Kenya, reaching 60% of all bank accounts. Why, because it became advocacy.

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James

We had given the community what it required, not, supplying them. It became deep demand driven. And that is when Equity became a demand driven institution. When you listen to the sound of the leader, you listen to the market and respond to the market instead of expecting the market to respond. So what then that means is the products are appropriate, the pricing is appropriate.

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James

The delivery is appropriate. And that was the genesis of our innovations. We realized that initially brick and mortar, the biggest, cost structure was not even what we are charging. It's communities traveling 70km to come to where the branch is. So the first innovation, which was very interesting, was, mobile on four wheels.

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Reeta

Mobile on four wheels. Yeah.

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James

Where we have these Land Rovers that takes banking services to the community once a week with a very big tag line, taking banking services to the people. And later than we realized. Yeah, this is very effective. It is saving them this substantial cost of access. It's not the bank charges is the access. That was the biggest problem.

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James

It required a day or sometimes two. And the cost of the public transport cost was higher than all the charges of the bank put together, let alone we realized, members to the village had were opening a book, a black book account with the shopkeeper who, whenever they have excess money, if they sold something, they never kept the money at home.

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James

They gave it to the shopkeeper. When they are, they, shopping, they don't pay because they will pay at the end of the month. The record, it's on credit. And we said, this shopkeeper is doing intermediation. Well done.

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Reeta

The shopkeeper is a banker

00:32:01:16 - 00:32:23:11

James

A banker of the villagers. Why don't we formalize what they are doing, what the community understands. Bring that into the bank. So what we did was to introduce them as agents of the bank. This was very difficult because central bank could not understand how a shopkeeper could be a bank representative. But after, arguing for six years, they said, let's try it.

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James

An agency banking was born and we became the grandfathers of agency banking in the world and broadly the banker became our agent. So instead of, people banking with him, they are banking with the bank through

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Reeta

The shopkeeper

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James

And withdrawing from the shopkeeper. So I no longer need the Landrover to come once a week. They can get their money every week and they can relate to it. And when it came to lending, the shopkeeper could guide me because they have knowledge, not just of the villagers, but their families and, the traditions and practices. So we gathered very critical information about the customer that helped us to do credit analysis and that really brought, closed the last mile of banking. Later on, of course, with the journey of innovation, we realized, we could now move from the shopkeeper and put banking, on the phone of

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James

the customer. We realised the customers didn't have smartphones. So we applied for an MVNO license and got access to the SIM card. And we called it Equitel. And we put SIM card, loaded the banking application on, the SIM card and gave all our customers and essentially they became digital with the feature phones.

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James

And, the rest is history. Now, you have your bank with you. You bank. We bridge time and distance anywhere, everywhere, anytime. And compressing distance and time delivered unparalleled convenience.

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Reeta

The other thing which we started to talk about a moment ago was that, you know, education. And I know it's close to your heart because you're a chancellor of university. But through this whole process of innovation and change and

growth, you've also demonstrated that a financial institution isn't just a financial institution. It's also a platform, a place where other services could be delivered to meet needs in the community.

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Reeta

And that has to do with education and using the branch network, using the knowledge of communities to help identify young kids who are so, so deserving of an education but who struggle to come up with that tuition fee to be able to pay for the fees and, talk to us about what that program, that process, the Wings to Fly program.

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Reeta

What has that done to the culture of the bank, as well as to the lives of, of so many young people and their families?

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James

Thank you very much. As we observed, early on the construct of this bank, is giving dignity, honor, changing lives and expanding opportunities to wealth creation. You notice, It's very difficult, to say the bank is giving dignity and honor and changing lives because there must be products and tools. Those apply based on the individual.

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James

So from the very beginning, we felt that there was a need to have two arms of the bank, a social arm, and an economic arm, that do financial services and the other one social interventions. And that's how we ended up with Equity group, the banking, the, the financial group and Equity Group Foundation and these arms work together.

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James

And we realized that, because I was brought up with the view of sharing whatever there was, not to, address my greed, but to ensure my siblings also got something. So we didn't need to fill, We ate to ensure everybody got a piece. And broadly, the community has indeed invested in me. I learned one thing about shared prosperity.

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James

We were sharing in the family. The community was sharing, to my education. And when I went back in giving back, educating them with their knowledge. And that was so we asked, can we create a construct that, would be able to do? And we said, what does the bank give community in return to the footprint of a community walking through that door every day to Equity bank trusting, giving it's best son, the one that they had educated.

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James

And I said there should be an obligation to share. The construct initially was, 2% of the revenue of the bank must be, returned to community. Call it, socio impact investment, call it what you want to call. But that was a contribution to community. And the first, the way we first of all used it was to educate the community so that they could benefit from the product of the services of the bank.

00:38:00:02 - 00:38:24:03

James

But the community had greater challenges than that. There were, young James Mwangi's in the village, and there were young leaders in the village who could not go to school. And young Grace Mwangi's. So we said, let's create a program. The needy kids, could, and we started that.

00:38:24:03 - 00:38:42:15

James

Then we said, the village is educating these kids, and they have nowhere to go. We said, why don't we encourage every

child who is doing very well in the village that if they do well, they come for an internship in the back to make it easier for them to be able to get a job because of they will.

00:38:42:15 - 00:39:16:24

James

say they have interned with Equity. So we called it, the pre-university education program where you come to the bank for two years before you go to university. Me, I taught for two years in Nyagasugu secondary school. So that program, became the educational program. And we are lucky that, in, 2008, we, partnered with the Mastercard Foundation and created the venture, what became Wings to Fly

00:39:17:01 - 00:39:38:11

James

And wings to Fly was looking at children who could not transit from the free primary education to the paying secondary education. We had realized that, the internship program, when we did a deep dive, we realized the children who are coming to the bank after Form Four where all from the middle income and above.

00:39:38:13 - 00:40:03:12

James

So we asked ourselves, how comes the children of the very poor, the orphans are not making it to the bank. And we realized, the were not transitioning to or graduating to secondary education. And we said, let's create a bridge. And I think in a conversation, with, you Reeta, we baptize that bridge.

00:40:03:13 - 00:40:31:02

James

No, we said, let's not create the bridge. Let's give them wings to fly from primary to secondary and to their destination, because the the wings will remain with them forever for life. Looking back together, we have done 22,000 Wings to Fly, scholars. And that inspired, other partners. And eventually we started the Elimu Scholarship Program with the World Bank.

00:40:31:04 - 00:41:04:12

James

And when you look at it today, we have 60,000 scholarships that we have given to secondary education. To me, it's not the scholarship that we gave, but it's the inspiration to the young people to be their best. Yeah. We have a transition rate of, 97%. While the transition or completion rate of 97%, while the completion date for the nation is, only 64%.

00:41:04:14 - 00:41:11:05

Reeta

You know, it's certainly extraordinary. And it's a real testament to what can happen when this opportunity.

00:41:11:07 - 00:41:39:20

James

And it's not just that it's, how opportunity inspires people to give their very best. The transition late to university is at 82% when the national transition is at 13%. That is really the impact. So that is what, the program of education was all about. But later on we realized that productivity is not, purely on education.

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James

It was also about health. So we then said, let those who don't make it to university go to Tvet education. And we are excited how much they are getting skills and all of them getting employment. Those who went to university, we eventually realized they can solve most of their society's problem. So we looked at, the 20 to 23,000 who have made it to university and realized 1800 had done medicine, and we said, what about

00:42:12:09 - 00:42:43:12

James

We created a franchise. We don't need to do medicine. The bank doesn't understand, but we can enable the doctors to solve this problem. So we created Equity Afya franchise and made the the doctors franchises. Today we have 132 hospitals. Last year those hospitals saw 1.2 million patients, they are affordable, they are accessible and they are of the highest quality.

00:42:43:14 - 00:43:25:16

James

And that, we realized, so essentially we developed a concept of, corporate philanthropy. We realized corporates can be the biggest giver and promoters of philanthropic initiatives that helps society to de-risk and to capacitate to society. So and that is how, again, with the Mastercard Foundation, we went to looking at, young people and developed the product, Young Africa Works, where we trained them, we killed them.

00:43:25:18 - 00:43:56:09

James

We de-risk them by training and by guaranteeing and provide them credit. And looking now, we have trained about 680,000. We have given about 500,000 of them loans and have created 2.4 million jobs to their peers. So society can solve its problem if it's catalyzed. And really get ecosystems to lead, to develop. And, you don't come in between.

00:43:56:11 - 00:44:22:06

Reeta

Think for for everything you've spoken about. It demonstrates that, a financial institution is not a financial institution. It is an agent of change. When it listens, when it listens to community and when it, holds hard and holds fast to certain core values to be in service. And that's why your customers are members and they really set the pace.

00:44:22:06 - 00:44:45:13

Reeta

And I'm so, so grateful, James, when you look out at the larger, the world ahead, starting with the continent of Africa, you know, with we know the challenges, but we also know the possibilities. And we see probably the single most important asset that's ever greening. And that's young people. What do you have to say to young people?

00:44:45:15 - 00:45:10:24

James

I think, when you look at the world, there are few constructs that we need to think of. The first one is the role of business. Business thrives, because, it enjoys, license from host communities, the license that allows them to operate their license that, makes the community to consume.

00:45:11:01 - 00:45:46:08

James

And essentially then we need to define relationships, between the business and host communities. And, that business must be a partnership. And, communities must become stakeholders in business. So that, we can create sustainability and mutuality and build trust. So the business is not accused of extracting, using the pricing mechanism and may be fall into the trap of capitalism that eventually is said to destroy itself.

00:45:46:10 - 00:46:13:12

James

But looking at, the African continent, it is true. The mean age of Africa is eighteen, a very, very young continent, but more importantly, a fast growing, population, estimated by the world Bank and IMF. For that, by 2050, Africa will be 26% of the global population. But more importantly, that the 33% of the labor force.

00:46:13:14 - 00:46:54:10

James

So that, gives two perspective of that young African population, this is a digital generation. Maybe it's a generation born, at the most advanced, level of technology and knowledge. So it has and possesses an asset that the world should recognize that this is a generation born during the age of AI, generative Ai, analytics, platforms.

00:46:54:12 - 00:47:23:04

James

And they are natives to it. And it can be a huge asset, in sweating those assets, it's easier to train them because training and developing them, they them can be built in their school curriculums. Than training them. The second thing is with technology, that labor can be a gift and a dividend to the entire world.

00:47:23:04 - 00:47:23:15

Reeta

Yes.

00:47:23:19 - 00:47:54:23

James

Can work from home and work anywhere. Yes. So that limitation but for that them to become a global asset, there's need to capacitate them, to train them, and to develop them because they are at that age of education. So this aspect of looking at education curriculums in the African go and make them relevant, a little bit more, make them agile to respond with, dynamics that, we are seeing in society.

00:47:55:02 - 00:48:29:23

James

It also means re-training the teachers so that the teachers become, allies, the, agents of empowerment. The student can be better than, the, teacher in class. And, they also expose the teachers. But then looking at it is then asking ourselves, is there an opportunity to rethink the global supply chains, given that the highly, growing labor force needed is in Africa?

00:48:30:00 - 00:48:56:23

James

Should the supply chains be of taking raw materials from Africa to the market place to process, or should we process in Africa, where that all material, whether the labour, the land , whether at all the factors of production are and the only thing that that needs to flow is capital. Yeah. So instead of raw material flowing, capital flows. And what we would do then do is quickly create opportunity, job opportunities for these young people.

00:48:57:00 - 00:49:33:01

James

But as we do that, we may not need necessarily to wait for investors. If we add in the curricula entrepreneurship training, these young people can team together. And, institution like Mastercard Foundation and Equity Bank can extended their philanthropic work to de-risking and empowering these people to be the young entrepreneurs. One of the things I'm very proud of is that, 72% of all Equity borrowers, the micro, small and medium enterprises.

00:49:33:03 - 00:50:05:19

James

We are now converting these young people into enterprise, new as and challenging them to start small, but to leave gradually leave us, the economic value chains so that they process, they create value they trade between themselves. And I'm glad their policies like the African continental free trade then that creates a bigger market for them that create exchange such that.

00:50:06:00 - 00:50:35:20

James

And that also allows every country then to focus on what it has a competitive edge on, and then trade. And once you create huge dependance on trade, I believe we will also be addressing the issue of security. The issue of conflict, because we have a shared, prosperity and we have shared problem and that again, technology again would be a very huge enabler if we really looked at, platforms.

00:50:35:22 - 00:51:13:13

James

Wow. Such that, the platforms become public resources, they become public infrastructure, then these young people don't have to invest in the public infrastructure, the leverage and build businesses on public infrastructure that also is the market place. So there is a huge chance if, leaders we accept to confront the challenge of Africa, if we don't confront the challenge of, these young people, getting opportunities to livelihood, then they will continue to be, a migration problem.

00:51:13:15 - 00:51:30:19

James

They will continue to be a risk for social order. So it will be important for leadership to rethink the models, the global construct, the business construct, and the opportunity construct.

00:51:30:19 - 00:51:41:06

Reeta

Yes. So, James, one of the things you had talked about was mom and the values that she instilled with you. What did you learn from her?

00:51:41:08 - 00:52:08:04

James

Yeah. On hind sight, when I look back, because now I understand, mom had not gone to school, but she was very respected in the village because of the way she carried herself. Her behavior was admired. And then I realize it's the values that she lived. And it now dawns on me when mom kept on saying, yes, I'm taking you to school.

00:52:08:08 - 00:52:31:24

James

But your values are important. Your values will make you to be trusted. You are values who make you come out as dependable. And I could see the village used to as the treasurer for the village program. So cattle dip the tea buying center. She was trusted. But I learned a little bit about governance and transparency.

00:52:32:01 - 00:52:57:09

James

Every time. Because the meetings will be in her house. She could say, now treasurer read for us the minutes. Only later did i realize, because she could not clearly read the minutes, she wanted the committee members to confirm what was written was what and the amount of money she was left with is what was documented.

00:52:57:15 - 00:53:50:06

James

So the issue of transparency, accountability, humility, honesty were inculcated. And she emphasized values before work. She emphasized, values before education. She'd say, there's nothing in education without values because your relationships with people is not defined by your education, but by who you are. Can they rely on you. Can they depend on you. And those are the values that we then said, can we bring them to the bank so that we can enjoy the same reliability and dependability my mother, enjoyed when she was a treasurer to the village because we were also the custodian of people's money.

00:53:50:08 - 00:54:22:06

Reeta

Amazing story. Everything you've spoken about is about creating ripple effects. Yeah, about starting with the building society, which has transformed itself into this powerhouse for Equity. Not just that, the name of the organization, but it's really equity. For young people, for their families, for rural communities, and to demonstrate that, an institution which is called a bank or a financial institution can do so much more.

00:54:22:08 - 00:54:41:05

Reeta

So, James, thank you. Thank you so much for being part of this conversation, for sharing your knowledge, sharing about your life, and sharing what your mom and how those early beginnings were not really just so formative. They really set the direction for the trajectory of your life. Thank you.

00:54:41:07 - 00:54:44:10

James

Thank you very much. I'm grateful for this opportunity.

00:54:44:13 - 00:55:34:18

Reeta

Thank you. From a young boy in rural Kenya, growing up amidst the challenges of financial exclusion to rising as a global icon, transforming the lives of millions from building one of Africa's largest and most impactful financial institutions to pioneering transformative initiatives in education, healthcare and entrepreneurship. From influencing policies that accelerate Africa's economic integration to igniting a continental wide movement for inclusive growth, doctor James Mwangi stands as a testament to the extraordinary impact of vision, innovation and unyielding commitment to lifting others.

00:55:34:20 - 00:55:42:03

Reeta

He embodies what it truly means to transcend boundaries and inspire progress on a global scale.