18 November 2026

Methodological note

On the choice, calculation and interpretation of EBA's Retail Risk Indicators

Background

1. Article 9(1) of Regulation (EU) no 1093/2010 ("EBA Regulation") requires the EBA to develop retail risk indicators (RRIs) for the timely identification of potential consumer harm. For this purpose, the EBA is publishing a list of 19 RRIs that cover a wide variety of different types of products in the EBA's remit (e.g., mortgage credit, consumer credit, or payment accounts).

2. These indicators aim to facilitate the monitoring of the banking markets across the EU by measuring the risk of detriment arising to consumers from the misconduct of the institutions, and from wider economic conditions.

3. They provide information that help the EBA and national competent authorities to prioritise their regulatory and supervisory work in the area of consumer protection but may be of interest to other, external stakeholders as well. The RRI are summarized in a table published on the EBA website, which is accompanied by a set of charts showing results at Member State-level. This methodological note aims to help with the interpretation of the results presented in the said table and charts.

4. The data used to calculate the indicators has a number of limitations that have an impact on how these indicators should be interpreted. Amongst those that apply more generally across several of said indicators is the limitation that some indicators do not cover all EU and other EEA countries. Further, in the absence of comprehensive consumer protection data being available for the EU, some indicators are calculated based on data collected by the EBA primarily for the purpose of prudential supervision rather than consumer protection requirements, and thus should be understood as mere proxies for potential consumer detriment, not precise metrics. Finally, many of these indicators are published for only the second time, and any potential trends will only emerge in the coming years.

5. These limitations are particularly important when comparing Member States against one another, where the aforementioned limitations are more likely to make it difficult to arrive at robust conclusions as results may reflect market and/or business model specificities. For that reason, direct comparison of results between specific Member States should be done very cautiously and should be done in the wider context of a given banking market and the Member State's economic circumstances. The main purpose of showing Member State level data is to demonstrate the divergence across all EU Member States. These divergences can be significant and are an interesting observation in their own right for the purpose of future prioritization of tasks. Future improvements in the comprehensiveness and quality of the data will gradually improve the robustness of these indicators over time.

6. Following its initial publication in Q1 of 2023, the indicators are subsequently updated and refined on an annual basis and published as part of the EBA's annual Risk Assessment Report, and on the dedicated EBA webpage. In 2026, eight new RRIs were introduced to provide a more comprehensive view of retail risk across the pre-contractual, early-warning and materialised-risk stages.

Choice of indicators

7. The EBA chose the 19 RRIs from a long list of more than 50 indicators, on the basis of the following 7 selection criteria:

    a. **Measurability**: the indicators chosen shall quantify an observation;

    b. **Measurement accuracy**: the indicators shall measure the harm that arises to consumers in terms of the number of consumers impacted and/or the extent of detriment accruing to each consumer[1];

    c. **Data availability**: the indicators shall be based on data that the EBA can attain, on a regular basis, so that the observations can be measured across time;

    d. **Data reliability**: the indicators shall be based on data that is retrieved from sources that employ a methodology that is robust and also stable across time;

    e. **Implementation cost**: the indicators shall be based on data that can be retrieved without the EBA imposing additional data reporting obligations on financial institutions or NCAs, and without the EBA incurring unnecessary or oversized costs;

    f. **Geographical representativeness**: the indicators shall measure observations across as many as possible, and ideally all, of the 27 EU Members States;

    g. **Actionability**: the indicators shall be suitable for leading to concrete action. The need for action can be highlighted by EBA's RRIs ex-post, for detriment that has already materialised, which then allows for potential mitigating action to be taken to reduce a further proliferation of said detriment. Also, this can be done ex-ante, for detriment that is at risk of materialising in the future, which then allows for preventive action to be taken to reduce the extent and/or likelihood of detriment that will materialize.

8. These 19 RRIs have been deemed by the EBA as sufficiently relevant and robust when assessed against the aforementioned criteria. The following section outlines the 19 RRIs and for each provides its basic characteristics, aim of the indicator, the source of the data, and an explanation how to interpret it, and what are the limitations of that indicator.

[1] Definitions of the concept "detriment" are also available, for example in the 2017 study by the EU Commission, Study on measuring consumer detriment in the European Union, and the 2020 document of the OECD Measuring consumer detriment and the impact of consumer policy, which also helpfully lists generic types of detriment, such as inflated prices, the cost of replacing a product, the costs associated with complaining and resolving a problem, and the cost of advice.

Calculation and interpretation of the indicators

Share of household loans with forbearance measures over total household loans (MC1)

Calculation formula	(A x 100)/B A: Exposures with forbearance measures for loans and advances for households B: Total loans and advances to households on balance sheet
Data source	Data point A: template F19.00, column 010, rows 150, 197 and 227. Data point B: template F18.00, column 010, rows 150, 197 and 227.
Reporting frequency	Quarterly

9. Indicator MC1 aims to assess the access of consumers to forbearance measures.

10. This indicator, as well as indicators MC2, OCL1, PDA1 are based on the prudential data submitted by the NCAs and the ECB in the context of the EBA reporting frameworks, which include e.g., COREP and FINREP reports[2]. Even though originally tailored for prudential banking supervision, this data source is considered of relevance for consumer protection purposes because it is broad in scope and robust due to the maturity and reliability of the reporting channel in place. Member State-level data is at the highest level of consolidation in the Member State. This means that at Member State level, the subsidiary located in Member State X of a bank headquartered in Member State Y is included in data for both Member States X and Y.

11. The sample used to calculate this indicator corresponds to the sample used by the EBA to calculate the EBA Risk Dashboard.

12. The data should be interpreted cautiously and seen in the wider context of the economic situation in a given Member State and the EU. A decrease of this ratio may indicate that consumers experience detriment because their access to forbearance measures is lower over time. Though it may also be the case that the indicator decreases because of the overall strength of the economy and fewer customers requiring forbearance measures, or transitioning from a period in which higher levels of forbearance measures were needed to one in which fewer measures are necessary.

[2] Further specifications are available on the EBA website here: EBA reporting frameworks | European Banking Authority (europa.eu)

Share of NPLs collateralised by immovable property over total loans collateralised by immovable property (MC2)

Calculation formula	(A x 100)/B A: Non-performing loans and advances for loans collateralised by residential immovable property B: Total gross loans and advances for loans collateralised by residential immovable property
Data source	Data point A: template F18.00, column 060, rows 160, 910 and 930. Data point B: template F18.00, column 010, rows 160, 910 and 930.
Reporting frequency	Quarterly

13. Indicator MC2 aims to measure if consumers face difficulties to make their mortgage payments.

14. This indicator is based on the prudential data submitted by the NCAs and the ECB in the context of the EBA reporting frameworks, which include e.g., COREP and FINREP reports. Member State-level data is at the highest level of consolidation in the Member State. This means that at Member State level, the subsidiary located in Member State X of a bank headquartered in Member State Y is included in data for both Member States X and Y.

15. When customers are facing difficulties in making mortgage repayments, it will be reflected in this ratio. In general, a decrease of this ratio indicates that consumers' financial situation is improving. However, it may also be the case that over time the indicator could decrease if banks change their business model and/or limit providing mortgage products to certain consumers, and/or dispose of such loans. Thus, the result of this indicator needs to be interpreted in the context of the wider EU economic environment.

Share of NPLs from credits for consumption over total loans from credits for consumption (OCL1)

Calculation formula	(A x 100)/B A: Non-performing loans and advances for credit for consumption B: Total gross loans and advances for credit for consumption
Data source	Data point A: template F18.00, column 060, rows 170, 913 and 933. Data point B: template F18.00, column 010, rows 170, 913 and 933.
Reporting frequency	Quarterly

16. Indicator OCL1 aims to proxy if consumers face difficulties to repay their loans other than mortgages.

17. This indicator is based on the prudential data submitted by the NCAs and the ECB in the context of the EBA reporting frameworks, which include e.g., COREP and FINREP reports. Member State-level data is at the highest level of consolidation in the Member State. This means that at Member State level, the subsidiary located in Member State X of a bank headquartered in Member State Y is included in data for both Member States X and Y.

18. When customers are facing difficulties in making loan repayments, it will be reflected in this ratio. In general, a decrease of this ratio indicates that consumers' financial situation is improving. However, it may also be the case that over time the indicator could decrease if banks change their business model and/or limit providing loans to certain consumers, and/or dispose of such loans. Thus, the result of this indicator needs to be interpreted in the context of the wider EU economic environment.

Percentage of deposit interest expenses paid by banks to households over total household deposits (PDA1)

Calculation formula	(A x 100)/B A: Interest paid by banks to households on their deposits (annualized) B: Total households' deposits (average)
Data source	Data point A: template F16.01, column 020, row 220. Data point B: template F08.01, columns 010, 020, 030, 034 and 035, rows 310.
Reporting frequency	Quarterly

19. Indicator PDA1 aims to measure the return consumers receive on their deposits.

20. This indicator is based on the prudential data submitted by the NCAs and the ECB in the context of the EBA reporting frameworks, which include e.g., COREP and FINREP reports. Member State-level data is at the highest level of consolidation in the Member State. This means that at Member State level, the subsidiary located in Member State X of a bank headquartered in Member State Y is included in data for both Member States X and Y. The average of the denominator is calculated as follows:

- Q1: [Q4 (t-1) + Q1 (t)] / 2;
- Q2: [Q4 (t-1) + Q2 (t)] / 2;
- Q3: [Q4 (t-1) + Q3 (t)] / 2;
- Q4: [Q4 (t-1) + Q4 (t)] / 2.

21. The annualization of the numerator is calculated as follows:

- Q1: Q1 (t) * 4;
- Q2: Q2 (t) * 2;
- Q3: Q3 (t) * (4/3);
- Q4: Q4 (t).

22. An decrease of this ratio would mean that deposits are less profitable for consumers. On the other hand, an increase would mean that consumers are profiting more from holding their deposits at a bank.

Share of fraudulent card payments over total card payments (CDC1)

Calculation formula	Indicator expressed in terms of volume of total transactions, (A x 100) / B A: Volume of fraudulent card payments B: Volume of total card payments Indicator expressed in terms of value of total transactions, (A x 100) / B A: Value of fraudulent card payments B: Value of total card payments
Data source	Annex 2 of the EBA guidelines on fraud reporting under the PSD2 Indicator expressed in terms of volume of total transactions, Data point A: Table C – item 3: fraudulent payments volume (Fvo3) Data point B: Table C – Item 3: payments volume (Pvo3) Indicator expressed in terms of value of total transactions, Data point A: Fva3 Data point B: Pva3
Reporting frequency	Biannual

23. Indicator CDC1 aims to measure the share of fraudulent transactions in the total volume and value of card payments. An increase of this ratio would indicate that consumers are more exposed to fraud in the context of their card payments.

24. This indicator, but also indicators CDC2, OPI1 and OPI2 are based on the statistical data on payment fraud reported to the EBA by the NCAs in compliance with Article 96(6) of the revised

Payment Services Directive (PSD2) and EBA Guidelines on fraud reporting[3]. This source allows to determine the volume and nature of fraud for a large set of payment means (credit transfers, direct debits, card payments, cash withdrawals, e-money transactions, money remittance payment transactions, and transactions initiated by payment initiation services providers). The EBA is currently working on improving the completeness and reliability of the submitted fraud reports by assessing the feedback received in the context of a Discussion Paper dedicated to this reporting[4]. The limitations of this data source that the reader should keep in mind when assessing the abovementioned indicators are outlined below.

25. The sample of countries that the EBA included in the calculation of indicator CDC1, comprises 29 EEA countries, with only LI missing. The EBA considers the figures provided to be sufficiently robust. Also, among the 7 payment instruments for which national authorities are required to report payment fraud data under the EBA guidelines, the EBA applied those indicators for 2 of these payment instruments. These are credit transfers (for OPI1 and OPI2) and payment cards (for CDC1 and CDC2 based on the data reported by card issuers). These payment instruments are the ones for which the data reported has been assessed as sufficiently consistent and robust, and most relevant in terms of volume of transactions.

Change to previous year of the fraud losses borne by card payment users (CDC2)

Calculation formula	(100 x (A – B)) / B A: Absolute value losses due to fraud borne by card payment services users time Y B: Absolute value losses due to fraud borne by card payment services users time Y – 1
Data source	Annex 2 of the EBA guidelines on fraud reporting under the PSD2 Data point A: 9.3 PSU time Y Data point B: 9.3 PSU time Y – 1
Reporting frequency	Biannual

26. Indicator CDC2 measures percentage changes to the amount of losses due to fraud that are borne by card payment services users. A positive value of the indicator indicates an increase in losses to the consumer from one year to the next, while a negative value of the indicator would indicate a decrease in losses to the consumers. However, the figure needs to be interpreted with caution because changes to the volumes of transactions impact the indicator. Moreover, in case of very limited aggregate value of the fraudulent transactions, this indicator is sensitive even to little variations, in absolute terms, of the losses borne by the card payment

[3] Guidelines EBA/GL/2018/05 on fraud reporting under PSD2, as revised in January 2020.

[4] Discussion Paper EBA/DP/2022/01 on the EBA's preliminary observations on selected payment fraud data under PSD2, as reported by the industry.

services users over the reference periods. Thus, the indicator should be analysed alongside indicator CDC1.

27. Based on the abovementioned limitations encountered in the context of the fraud payment data collected under PSD2, the sample of countries that the EBA included in the calculation of indicator CDC2 comprises 18 EEA countries BE, BG, DE, DK, EE, EL, ES, HR, HU, IE, IT, LU, LV, MT, PT, RO, SE and SK. This sample is smaller than the one used for indicators CDC1 and because the EBA excluded the Member States that did not report data for at least one of the two reporting periods considered when computing the indicator, or in which the EBA identified significant outlier figures (presumably due to reporting errors). The EBA expects to gradually expand the scope of Member States and payment instruments included in the context of the future updates and refinements of the RRIs.

Share of fraudulent payments over all payments (credit transfers – OPI1)

Calculation formula	(A x 100) / B A: Volume of fraudulent payments – credit transfers B: Volume of total payments – credit transfers (A x 100) / B A: Value of fraudulent payments – credit transfers B: Value of total payments – credit transfers
Data source	Annex 2 of the EBA guidelines on fraud reporting under the PSD2 Indicator expressed in terms of volume of total transactions, Data point A: Fvo1 Data point B: Pvo1 Indicator expressed in terms of value of total transactions, Data point A: Fva1 Data point B: Pva1
Reporting frequency	Biannual

28. Indicator OPI1 aims to measure the share of fraudulent credit transfers transactions in the total volume of such payments. An increase of this ratio may indicate that consumers are more exposed to fraud in the context of their use of credit transfers.

29. The higher the figures, the more fraudulent transactions there are, and thus the more detriment there is to consumers. Conversely, the lower the figure, the less fraudulent transactions there are in comparison to all transactions, which is to the benefit of the consumer.

30. The sample of countries that the EBA included in the calculation of indicator OPI1, 29 EEA countries, with only LI missing. Among the 7 payment instruments for which national

authorities are required to report payment fraud data under the EBA guidelines, the EBA applied those indicators for 2 of these payment instruments. These are credit transfers (for OPI1 and OPI2) and payment cards (for CDC1 and CDC2) (based on the data reported by card issuers). These payment instruments are the ones for which the data reported has been assessed as sufficiently consistent and robust, and most relevant in terms of volume of transactions.

Change to previous year of the fraud losses borne by payment services users (credit transfers – OPI2)

Calculation formula	(100 x (A - B)) / B A: Absolute value losses due to fraud borne by payment services users Time Y (credit transfers) B: Absolute value losses due to fraud borne by payment services users Time Y-1 (credit transfers)
Data source	Annex 2 of the EBA guidelines on fraud reporting under the PSD2 Data point A: 9.1 PSU Time Y Data point B: 9.1 PSU Time Y – 1
Reporting frequency	Biannual

31. Indicator OPI2 aims to measure a potential increase during the past year in the amount of losses due to fraud that are borne by the users of credit transfers.

32. A positive value of the indicator indicates an increase in losses to the consumers from one year to the next, while a negative value of the indicator indicates a decrease in losses to the consumers. However, the figure needs to be interpreted with caution because significant changes to the volumes of transactions impact the indicator. Moreover, in case of very limited aggregate value of the fraudulent transactions, this indicator is sensitive even to little variations, in absolute terms, of the losses to the consumers over the reference periods. Thus, the indicator should be analysed alongside indicator OPI1.

33. The sample of countries that the EBA included in the calculation of indicators OPI2 comprises 20 EEA countries: BE, BG, DK, EE, EL, ES, FI, HR, HU, IE, IT, LU, LV, MT, NL, NO, PT, RO, SE and SK. The EBA had to exclude the Member States which did not report data for at least one of the two reporting periods considered when computing the indicator, or in which the EBA identified significant outlier figures (presumably due to reporting errors). Those indicators reflect the variation of consumer's losses over time and do not only provide a snapshot based on one reference period. The EBA expects to gradually expand the scope of Member States and payment instruments included when computing indicator OPI2 in the context of the future updates and refinements of the RRIs.

The percentage of people aged 15+ who have an account at a bank or another type of financial institution (AFS1)

Calculation formula	Simple average of percentages reported for each EU Member State in the Global findex database (based on surveys)
Data source	World Bank Global findex database
Reporting frequency	Every 3 years

34. Indicator AFS1 measures the percentage of people 15+ who report having an account at a bank or another type of financial institution or report personally using mobile money services in the past year.

35. The higher the figure the higher the proportion of adult population with access to the most basic financial service.

36. The dataset does not allow to only include people aged 18+, but does allow to only include those aged 25+. There is little difference between the results for the full 15+ dataset and the 25+ sample. For that reason, the indicator includes everyone aged 15+.

37. The source of the information is the World Bank Global findex database. The data is based not on private or public data but on consumer surveys.

The percentage of people aged 15+ who have a debit or credit card (AFS2)

Calculation formula	Simple average of percentages reported for each EU Member State in the Global findex database (based on surveys)
Data source	World Bank Global findex database
Reporting frequency	Every 3 years

38. Indicator AFS2 measures the percentage of people 15+ who report having a debit or a credit card. The higher the figure the higher the proportion of adult population with access to payment services.

39. The source of the information is the World Bank Global findex database. The data is based, not on private or public data but on consumer surveys

The percentage of people aged 15+ who have borrowed any money from family, relatives, or friends in the past year (AFS3)

Calculation formula	Simple average of percentages reported for each EU Member State in the Global findex database (based on surveys)
Data source	World Bank Global findex database

Reporting frequency	Every 3 years

40. Indicator AFS3 measures the percentage of people 15+ who report borrowing any money from family, relatives, or friends in the past year.

41. A higher figure may indicate that fewer people have access to loans from financial institutions, and thus, resort to borrowing from family, relatives, or friends. A higher figure may also indicate that the costs of borrowing have increased making it less affordable to use financial services.

42. The source of the information is the World Bank Global findex database. The data is based not on private or public data but on consumer surveys.

Change in the number of complaints on financial institutions (CTR)

Calculation formula	(100 x (A - B)) / B A: Total number of consumer complaints reported year N B: Total number of consumer complaints reported year N - 1
Data source	EBA Customer trends report survey sent to FIN-NET members
Reporting frequency	Every 2 years

43. This indicator measures a potential increase in the number of consumers complaints about the misconduct of financial institutions and is based on the data submitted by EU competent authorities and FIN-NET members, which are bodies responsible for the out-of-court settlement of consumer disputes that are listed in accordance with Article 20(2) of the alternative dispute resolution Directive. The FIN-NET network covers the countries of the European Economic Area (the European Union, Iceland, Liechtenstein and Norway). FIN-NET has 67 members in 31 countries.

44. The scope of complaints captures all the retail banking products and services that fall within the scope of action of the EBA, which includes residential mortgages under the Mortgage Credit Directive (MCD) , consumer credit under the Consumer Credit Directive (CCD) , deposits under the Deposit Guarantee Scheme Directive (DGSD) , payment accounts under the Payment Accounts Directive (PAD) , payment services under the Payment Services Directive 2 (PSD2), and electronic money under the Electronic Money Directive (EMD) received by your organisation.

45. The registration, sourcing, collection and reporting of complaints data is not harmonised across the EU. In addition, for this specific indicator, data for both years in a row is not available in all Member States. The indicator should therefore be interpreted with caution and not draw premature comparisons about relative levels of consumer detriment across Member States.

Demand for mortgages (BLS1)

Calculation formula	The net percentage is calculated as: (% of banks reporting“increased considerably” + % reporting“increased somewhat”) – (% reporting“decreased somewhat” + % reporting“decreased considerably”). The weighted net percentage is based on the share of each country in the total loan outstanding amounts of the area aggregate.
Data source	ECB Bank Lending Survey (Section 3.4) SERIES KEY: BLS.Q.U2.ALL.Z.H.H.B3.ZZ.D.WFNET
Reporting frequency	Quarterly

46. This indicator measures households demand for housing loans. It is based on banks’ qualitative responses regarding changes in demand for housing loans over the previous three months. The ECB Bank Lending Survey provides also contributing factors to changes in demand for loans to households for house purchases.

47. For the aggregate of participating euro area countries, national net percentages are combined using weights based on each country's share in the total outstanding amount of housing loans in the aggregate.

48. The data reported in this indicator does not include Bulgaria, Czechia, Denmark, Hungary, Malta, Poland, Romania, Sweden and Slovakia.

Share of rejected applications for loans to households for house purchases (BLS2)

Calculation formula	Share of rejected loan applications relative to the volume of all loan applications in that loan category Net percentage = (% reporting an increase) - (% reporting a decrease).
Data source	ECB Bank Lending Survey (Section 3.3) SERIES KEY: BLS.Q.U2.ALL.Z.H.H.B3.RA.D.WFNET
Reporting frequency	Quarterly

49. This indicator measures the share of rejected loan applications for house purchases relative to the volume of all loan applications in that loan category over the previous three months.

50. For the aggregate of participating euro area countries, national net percentages are combined using weights based on each country's share in the total outstanding amount of housing loans in the aggregate.

51. The data reported in this indicator does not include Bulgaria, Czechia, Denmark, Hungary, Malta, Poland, Romania, Sweden and Slovakia.

Demand for consumer loans (BLS3)

Calculation formula	The net percentage is calculated as: (% of banks reporting“increased considerably” + % reporting“increased somewhat”) – (% reporting“decreased somewhat” + % reporting“decreased considerably”). Weighted net percentage is based on the share of each country in the total loan outstanding amounts of the area aggregate.
Data source	ECB Bank Lending Survey (Section 4.4) SERIES KEY: BLS.Q.U2.ALL.Z.H.C.B3.ZZ.D.WFNET
Reporting frequency	Quaterly

52. This indicator measures households demand for consumer loans. It is based on banks’ qualitative responses regarding changes in demand for consumer loans over the previous three months.

53. For the aggregate of participating euro area countries, national net percentages are combined using weights based on each country's share in the total outstanding amount of consumer loans in the aggregate.

54. The data reported in this indicator does not include Bulgaria, Czechia, Denmark, Hungary, Malta, Poland, Romania, Slovakia and Sweden.

Share of rejected applications for consumer loans (BLS4)

Calculation formula	Share of rejected loan applications relative to the volume of all loan applications in that loan category Net percentage = (% reporting an increase) - (% reporting a decrease).
Data source	ECB Bank Lending Survey (Section 4.3) SERIES KEY: BLS.Q.U2.ALL.Z.H.C.B3.RA.D.WFNET
Reporting frequency	Quaterly

55. This indicator measures the share of rejected loan applications for consumer loqns relative to the volume of all loan applications in that loan category over the previous three months.

56. For the aggregate of participating euro area countries, national net percentages are combined using weights based on each country's share in the total outstanding amount of housing loans in the aggregate.

57. The data reported in this indicator does not include Bulgaria, Czechia, Denmark, Hungary, Malta, Poland, Romania, Slovakia and Sweden.

Mortgage debt service to income ratio of households with mortgage debt (HFCS1)

Calculation formula	Median ratio: % monthly mortgage debt payments / gross monthly income of household with mortgage debt (1/12 of the annual total)
Data source	ECB Household Finance and Consumption Survey (Section 3.3) Table F1 Financial burden indicators, median ratios (DODSMORTG)
Reporting frequency	Every 4 years

58. This indicator measures the median ratio of monthly mortgage debt payments to gross monthly household income among households with mortgage debt. Gross monthly income is derived as one-twelfth of annual gross household income. It is one of the ECB's indicators of household debt burden and financial vulnerability. Data are not available for Bulgaria, Denmark, Poland, Romania and Sweden.

59. The mortgage debt service-to-income ratio indicates the share of monthly household income devoted to mortgage repayments. It provides information on the burden that mortgage payments place on current income and therefore on a household's ability to maintain consumption and absorb adverse financial shocks. A higher ratio means that a larger proportion of income is used to service mortgage debt, leaving less income available for other expenditures, savings, or unexpected expenses, and may indicate increased financial vulnerability.

Debt to income ratio of indebted households (HFCS2)

Calculation formula	Median ratio: % total debt / gross household annual income
Data source	ECB Household Finance and Consumption Survey (Section 3.3) Table F1 Financial burden indicators, median ratios (DODIRATIO)
Reporting frequency	Every 4 years

60. This indicator measures the median ratio of total household debt to gross annual household income among households that hold debt. It is expressed as a percentage and is used by the ECB as an indicator of household debt burden and financial vulnerability.

61. The ratio shows the amount of debt held relative to a household's annual gross income. A higher value indicates that debt is large compared with income, either because debt has increased, income has decreased, or both. Higher debt-to-income ratios are generally associated with greater financial vulnerability and a reduced capacity to absorb income or interest-rate shocks.

Debt service to income ratio, households with debt payments (HFCS3)

Calculation formula	Median ratio: % total monthly debt payments / gross monthly income (1/12 of the annual total) of household with regular debt payment (households having only credit line/bank overdraft or credit card debt, for which no regular payments are collected in the survey, are excluded)
Data source	ECB Household Finance and Consumption Survey (Section 3.3) Table F1 Financial burden indicators, median ratios (DODSTOTALP)
Reporting frequency	Every 4 years

62. This indicator measures the median ratio of total monthly debt payments to gross monthly household income among households that make regular debt payments. Households that only hold credit line/bank overdraft debt or credit card debt, for which no regular debt payments are collected in the survey, are excluded. The indicator is part of the ECB's set of measures used to assess household debt burden and financial vulnerability. Data are not available for Bulgaria, Denmark, Poland, Romania and Sweden.

63. The debt service-to-income ratio indicates the share of a household's monthly gross income devoted to servicing debt. It provides information on the pressure that debt repayments place on current income and, therefore, on a household's ability to maintain consumption and cope with adverse financial shocks. A higher ratio means that a larger share of income is used for debt repayments, which may signal increased financial vulnerability and a greater risk of repayment difficulties.