

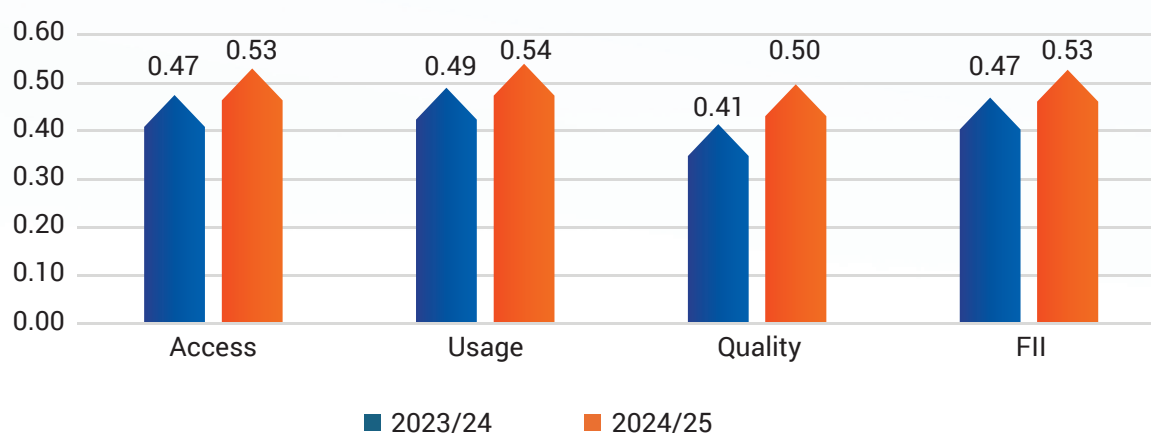
Financial Inclusion Index for Nepal

The Financial Inclusion Index (FII) developed by Nepal Rastra Bank provides a comprehensive assessment of the level and progress of financial inclusion in Nepal. The FII is calculated using a method similar to the Human Development Index (HDI), with values normalized on a scale from 0 to 1. A higher score indicates greater financial inclusion. The index has been developed by using 55 different indicators across the three dimensions: 15 indicators represent Access, 15 represent Usage, and 25 represent Quality. Each dimension of the index carries a specific weight: Access is given 35%, Usage 45%, and Quality 20%.

In fiscal year **2024/25**, the overall FII reached from **0.47** to **0.53**, reflecting steady and broad-based improvements in access to financial services, their usage, and service quality.

All three dimensions of the index recorded encouraging performance. The **Access Index** increased to **0.53**, indicating continued expansion of financial institutions, service points, and digital delivery channels nationwide. The **Usage Index**, at **0.54**, reflects increased engagement of individuals and households with banking, digital payments, insurance, and other financial services. Notably, the **Quality Index** improved to **0.50**, reflecting meaningful gains in financial literacy, strengthened consumer protection mechanisms, enhanced transparency, and better overall customer experience.

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These results highlight the positive impact of policy initiatives, digital financial innovations, and regulatory measures undertaken by Nepal Rastra Bank and other stakeholders. While progress has been significant, sustained efforts to strengthen digital infrastructure, promote financial literacy, and ensure inclusive, consumer-centric financial services remain essential to further deepen financial inclusion and support inclusive economic growth in Nepal.



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