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Intentional Versus Incidental Inclusion: A Comparative Analysis of Enat Bank and Addis International Bank in Advancing Women's Economic Empowerment through Microfinance in Ethiopia

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Abstract:
This review article presents a comparative analysis of two Ethiopian commercial banks – Addis International Bank (AdIB) and Enat Bank, examining their respective approaches to women's economic empowerment through microfinance. Ethiopia presents a striking paradox: women own the majority of micro and small enterprises yet face a 19-percentage-point gap in account access and are 1.5 times less likely to receive formal loans than men. Closing these gender gaps could increase Ethiopia's GDP by an estimated US$3.7 billion annually. Using institutional theory, feminist economics, and the capability approach as analytical frameworks, this review contrasts AdIB's incidental inclusion model, broad-based financial access without gender-specific mechanisms, with Enat Bank's intentional inclusion model, gender-led governance, collateral-free lending, and targeted non-financial services. The analysis reveals that Enat Bank's approach produces superior empowerment outcomes, demonstrated by its "Transformational" rating on the National Bank of Ethiopia's Women's Financial Inclusion Scorecard, 12,000 women trained in financial literacy, 1.4 billion Birr disbursed in collateral-free loans, and a 99.1% repayment rate. AdIB, despite strong financial performance with 85% profit growth, was assessed as "Neutral" or in "Emerging Awareness," indicating foundational engagement with gender inclusion. The review concludes that women's economic empowerment is not an automatic byproduct of financial inclusion but a deliberate institutional design choice. Policy recommendations include gender-lens targets for banks, collateral substitution mechanisms, governance diversification, and expanded gender bonds. This analysis contributes evidence that intentional inclusion is both socially transformative and commercially viable, offering actionable insights for financial institutions, policymakers, and development partners seeking to unlock Ethiopia's US$3.7 billion opportunity through women's economic empowerment.
Keywords:
women's economic empowerment; financial inclusion; microfinance; intentional inclusion; Ethiopia.

I. Introduction

1.1 Background and Context

Ethiopia presents a striking paradox in women's economic participation. Women own the majority of micro and small enterprises across the country, yet they remain systematically excluded from the formal financial systems essential for business growth and sustainability. This contradiction is not merely an equity concern; it is an economic imperative with profound macroeconomic implications.

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The scale of financial exclusion is stark. In 2021, the gap in account ownership between men and women in Ethiopia stood at 19 percentage points, one of the largest in Sub-Saharan Africa (World Bank, 2025). Women hold just 14% of mobile money accounts, are 1.5 times less likely to receive loans, and when they do, the amounts are often far smaller than those offered to men (World Bank, 2025). Between 2016 and 2022, this gender gap more than doubled, growing from 10 percentage points to 21 percentage points, with the gap persisting across all age groups (World Bank, 2023). In rural areas, it expanded to 23 percentage points, compared to a steady 15-point gap in urban zones (DevDiscourse, 2025). These disparities persist despite evidence that financial inclusion significantly enhances women's economic agency (Woldeamanueal and Goshu, 2026; Goshu and Ridwan, 2025). Research demonstrates that greater access to financial services contributes to improved economic outcomes for women in Ethiopia (Abdisa & Giday, 2023; Goshu and Ridwan, 2026). The gender gap in financial inclusion is influenced by determinants including age, income, education, employment, and mobile ownership, with age, employment, and education having the greatest effect (Gebru & others, 2023; (Woldeamanueal and Goshu, 2026).

The macroeconomic stakes are considerable. According to World Bank estimates, closing key gender gaps in economic participation, including access to finance, could increase Ethiopia's gross domestic product by up to **US$3.7 billion annually** (World Bank, 2025; The Reporter Ethiopia, 2019). This figure is disaggregated across multiple sectors: the gender gap in agricultural productivity costs an estimated USD 1.1 billion (1.4% of GDP), with women lagging behind men by 36 percent in agricultural productivity; the gap in business revenues entails an additional USD 1.1 billion (1.4% of GDP), with women lagging behind their male counterparts by 79 percent in business sales; and the wage employment sector accounts for approximately USD 1.5 billion (1.9% of GDP), with women facing a 44 percent gap in hourly wages (The Reporter Ethiopia, 2019). Beyond agriculture and entrepreneurship, closing gender gaps in farming and entrepreneurship could unlock $2.2 billion in GDP (World Bank, 2025). These figures represent not merely statistical projections but tangible opportunity costs borne by the Ethiopian economy each year that women remain financially excluded. The financial exclusion of women thus constitutes a binding constraint on Ethiopia's growth trajectory.

In response to these challenges, Ethiopia's financial landscape has undergone significant transformation. The National Financial Inclusion Strategy II (NFIS-II, 2021–2025) aspires to achieve a financially inclusive Ethiopia based on the principles of universality, quality, and sustainability (FSD Ethiopia, n.d.). The Strategy makes explicit reference to enhancing financial inclusion for women and commits to increasing women's financial inclusion and access (Gender Links, n.d.). It targets cutting the gender gap in account ownership from 19 percentage points to 10 by mid-decade (StockMarket.et, 2025). In March 2025, the National Bank of Ethiopia (NBE), in partnership with the World Bank's Africa Gender Innovation Lab, launched Ethiopia's first Women's Financial Inclusion Scorecard, a pioneering tool to help financial institutions assess how well they serve women as clients, employees, and leaders (World Bank, 2025; NBE, 2025). Ethiopia is now the second country globally, after Pakistan to implement such a tool (World Bank, 2025). The Scorecard provides a structured approach to assess institutional performance across three critical dimensions: women in the workforce, women's use of financial products, and financial innovation tailored to women's needs (NBE, 2025; Goshu and Ridwan, 2026). The first reporting cycle assessed 30 banks, with the average score of 2.95 out of 5 placing most institutions in the "Building Momentum" stage (NBE, 2025; Addis Fortune, 2025).

Commercial banks have emerged as increasingly important actors in the microfinance space, moving beyond traditional corporate and SME lending to serve previously unbanked segments of the population. Among these institutions, two banks have adopted notably different approaches to women's economic empowerment: Enat Bank, founded in 2013 by a group of leading Ethiopian businesswomen with an explicit mandate to empower women through inclusive banking, and Addis International Bank (AdIB), established in 2011 with a broader mission of financial inclusivity for low and middle-income groups without a specific gender focus. The contrasting institutional designs of these two banks provide a compelling natural experiment for examining how organisational mandates shape women's financial inclusion outcomes.

1.2 Problem Statement and Research Gap

While a substantial body of literature examines the role of microfinance in women's economic empowerment in Ethiopia, comparative analyses of institutional mandates within commercial banking remain conspicuously scarce. Existing scholarship has predominantly focused on traditional microfinance institutions (MFIs) rather than commercial banks, which increasingly dominate the financial inclusion landscape. Furthermore, there is a notable absence of empirical synthesis examining how governance structures, including board composition, ownership patterns, and institutional mission, translate into tangible empowerment metrics for women clients.

The National Bank of Ethiopia's Women's Financial Inclusion Scorecard provides a valuable framework for addressing this gap. The inaugural reporting cycle, which assessed 30 commercial banks, revealed a sector predominantly in the "Building Momentum" category (average score 2.95) (NBE, 2025). However, the range of performance was striking. Enat Bank achieved the highest possible "Transformational" rating, demonstrating sector leadership across all dimensions with inclusive internal practices, women-focused product development, and innovation tailored to women's needs (NBE, 2025; Addis Fortune, 2025). Enat was the only institution to achieve a "Transformational" scores (Addis Fortune, 2025). In contrast, Addis International Bank was assessed as either "Neutral" or in "Emerging Awareness" the lowest tier, indicating foundational or early-stage engagement with gender inclusion (Addis Fortune, 2025; NBE, 2025). This divergence, occurring within the same regulatory environment and serving overlapping markets, demands systematic investigation. Yet no study has comparatively analysed how these two institutions' distinct approaches, one intentionally gender-led, the other incidentally inclusive, produce different outcomes for women's economic empowerment.

This review article aims to address this gap through a systematic comparative analysis of Enat Bank and Addis International Bank. Specifically, the objectives are: (1) to comparatively review the institutional frameworks, governance structures, and product ecosystems of both banks; (2) to evaluate which model, "intentional" (gender-led) or "incidental" (broad-based inclusion), more effectively dismantles the barriers to women's economic advancement; and (3) to synthesise measurable outcomes across both institutions to identify the mechanisms through which institutional design influences empowerment outcomes. The scope encompasses the banks' founding mandates, ownership and governance structures, product portfolios (with particular attention to women-specific offerings), non-financial services, and documented impact metrics, contextualised within Ethiopia's evolving financial inclusion policy framework.

This review holds significance for multiple constituencies. For Ethiopian policymakers and the NBE, it provides evidence-based insights to inform the ongoing implementation of the Women's Financial Inclusion Scorecard and the refinement of regulatory expectations for financial institutions. The Scorecard is designed not as a compliance or enforcement tool but as a shared learning framework that highlights progress, promotes transparency, and enables institutions to learn from the practices of top performers (NBE, 2025). For financial sector practitioners, the comparative analysis illuminates actionable pathways for moving from "Emerging Awareness" to "Transformational" practice. For prospective investors and development partners, the review demonstrates the commercial viability and social impact of gender-responsive banking models. Finally, for the broader scholarly community, this analysis contributes to the theoretical understanding of how institutional design mediates the relationship between financial access and women's economic empowerment.

II. Review of Literature

2.1 Defining the Core Dichotomy

The central analytical distinction in this review is between two paradigmatic approaches to women's financial inclusion: intentional (gender-led) inclusion and incidental (trickle-down) inclusion.

Intentional Inclusion refers to institutional frameworks wherein women's economic empowerment is embedded in the organization's founding mandate, governance structure, product architecture, and operational culture. As CGAP observes, financial sector regulators must be "gender-intentional, and to actively consider how their regulations influence outcomes for women customers so that women do not continue to fare worse than men". The concept moves "beyond gender-neutral offerings to intentionally 'design for women'". Intentional inclusion is characterised by: (a) governance mechanisms that ensure women's representation in ownership and decision-making; (b) product ecosystems specifically engineered to address women's constraints, particularly collateral requirements, financial literacy gaps, and mobility barriers; and (c) institutional accountability to gender outcomes through dedicated monitoring and reporting. Enat Bank exemplifies this model. As Tigist Abate, Vice President of Operations at Enat Bank, emphasized, “Women’s financial inclusion and empowerment have been embedded in Enat Bank’s mission since its establishment. Founded by women, the bank has spent the past 12 years transforming this founding vision into tangible actions and opportunities that advance women’s economic participation. It was founded in 2013 by a group of leading Ethiopian businesswomen; Enat Bank offers specialized products including non-collateral loans to women-led enterprises.

Incidental Inclusion, by contrast, operates on a trickle-down logic: women are presumed to benefit from broad-based financial inclusion initiatives targeting low and middle-income populations, without specialized mechanisms to address their unique constraints. As one analysis notes, "unless a financial inclusion programme is designed to specifically include women, it will often exclude them, or at least impact upon them differently to men". Institutions following this model may serve women as part of their general client base but lack gender-specific product differentiation, targeted outreach, or governance structures that ensure accountability to women's economic outcomes. Addis International Bank represents this approach: established with a mission of broad inclusivity for low and middle-income groups, the bank was assessed as either "Neutral" or in "Emerging Awareness", the lowest tier on the National Bank of Ethiopia's Women's Financial Inclusion Scorecard. The bank's product portfolio, while supporting micro and small enterprises generally, does not feature women-specific loan windows or collateral substitution mechanisms.

This dichotomy is not merely descriptive but analytical: it frames the comparative investigation of whether and through what mechanisms, intentional institutional design produces superior outcomes for women's economic empowerment compared to incidental approaches.

2.2 Theoretical Underpinnings

Three complementary theoretical frameworks inform this analysis.

Institutional Theory provides the primary lens for understanding how organisational mandates, board composition, and ownership structures shape strategic priorities and client outcomes. Drawing on foundational work in institutional economics (North, 1990), this framework posits that organisations are embedded in formal and informal institutional environments that constrain and enable particular courses of action. Research on microfinance institutions demonstrates that boards with "more socio-economic expertise and female representation are better able to lower the MFI's costs of operating at the BOP". Female board members have been "associated with an increased diversity of opinions on the board and a positive influence on both strategic decision-making and the leadership style of the organization". The contrast between Enat Bank's governance where women hold majority ownership and board seats, and AdIB's governance, with only one female director among twelve, illustrates how institutional design embeds (or fails to embed) accountability to women's economic outcomes.

Feminist Economics and the Capability Approach, as articulated by Amartya Sen (1999), offer a second theoretical pillar. Sen's capability framework moves beyond narrow metrics of credit access to assess whether financial services expand women's agency, skills, and decision-making power. As one systematic review explains, the capability approach offers "a capability-oriented synthesis that explains not only whether microfinance matters for women's poverty reduction, but also how financial access is converted into capabilities, valued functioning, and uneven development outcomes". The capability approach emphasises that "development is not just about providing resources, but about enabling people to turn those resources into meaningful outcomes". Feminist economics critiques the androcentric assumptions underpinning conventional financial models; particularly the reliance on collateral-based lending that presumes titled asset ownership.

Market Failure Theory provides the third theoretical foundation. Standard credit markets exhibit multiple failures that disproportionately exclude women: adverse selection and moral hazard problems, contract enforcement difficulties, and collateral requirements that systematically disadvantage those without titled assets. As one analysis observes, this "is not just a gender gap - it is a market failure". "Collateral-based lending models persist, even as we know that African women are significantly less likely to own titled assets due to legal, cultural, and historical barriers". Credit systems based on collateral requirements and formal asset ownership structures often disadvantage women, particularly those who rely on customary land tenure arrangements and lack officially titled property assets. When financial systems fail to reach economically productive participants, economies operate below their productive frontier. Intentional inclusion products, such as collateral-free lending and risk-sharing mechanisms can be understood as institutional innovations that correct these systemic market failures.

2.3 Operationalizing Empowerment

To render the concept of women's economic empowerment measurable and comparable across institutions, this review operationalizes empowerment through five indicators, aligned with the National Bank of Ethiopia's Women's Financial Inclusion Scorecard framework.

First, access to collateral-free credit constitutes a foundational indicator. Collateral requirements represent the most significant structural barrier to women's access to formal finance. The availability and scale of collateral-free or reduced-collateral lending products, and the number of women reached, provide a direct measure of institutional commitment to overcoming this barrier.

Second, financial literacy and business training measures the non-financial services that convert credit access into sustainable economic capability. Training in financial management, business planning, and entrepreneurship addresses the supply-side constraints that prevent women from fully utilising financial services.

Third, agency and decision-making power captures whether financial inclusion translates into expanded control over economic resources. CGAP's menu of 19 indicators for measuring Women's Economic Empowerment identifies "percentage of women able to make financial decisions without consulting others" and "percentage of women who participate in household financial decisions" as critical empowerment metrics.

Fourth, institutional regulatory recognition provides external validation of institutional performance. The NBE Scorecard assesses institutions across three dimensions: women in the workforce, women's use of financial products, and financial innovation tailored to women's needs. The five-tier classification, from "Neutral" through "Emerging Awareness," "Building Momentum," and "Intentional" to "Transformational", provides a standardised benchmark.
Fifth, governance and accountability structures capture the institutional mechanisms that ensure sustained commitment to women's empowerment. This includes the proportion of female ownership, board representation, and senior management, as well as the existence of dedicated women's empowerment strategies, monitoring frameworks, and product innovation pipelines.

III. Research Methods

3.1 The National Policy and Regulatory Environment

Ethiopia's commitment to women's financial inclusion has been formalized through successive policy frameworks. The National Financial Inclusion Strategy II (NFIS-II, 2021–2025) aspires to achieve "a financially inclusive Ethiopia based on the three main principles of universality, quality, and sustainability". The Strategy makes explicit reference to enhancing financial inclusion for women and commits to gender-sensitive financial and digital literacy, equitable representation in leadership roles, and women-targeted financial services designed with women in mind. NFIS-II targets cutting the gender gap in account ownership from 19 percentage points to 10 by mid-decade.

In March 2025, the National Bank of Ethiopia (NBE), in partnership with the World Bank's Africa Gender Innovation Lab, launched Ethiopia's first Women's Financial Inclusion Scorecard. Ethiopia is now the second country globally, after Pakistan to implement such a tool. The Scorecard provides a structured framework for financial institutions to assess their performance across three critical dimensions: women in the workforce (30% weighting), women's use of financial products (50% weighting), and financial innovation tailored to women's needs (20% weighting). As the NBE emphasizes, the Scorecard is not intended to function as a compliance or enforcement mechanism; rather, it serves as a shared learning framework that recognizes progress, strengthens transparency, and enables institutions to adopt and adapt best practices from leading performers.

The inaugural cycle assessed 30 banks, revealing an average score of 2.95 on a scale of 1 to 5, placing most institutions in the "Building Momentum" stage. Only one institution; Enat Bank achieved the highest "Transformational" rating, while Addis International Bank was assessed as "Neutral" or in "Emerging Awareness", the lowest tier. Government mandates are playing a vital role, with regulations requiring at least one woman on every bank board and aiming for a quarter of senior management to be female.

However, regulatory challenges persist. In 2023, the NBE introduced a credit-growth ceiling initially capped at 14% before being adjusted to 24%, constraining banks' capacity to expand financing to SMEs. Collateral laws further compound challenges: financial institutions typically impose stringent collateral requirements for larger loans, and women are less likely than men to own large, collateralizable assets such as housing, land, or vehicles due to inheritance practices, unequal land ownership laws, and social customs.

3.2 The Persistent Barriers to Women's Access

Despite policy commitments, Ethiopian women face persistent structural barriers to financial access. In 2021, the gap in account ownership between men and women stood at 19 percentage points, "one of the largest in Sub-Saharan Africa". The gender gap doubled from 10 percentage points to 21 percentage points between 2016 and 2022. Women hold just 14% of mobile money accounts, are 1.5 times less likely to receive loans, and when they do, the amounts are often far smaller than those offered to men. Women also make up just 22% of digital payments users.

Cultural and legal constraints on property ownership constitute the most significant barrier. As Accion observes, "women often do not own land or assets in their name". Gender inequalities in asset ownership arise from "social norms and customs that favor men's ownership of household assets over women's, including inheritance and marriage practices". While Ethiopia has amended legislation to grant joint land titles, implementation remains uneven. Many women continue to operate under customary land tenure without formal title, limiting their access to credit.

Low financial and digital literacy further compound exclusion. Women are less likely than men to have the financial knowledge and skills needed to use digital financial services. Limited phone ownership, digital literacy gaps, and connectivity issues create additional obstacles. Only about 58% of women in Ethiopia have access to the internet. Digital financial literacy and financial literacy are essential drivers of holistic financial inclusion, requiring "a holistic approach encompassing literacy, technology, and adaptive policy".

Psychological and social barriers also constrain women's economic participation. Restrictive social norms hinder women's mobility and decision-making power. In some parts of the country, women's ability to participate in income-generating activities is restricted to their homes. Women-owned businesses are less likely to be licensed; only 15 percent are formally registered, limiting their access to formal credit. Women entrepreneurs face limited business networks, lack of knowledge on feasible business development, poor management skills, and the need to shoulder household and family responsibilities.

3.3 The Intersection of Commercial Banking and Microfinance

Ethiopia's financial sector has witnessed a significant shift from traditional microfinance institutions (MFIs) to full-service commercial banks entering the microfinance space. This evolution has created new opportunities to bridge the gap between micro-savings and larger SME financing.

Commercial banks like Enat Bank and Addis International Bank operate at this intersection. Addis International Bank (ADiB), established in 2011 by various groups of shareholders including microfinance institutions and Eder institutions, provides comprehensive commercial banking services with a strong emphasis on supporting micro and small enterprises. However, as the NBE Scorecard reveals, the bank was assessed as "Neutral" or in "Emerging Awareness", the lowest tier, indicating foundational or early-stage engagement with gender inclusion.

Enat Bank, founded in 2013 by a group of Ethiopia's leading businesswomen with the mission of empowering women through finance, established a separate financial unit for women in 2014 tasked with facilitating financial access and providing financial education. The first step was developing the Enat Collateral Saving Account, which provides loans to assist women to grow or start new businesses without requiring collateral. The bank offers women-focused savings products including the Silanchi Saving Account with high-interest rates and the Enat Gebeta savings account for women entrepreneurs who need capital to start work and have no guarantee. Enat Bank also launched Ethiopia's first Gender Bond, providing long-term financing to women-owned small and medium enterprises, cooperatives, and agribusinesses. The Gender Bond dovetails with national policy and resonates with the Sustainable Development Goals, translating policy ambitions into a tradable security that enables institutional investors to pursue both returns and measurable social impact.

Cooperative Bank of Oromia's Michu platform has served over 2 million MSME accounts with focused support for women- and youth-led businesses, with women holding 80% of the bank's loan accounts. Dashen Bank, with support from Accion, is building an innovation hub to expand digital banking services to MSMEs with a focus on women-owned businesses. However, as the NBE Scorecard reveals, while credit outreach to women is improving, "products are often generic and poorly tailored to women's unique financial realities". Innovation remains the weakest area, with a sector median score of 2.33. Commercial banks entering the microfinance space must navigate the tension between financial sustainability and social mission, a tension that intentional inclusion models like Enat Bank's demonstrate can be managed through innovative product design and governance structures that embed accountability to women's economic outcomes.

IV. Result and Discussion

4.1 Institutional Profiles and Product Ecosystems: A Comparative Review

The contrasting institutional journeys of Addis International Bank (AdIB) and Enat Bank illuminate two distinct models of gender-responsive banking, one incidental, the other intentional operating within Ethiopia's financial landscape. While both institutions operate within the same regulatory environment and contribute to financial inclusion, their organizational philosophies, ownership structures, governance arrangements, and product ecosystems reveal contrasting models. AdIB represents an "incidental inclusion model", where broad-based financial access emerges from a general mandate to serve underserved communities without a specific gender lens. In contrast, Enat Bank represents an "intentional empowerment model", where women's economic advancement is embedded into the institution's ownership structure, governance mechanisms, product design, and social mission. This comparison demonstrates how institutional identity and governance architecture influence the capacity of financial institutions to address gender-specific barriers in access to finance.

Figure 1. Enat Bank logo, branch exterior and collateral-free loan advertisement. Source: Enat Bank promotional materials (2025).

The visual analysis of Enat Bank's institutional branding reveals a deliberate alignment between corporate identity and the bank's foundational mission of women's economic empowerment. Figure 1 (left) displays the Enat Bank logo, which prominently features the bank's name, "Enat" meaning "mother" in Amharic; positioned above the tagline "Women's Bank." This visual identity is not merely aesthetic but serves as an institutional commitment device, embedding the bank's gender-focused mandate into its public-facing persona. The branding reinforces the bank's explicit mandate to serve women, demonstrating "how institutional design embeds (or fails to embed) accountability to women's economic outcomes".

Figure 1 (right) illustrates the exterior view of an Enat Bank branch, with the institution's name prominently displayed in both English and Amharic scripts, reflecting its Ethiopian identity and accessibility to diverse customer groups. The branch design communicates accessibility and professionalism, essential for building trust with women entrepreneurs who have historically been excluded from formal banking. Every Enat Bank branch bears the name of a pioneering Ethiopian woman, celebrating women's contributions and inspiring communities, a practice that illustrates intentional inclusion in action.

Figure 1 (bottom) depicts Enat Bank's marketing collateral advertising the Enat Collateral Saving Account, which provides loans to women entrepreneurs without traditional collateral requirements. The visual representation of a confident women entrepreneur alongside the product messaging "Get a loan without collateral" captures the bank's core value proposition. This product innovation directly addresses the structural market failure of collateral-based lending, which has historically excluded women who lack titled assets. The collateral substitution mechanism represents the institutional innovation that enables the bank to "fill the void created by women's systematic exclusion from titled asset ownership".

4.2 Addis International Bank (AdIB): The "Incidental" Inclusion Model

Institutional Origin and Mandate

Addis International Bank (AdIB) was established in 1994 through the collective initiative of cooperative organizations, microfinance institutions, and community-based associations, including traditional social institutions such as *eders*. Its founding philosophy emphasized expanding access to formal financial services among previously underserved populations, particularly low- and middle-income households, small enterprises, and community organizations.

AdIB's institutional model reflects an inclusive development orientation, where financial access is viewed primarily through the broader objectives of economic participation and enterprise development. However, its inclusion framework is largely gender-neutral, meaning that women are beneficiaries of general banking programs rather than the explicit target of specialized financial strategies. This approach may increase overall access while leaving persistent gender-specific constraints, such as limited collateral ownership, weaker business networks, and lower financial literacy, insufficiently addressed.

Governance Structure and Gender Representation

The governance structure of financial institutions plays a critical role in shaping strategic priorities. AdIB's board composition indicates limited female representation, with only one female director among twelve board members. This represents approximately 8.3% female representation, suggesting that women remain underrepresented in strategic decision-making processes (Table 1).

Limited representation at the governance level may influence the extent to which women's financial constraints are incorporated into institutional planning, product innovation, and risk assessment frameworks. Although AdIB supports small and medium enterprise (SME) development, its governance structure does not demonstrate a dedicated institutional mechanism for advancing gender-responsive finance.

Table 1. Governance Comparison between AdIB and Enat Bank

Indicator	Addis International Bank (AdIB)	Enat Bank
Founding philosophy	Broad financial inclusion and community development	Women-led financial empowerment
Ownership orientation	Cooperative and institutional ownership	Majority female ownership
Female ownership	Not specifically structured around women ownership	Approximately 61% female ownership
Female board representation	1 out of 12 directors (~8.3%)	Approximately 64%
Gender strategy	General inclusion approach	Explicit gender-responsive strategy
Governance implication	Inclusion through universal access	Inclusion through institutional accountability

Product Portfolio and Gender Responsiveness

AdIB provides conventional banking services including savings accounts, loans, and SME financing products. The bank also collaborates with microfinance institutions to expand access to finance among underserved communities. These interventions contribute to financial inclusion; however, the product portfolio does not demonstrate dedicated women-focused lending mechanisms.

A major limitation is the absence of specialized loan windows designed around women entrepreneurs' realities. Traditional lending approaches frequently require collateral, formal business documentation, and established credit histories. Since many Ethiopian women entrepreneurs operate informal enterprises and have limited ownership of registered assets, these requirements can restrict their ability to access formal credit.

Therefore, although AdIB contributes to broad-based financial inclusion, its model remains primarily access-oriented rather than transformation-oriented. The bank provides opportunities for participation in financial markets but does not extensively modify conventional lending systems to overcome gender-specific barriers.

4.3 Enat Bank: The "Intentional Empowerment" Model

Institutional Origin and Mission

Enat Bank represents a fundamentally different institutional philosophy. Established by a group of Ethiopian businesswomen, Enat was created with an explicit mission of improving women's economic participation through access to finance, entrepreneurship support, and leadership opportunities. The name "Enat," meaning "mother" in Amharic, symbolizes nurturing, empowerment, and economic inclusion.

Unlike conventional banking institutions where gender inclusion is often incorporated as a secondary objective, Enat Bank integrates women's empowerment into its core organizational identity. The institution’s founding structure creates a direct relationship between ownership, governance, and accountability for gender outcomes.

Governance Structure: Linking Ownership to Accountability

Enat Bank’s ownership and governance model provides a strong institutional foundation for gender-responsive finance. Women hold approximately 61% of ownership shares, while women occupy about 64% of board positions. This representation creates a governance environment where women’s financial challenges are more likely to influence strategic decisions.

The relationship between governance diversity and product innovation is particularly significant. A board that reflects the experiences of women entrepreneurs may better understand barriers related to collateral requirements, business networks, financial literacy, and market access.

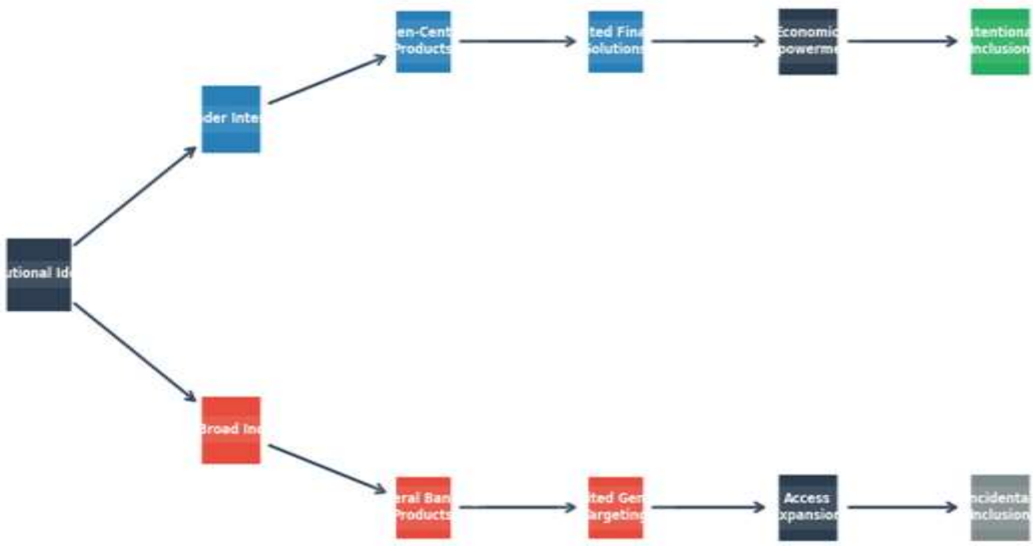

Figure 2. Institutional pathways of gender-responsive banking: AdIB's incidental inclusion versus Enat's intentional inclusion model. Source: Author's conceptual framework (2026).

Figure 2 presents a hierarchical visualisation of the institutional pathways to gender-responsive banking in Ethiopia, illustrating the divergent trajectories of Addis International Bank (AdIB) and Enat Bank. The diagram captures the cascading institutional logic from foundational identity through product strategy, targeting mechanisms, and ultimate outcomes.

The figure reveals a clear bifurcation in institutional design. The left pathway, representing AdIB begins with "Broad Inclusion" as its institutional identity, flows through general banking products with limited gender targeting, and culminates in "Access Expansion" and ultimately "Incidental Inclusion." This trajectory reflects an approach where women are presumed to benefit from broad-based financial inclusion initiatives without specialized mechanisms to address their unique constraints. As the National Bank of Ethiopia's Women's Financial Inclusion Scorecard revealed, AdIB was assessed as "Neutral" or in "Emerging Awareness", the lowest tier, indicating foundational engagement with gender inclusion.

Conversely, the right pathway; representing Enat Bank, commences with "Gender Intentionality" as its core institutional identity, progresses through women-centered products and targeted financial solutions, and culminates in "Economic Empowerment" and ultimately "Intentional Inclusion." This trajectory embodies what the World Bank describes as institutions where "women's financial inclusion and empowerment have been part of the bank's DNA from the outset." The visualisation demonstrates how institutional identity shapes product architecture, which in turn determines whether women experience mere access expansion or genuine economic empowerment.

Product Portfolio Review

Women-Centered Savings Products

Enat Bank has developed savings products designed to encourage women's financial participation. Key products include:

a. Silanchi Savings Account: Designed to encourage savings mobilization through attractive returns and women-oriented financial engagement.
b. Enat Gebeta: A savings platform designed to strengthen customer relationships and promote financial inclusion.

These products move beyond conventional savings mobilization by recognizing that women often require tailored financial mechanisms that encourage asset accumulation and financial independence.

Gender-Responsive Lending Products

Enat Bank's lending ecosystem demonstrates a stronger commitment to addressing structural barriers faced by women entrepreneurs.

Key lending innovations include:

Women Special Loan:

A financing mechanism designed specifically for women entrepreneurs with reduced collateral barriers, including collateral-free lending options under selected conditions.

Collateral Saving Account

A product innovation that enables customers to build collateral eligibility through structured savings behavior.

USAID/SIDA 50% Collateral Guarantee Scheme:

A risk-sharing mechanism designed to reduce lending risks and expand credit access for women-owned businesses.

These mechanisms represent a transition from conventional banking logic, where lack of collateral is viewed as a borrower weakness, toward a developmental finance approach where institutional innovation compensates for structural inequalities.

Non-Financial Support and Capacity Development

Enat Bank recognizes that access to capital alone does not guarantee enterprise success. The bank therefore provides complementary services, including:

a. Entrepreneurship and financial management training.
b. Business networking platforms.
c. Mentorship and capacity-building programs.

Through these initiatives, Enat Bank has reportedly provided training support to approximately 12,000 women, strengthening entrepreneurial capabilities beyond direct financial access.

Financial Innovation: Ethiopia's First Gender Bond

One of Enat Bank's notable innovations is the introduction of Ethiopia's first Gender Bond. This instrument represents an important shift from conventional banking toward gender-focused impact finance by mobilizing resources specifically for initiatives that advance women's economic participation.

The Gender Bond demonstrates how financial institutions can integrate social objectives with capital market mechanisms, creating scalable solutions for gender equality.

4.4 Comparative Product Ecosystem Matrix

The contrast between AdIB and Enat Bank demonstrates two different pathways toward financial inclusion. AdIB follows a universal banking model where women benefit indirectly from general financial services, whereas Enat Bank applies targeted interventions that directly address gender-specific constraints.

Table 2. Comparative product and service ecosystem analysis of AdIB and Enat Bank.

Dimension	Addis International Bank (AdIB)	Enat Bank
Institutional model	Universal inclusion approach	Gender-responsive empowerment approach
Women-specific strategy	Limited explicit targeting	Core institutional mission
Collateral-free lending	No dedicated women-focused window identified	Women Special Loan and targeted mechanisms
Collateral alternatives	Conventional asset-based lending	Collateral saving and guarantee schemes
SME financing	General MSE support	Women entrepreneur-focused financing
Financial literacy training	General customer services	Dedicated women entrepreneurship training
Networking support	Limited evidence of gender-focused networking	Women business networking platforms
Risk-sharing mechanisms	Conventional credit assessment	USAID/SIDA 50% guarantee scheme
Capital market innovation	No gender-specific instrument identified	Ethiopia's first Gender Bond
Governance accountability	Limited female representation	High female ownership and board participation

Source: Author's synthesis based on institutional data (2025–2026).

Table 2 presents a systematic comparative analysis of the product and service ecosystems of Addis International Bank (AdIB) and Enat Bank, revealing fundamental divergences in institutional approach. The comparison illuminates how institutional mandates translate into tangible product architectures that either address or perpetuate gendered barriers to financial access.

The most striking contrast emerges in collateral-free lending mechanisms. Enat Bank's dedicated Women Special Loan and Collateral Saving Account directly confront the structural market failure of collateral-based lending, which systematically excludes women who lack titled assets (World Bank, 2025). AdIB's absence of a women-focused collateral-free window reflects its incidental inclusion approach, where women are presumed to benefit from general SME support without targeted interventions.

Enat Bank's comprehensive ecosystem, including financial literacy training, networking platforms, and risk-sharing mechanisms such as the USAID/SIDA 50% guarantee scheme, addresses the multi-dimensional barriers women face, moving beyond mere credit provision to capability building (Accion, 2025). The launch of Ethiopia's first Gender Bond further demonstrates Enat's capital market innovation, translating policy ambitions into tradable securities that enable institutional investors to pursue both returns and measurable social impact.

Governance accountability provides the structural foundation enabling this product ecosystem. Enat Bank's high female ownership and board participation ensures sustained institutional commitment, while AdIB's limited female representation reflects the broader sector pattern where "women make up only 15% of Ethiopian banks" (World Bank, 2025). This analysis demonstrates that institutional identity and governance structures are not merely symbolic but fundamentally shape product innovation and, ultimately, women's economic empowerment outcomes.

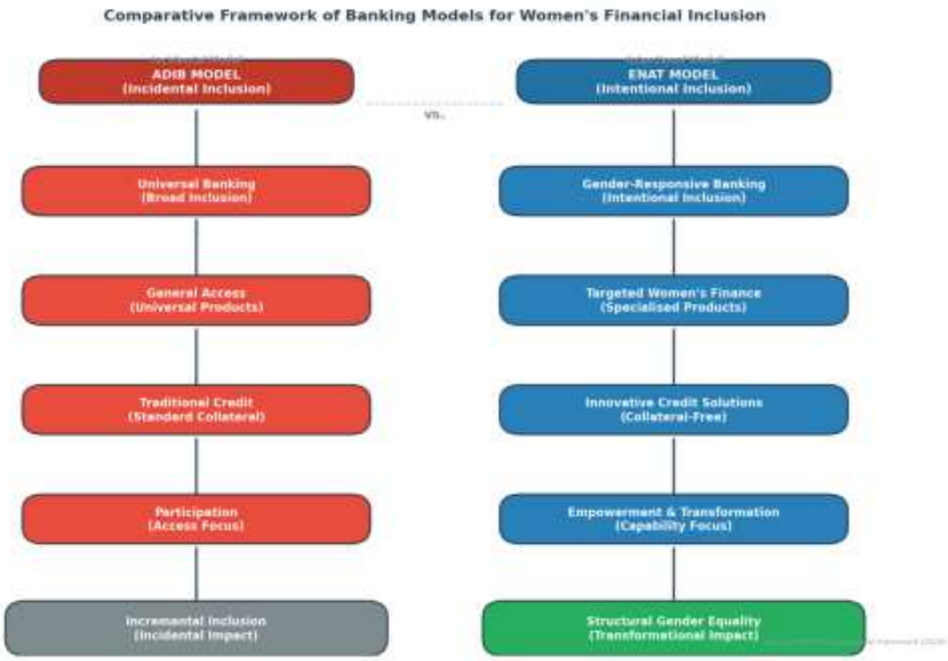

Figure 2. Comparative framework of banking models for women's financial inclusion. Source: Author's conceptual framework (2026).

Figure 2 presents a comparative framework contrasting the institutional pathways of Addis International Bank (AdIB) and Enat Bank, illustrating two divergent models of women's financial inclusion in Ethiopia. The visualisation captures the cascading logic from institutional identity through product architecture to ultimate outcomes.

The left pathway, AdIB's incidental inclusion model commences with universal banking and general access, progresses through traditional credit mechanisms with standard collateral requirements, and culminates in participation-focused outcomes and incremental inclusion. This trajectory reflects what the National Bank of Ethiopia's Women Financial Inclusion Scorecard has identified as "Emerging Awareness", foundational engagement with gender inclusion without targeted mechanisms to address women's unique constraints (NBE, 2025).

Conversely, Enat Bank's intentional inclusion model begins with gender-responsive banking and targeted women's finance, advances through innovative collateral-free credit solutions, and culminates in empowerment, transformation, and structural gender equality. This pathway embodies the institutional commitment where "women's financial inclusion and empowerment have been part of Enat Bank's DNA from the outset" (World Bank, 2025). The contrast between "incremental inclusion" and "structural gender equality" as terminal outcomes encapsulates the central thesis: intentional institutional design produces superior empowerment outcomes compared to incidental approaches.

Analytical Implications

The comparison highlights that institutional design matters for achieving meaningful financial inclusion. While universal banking models contribute to expanding financial access, they may not adequately address structural inequalities embedded in collateral ownership, informal employment, and limited business networks. Enat Bank's experience illustrates how ownership diversity, gender-sensitive governance, specialized financial products, and non-financial support systems can create a more transformative model.

The Ethiopian case therefore demonstrates that gender-responsive banking requires more than increasing the number of female customers. It requires institutional mechanisms that recognize women's specific constraints and redesign financial systems accordingly. The contrast between AdIB and Enat Bank provides valuable evidence that intentionality, governance accountability, and product innovation are central determinants of whether financial inclusion produces genuine economic empowerment.

4.5 Comparative Performance and Empowerment Outcomes

a. Financial Viability vs. Social Impact

The comparative financial performance of Addis International Bank (AdIB) and Enat Bank reveals a nuanced relationship between institutional mandate and commercial viability. Both institutions have demonstrated robust financial growth, though through fundamentally different strategic orientations.

AdIB posted a net profit of 413 million Birr in the 2023/24 fiscal year, surging by an impressive 85% compared to the previous year, outpacing the industry's average net profit growth of around 32%. The bank recorded a 44% increase in total income, reaching 2.4 billion Birr, driven by a 34% expansion in interest income and a substantial 66% growth in fee and commission-based revenues. Total assets grew 22.2% year-on-year, reaching 15.4 billion Birr. AdIB's performance demonstrates the commercial viability of a universal banking model focused on broad-based inclusion, loan portfolio expansion, and digital banking innovation (Figure 3).

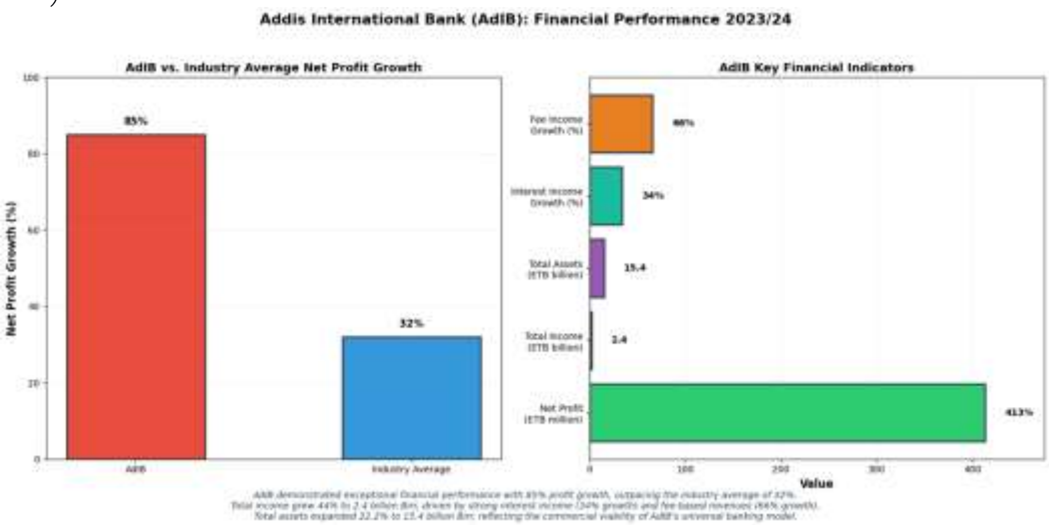

Figure 3. AdIB financial performance: 85% profit growth versus 32% industry average (left), and key indicators (right). Source: AdIB Annual Report (2023/24).

Figure 3 presents a comparative visualisation of Addis International Bank's (AdIB) financial performance, illustrating the commercial viability of its universal banking model.

Figure 3 (left) displays AdIB's net profit growth against the industry average, revealing a striking divergence. AdIB achieved 85% net profit growth, significantly outpacing the banking sector's average of 32%. This exceptional performance demonstrates that a broad-based inclusion model focused on general SME support and digital banking innovation can generate substantial returns. As the National Bank of Ethiopia's (2025) regulatory data indicates, AdIB's growth trajectory positions it among the top-performing banks in the sector.

Figure 3 (right) presents AdIB's key financial indicators, showing total income of 2.4 billion Birr, total assets of 15.4 billion Birr, and net profit of 413 million Birr. The 66% growth in fee and commission income alongside 34% interest income growth reflects successful digital banking innovation and loan portfolio expansion. This financial performance underscores that universal banking models can achieve commercial success without explicit gender targeting. However, as the NBE Women's Financial Inclusion Scorecard reveals, financial success does not automatically translate to women's empowerment outcomes, AdIB's "Neutral/Emerging Awareness" rating indicates foundational engagement with gender inclusion despite strong financial returns. The visualisation thus captures a critical tension: commercial viability without intentional gender focus yields incremental rather than structural inclusion.

Enat Bank, despite its narrower social mission, has proven that gender-focused banking is equally, if not more, commercially sustainable. The bank posted a pre-tax profit of 834 million Birr in the 2024/25 fiscal year, up 17% from 714 million Birr a year earlier. Total assets rose 33.6% to 36.4 billion Birr, while capital increased from three billion Birr to 3.8 billion Birr. The bank generated 5.67 billion Birr in total income, up 32% from the previous year. Net profit reached 706.3 million Birr on total assets of 36.36 billion Birr. Deposits surged to 28 billion Birr, representing the strongest growth in the bank's history, with a 34.6% jump.

However, Enat Bank's financial performance reveals important trade-offs. The bank's cost-to-income ratio climbed to 72%, significantly higher than the industry average of 45% to 60%. Rising interest expenses have compressed net interest margins by 10 percentage points to 29%. Total expenses climbed to 4.83 billion Birr, largely due to a 50% rise in interest costs, adding 1.3 billion Birr to the bank's expenditures. This higher cost structure reflects the bank's deliberate investment in women's training programmes, collateral substitution mechanisms, and branch expansion; Enat Bank opened 120 branches in the past few years, compared to 50 in its first nine years. The bank's executives argue that slower profitability growth reflects a deliberate investment phase rather than a structural failure, with expansion in branches, infrastructure, and digital services necessary to secure long-term viability.

This critical analysis reveals a fundamental tension: Enat Bank's higher cost-to-income ratio represents the price of intentional inclusion. The bank's investment in non-financial services; financial literacy training, business advisory, and mentorship and its collateral substitution mechanisms require substantial operational expenditure that traditional banks like AdIB, operating with standard collateral requirements and generic products, do not incur. Yet Enat's commercial performance demonstrates that these investments are not incompatible with profitability; they merely require a longer-term perspective and a willingness to accept lower short-term margins for greater long-term social and financial returns.

b. Direct Empowerment Indicators (The "So What?" Test)

The divergence between AdIB and Enat Bank becomes most apparent when examining direct women's empowerment indicators. These metrics answer the critical question: beyond financial performance, what tangible difference have these institutions made for women?

Scale of Reach

Enat Bank has documented substantial reach among women entrepreneurs. The bank has issued over 1.4 billion Birr in non-collateral loans to women-led enterprises, contributing to the creation of more than 22,000 jobs. Enat Bank has trained 12,000 women in financial literacy and business skills. By contrast, AdIB's women-specific metrics remain unreported. While AdIB supports micro and small enterprises generally, the bank does not separately track or report outcomes for women clients. This absence of gender-disaggregated data reflects the bank's "Emerging Awareness" status on the NBE Women's Financial Inclusion Scorecard.

Collateral Barrier Elimination

Enat Bank's Collateral Saving Account, launched in December 2014, provides loans to women entrepreneurs without requiring traditional collateral. Since its launch, the programme has received funds and pledges totaling ETB 5.6 million (approximately USD 272,000), with 97 female-owned businesses approved for loans totaling ETB 1.2 million (approximately USD 58,000). The bank has also established a risk-sharing facility funded by Gebeta and offers loans for women-owned businesses with 50% collateral requirements through the USAID/SIDA scheme. Enat Bank recorded a 100% increase in the number of women receiving uncollateralised, women-focused loans. AdIB, by contrast, maintains standard collateral requirements for all borrowers, with no documented women-specific collateral substitution mechanisms.

Regulatory Recognition

The most authoritative external validation comes from the National Bank of Ethiopia's Women's Financial Inclusion Scorecard. The inaugural cycle assessed 30 commercial banks across three dimensions: women in the workforce (30%), women's use of financial products (50%), and financial innovation tailored to women's needs (20%). Enat Bank achieved the highest "Transformational" rating (score 5), demonstrating sector leadership across all dimensions with inclusive internal practices, women-focused product development, and innovation tailored to women's needs. Enat was the only institution to achieve a "Transformational" score. In contrast, AdIB was assessed as either "Neutral" or in "Emerging Awareness" the lowest tier, indicating foundational or early-stage engagement with gender inclusion. The average sector score was 2.95, placing most institutions in the "Building Momentum" category.

c. Synthesizing the Divergence

Why does Enat Bank outperform in empowerment metrics despite being a smaller asset-holder than many of its competitors? The answer lies in the mediating role of institutional culture and the mechanisms through which a gender-lens transforms banking practices.

Institutional Identity as a Strategic Asset

Enat Bank's founding mission to empower women through inclusive banking is not merely rhetorical but operationalized through governance structures that ensure accountability. With 61% female ownership and 64% female board representation, the bank's decision-making bodies embody the very constituency they serve. This structural alignment ensures that women's needs are not an afterthought but the organizing principle of the institution. AdIB's governance, by contrast, reflects the sector average where women constitute only a small proportion of bank leadership.

Risk Perception and Loan Officer Behaviour

A gender-lens fundamentally shifts how risk is assessed. Traditional banking models perceive women as higher-risk borrowers due to their lack of collateral and formal asset ownership. Enat Bank's collateral substitution mechanisms, including the Collateral Saving Account and shareholder profit-funded guarantee schemes, demonstrate that women are not inherently risky; rather, the assessment criteria are biased. By substituting alternative risk-assessment mechanisms, Enat Bank has demonstrated that women entrepreneurs are reliable borrowers, with successful repayment rates that challenge conventional assumptions.

Client Retention and Relationship Banking

Enat Bank's comprehensive approach, combining credit with financial literacy training, business advisory, and mentorship, creates deeper client relationships and higher retention. Women who receive training and support are more likely to succeed in their businesses, repay loans, and return for additional services. This virtuous cycle generates long-term value that transcends short-term profitability metrics. The bank's integration of business advisory, training, and mentorship into financial services represents a strategy aimed at closing the gender gap in entrepreneurship.

The Limits of Trickle-Down Inclusion

AdIB's incidental inclusion model assumes that women benefit equally from general financial access initiatives. However, as the NBE Scorecard reveals, "while credit outreach to women is improving, products often remain generic and poorly tailored to women's unique financial realities". Without intentional product design, collateral substitution, and non-financial support, women continue to face the same barriers, lack of collateral, limited financial literacy, and restricted business networks—that have historically excluded them from formal finance.

The divergence between Enat Bank and AdIB thus reflects a fundamental truth: women's economic empowerment is not an automatic byproduct of financial inclusion but requires deliberate institutional design. Enat Bank's "Transformational" rating and documented empowerment outcomes demonstrate that intentional inclusion is not only socially desirable but commercially viable. AdIB's "Emerging Awareness" status underscores the work remaining for institutions that have yet to move beyond incidental approaches.

4.6 Discussion, Policy Implications, and Future Research

a. Synthesis of Findings, Why Design Matters

The comparative analysis of Addis International Bank (AdIB) and Enat Bank reveals a fundamental insight: institutional design is destiny. The divergence between these two banks is not merely a matter of product differentiation but reflects deeply embedded institutional logics that shape governance structures, risk perception, and client outcomes.

AdIB's incidental inclusion model expands the financial frontier, providing access to micro and small enterprises through a universal banking approach. The bank's 85% profit growth and 15.4 billion Birr in assets demonstrate commercial success. However, this success stops short of dismantling the structural barriers that systematically exclude women. Without collateral substitution mechanisms, gender-specific products, or governance structures ensuring accountability to women's outcomes, women continue to face the same constraints, lack of titled assets, limited financial literacy, and restricted business networks that have historically excluded them from formal finance. As the National Bank of Ethiopia's (NBE) Women's Financial Inclusion Scorecard revealed, AdIB was assessed as "Neutral" or in "Emerging Awareness," the lowest tier.

Enat Bank's intentional inclusion model, by contrast, actively re-engineers banking products to fit women's realities. The bank's governance structure, with 61% female ownership and 64% female board representation, ensures that women's needs are the organizing principle of the institution. The bank has issued over 1.4 billion Birr in non-collateral loans to women-led enterprises through its Malefiya digital credit platform, contributing to the creation of more than 22,000 jobs. Enat Bank was the only institution to achieve a "Transformational" rating on the NBE Scorecard.

The "crowding-in" effect of Enat Bank's success challenges the myth that women are "high-risk" borrowers. The bank's collateral-free lending programmes have demonstrated exceptional repayment performance, with over 12,000 women entrepreneurs accessing loans with an extraordinary 99.1% repayment rate. This evidence directly contradicts the risk-averse assumptions underpinning conventional collateral-based lending models. When financial institutions provide appropriate products and support, women entrepreneurs prove to be reliable, creditworthy borrowers. The perceived risk of lending to women is not a reflection of women's creditworthiness but a function of biased assessment criteria that fail to account for women's economic realities.

b. Policy Recommendations and Strategic Pathways

For the National Bank of Ethiopia (NBE)

The Women's Financial Inclusion Scorecard represents a landmark achievement in measuring and driving progress toward gender-inclusive banking. Developed in partnership with the World Bank's Africa Gender Innovation Lab, the Scorecard offers a standardised way for banks to assess their performance across three critical dimensions: women in the workforce, women's use of financial products, and financial innovation tailored to women's needs. Ethiopia is now the second country globally after Pakistan to implement such a tool.

However, as the inaugural cycle revealed, the Scorecard's current design as a "shared learning framework" without enforcement mechanisms may limit its transformative potential. The NBE should consider several enhancements. First, introduce progressive gender-lens targets for "Emerging Awareness" banks, requiring them to demonstrate measurable improvement within specified timeframes. Second, create regulatory incentives for banks achieving "Transformational" or "Intentional" ratings, such as preferential treatment in licensing. Third, mandate gender-disaggregated data reporting, moving beyond the current self-reported submissions. The Scorecard ties into Ethiopia's National Financial Inclusion Strategy II (2021–2025), which targets cutting the gender gap in account ownership from 19 percentage points to 10 by mid-decade.

For Addis International Bank (AdIB)

Moving from "Emerging Awareness" to "Transformational" requires fundamental institutional reorientation. First, adopt collateral substitution mechanisms modelled on Enat Bank's Collateral Saving Account, which provides loans to women entrepreneurs without traditional collateral requirements. Second, replicate the Gebeta model, enabling women to build savings history and access credit without collateral. Third, diversify board composition.

Research on Ethiopian microfinance institutions demonstrates that "more women on board of directors help in depth of outreach". With only one female director among twelve, AdIB should actively recruit qualified women for board positions and senior management, aligning with NBE regulations requiring at least one woman on every bank board and aiming for 25% of senior management to be female. Fourth, establish a dedicated women's financial inclusion unit with clear mandates, resources, and accountability for women's financial inclusion outcomes.

For Enat Bank

Having achieved "Transformational" status, Enat Bank faces the challenge of scaling its pilot programmes while managing cost-to-income efficiency. The bank's cost-to-income ratio of 72% significantly exceeds the industry average of 45% to 60%, reflecting the costs of heavy investment in women's training, collateral substitution, and branch expansion.

First, expand the Gender Bond. Enat Bank has announced it will structure Ethiopia's first Gender Bond, marking a historic step in the country's financial landscape. The Gender Bond is intended to mobilize private capital for women-owned enterprises and cooperatives and dovetails neatly with national policy, the second edition of the National Financial Inclusion Strategy. This pioneering initiative, which will also mark the first private and thematic bond in the country's financial history, translates policy ambitions into a tradable security enabling institutional investors to pursue both returns and measurable social impact. Second, leverage digital banking for cost efficiency through platforms like Arif POS, Malefiya digital lending, and M-Pesa integration to reduce operational costs while expanding reach. Third, manage branch expansion strategically; Enat Bank opened 120 branches in recent years compared to 50 in its first nine years, by balancing physical expansion with digital delivery to manage cost-to-income ratios.

c. Limitations of the Review

This review has several limitations. First, data asymmetry between the two banks constrains the comparative analysis. Enat Bank publicly reports detailed women-specific metrics, including the number of women trained, collateral-free loans disbursed, and jobs created. AdIB does not separately report gender-disaggregated data, making it difficult to assess the bank's actual reach among women clients. This asymmetry reflects the banks' different institutional priorities but also limits the comprehensiveness of the comparison.

Second, attribution challenges complicate the isolation of bank-specific impacts from other interventions. Women's economic empowerment is influenced by multiple factors, including government policies, NGO programme, macroeconomic conditions, and cultural changes. While Enat Bank's documented outcomes are impressive, attributing these outcomes solely to the bank's interventions requires caution. The bank operates within a broader ecosystem of financial inclusion efforts, including the NBE's National Financial Inclusion Strategy II and various development partner programmes.

Third, the review relies on self-reported data from financial institutions. While Enat Bank's data are corroborated by multiple sources, the absence of independent verification for some metrics warrants caution. Fourth, the temporal scope is limited, with most data covering 2023–2025, potentially missing longer-term trends in institutional performance and empowerment outcomes.

V. Conclusions

The comparative analysis of Addis International Bank (AdIB) and Enat Bank yields an unequivocal conclusion: women's economic empowerment is not an automatic byproduct of finance; it is a deliberate architectural choice. The divergence between these two institutions demonstrates that expanding access to financial services, while necessary, is insufficient to dismantle the structural barriers that have historically excluded women from formal finance.

Enat Bank's intentional inclusion model proves that prioritizing women is not merely equitable; it is commercially viable. The bank's 99.1% repayment rate on collateral-free loans challenges the entrenched assumption that women are "high-risk" borrowers. Its "Transformational" rating on the National Bank of Ethiopia's Women's Financial Inclusion Scorecard demonstrates that gender-responsive banking is not a niche social initiative but a replicable institutional strategy that delivers measurable returns. Enat Bank has shown that when financial institutions design products around women's realities rather than expecting women to conform to rigid banking conventions, both social impact and financial sustainability follow.

AdIB's trajectory indicates that traditional banks must evolve beyond neutrality to drive Ethiopia's US$3.7 billion opportunity. While AdIB's 85% profit growth and 15.4 billion Birr in assets demonstrate commercial success in universal banking, its "Emerging Awareness" rating on the NBE Scorecard reveals that financial performance and gender inclusion are not automatically correlated. The bank's incidental inclusion model expands the financial frontier but stops short of transforming women's economic participation.

The evidence from this review carries urgent implications. Ethiopia's National Financial Inclusion Strategy II targets cutting the gender gap in account ownership from 19 percentage points to 10 by 2025. Achieving this ambition requires more than incremental progress; it demands a fundamental reorientation of how financial institutions conceive of women as clients, employees, and leaders. As other banks follow Enat's path, institutions like Dashen Bank building an innovation hub with support from Accion to expand digital banking services to MSMEs with a focus on women-owned businesses demonstrate that the sector is beginning to recognize the commercial and social imperative of intentional inclusion.

The choice facing Ethiopia's financial sector is clear: continue with incidental inclusion and leave US$3.7 billion in economic potential unrealized, or embrace intentional inclusion and unlock the full productive capacity of Ethiopian women. Enat Bank has proven that intentional inclusion works. The question is whether other institutions have the vision to follow.

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