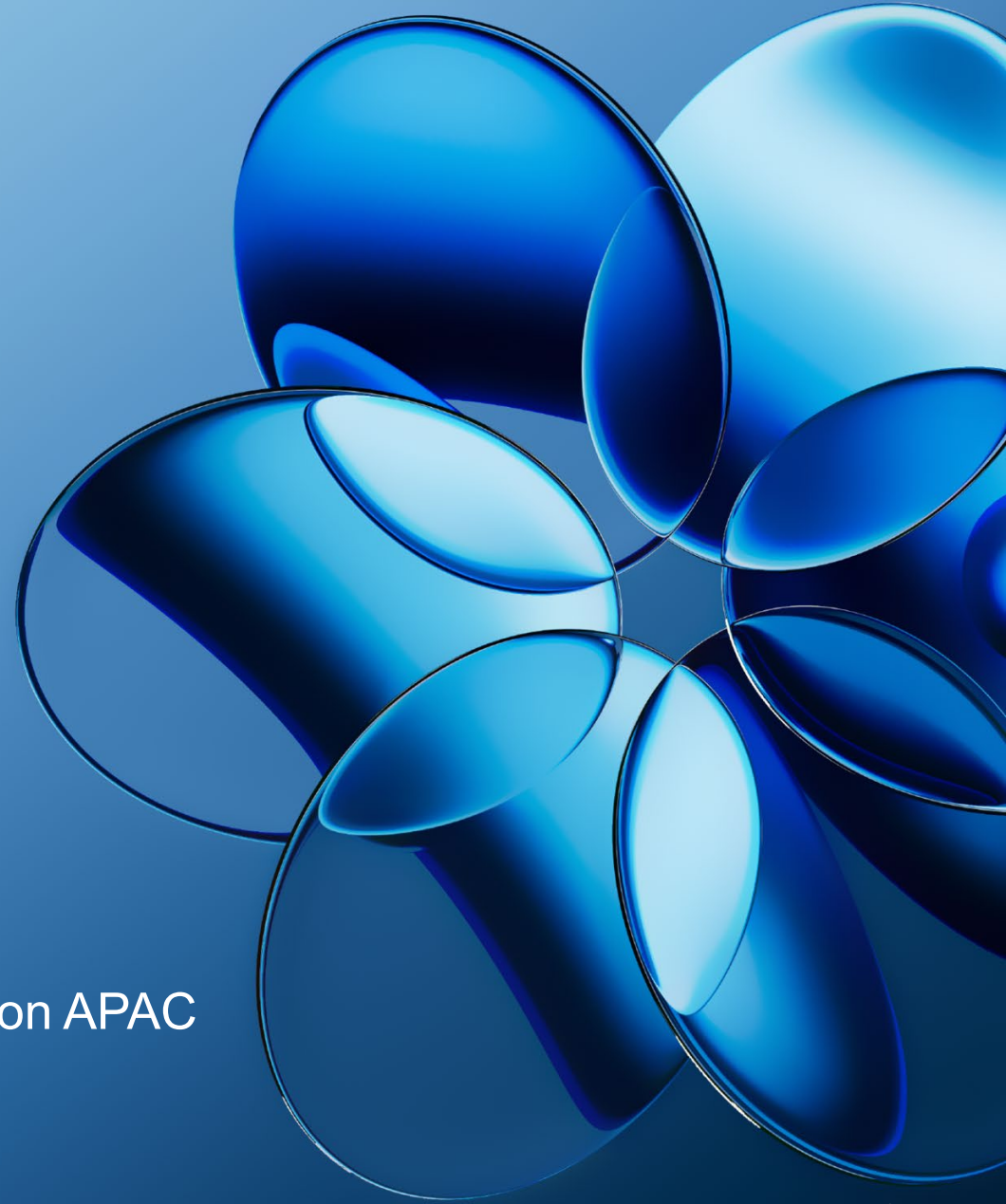


TransUnion Hong Kong

# An Industry Point of View Q1 2026

**Weihan Sun**

Senior Director, Research and Consulting, TransUnion APAC

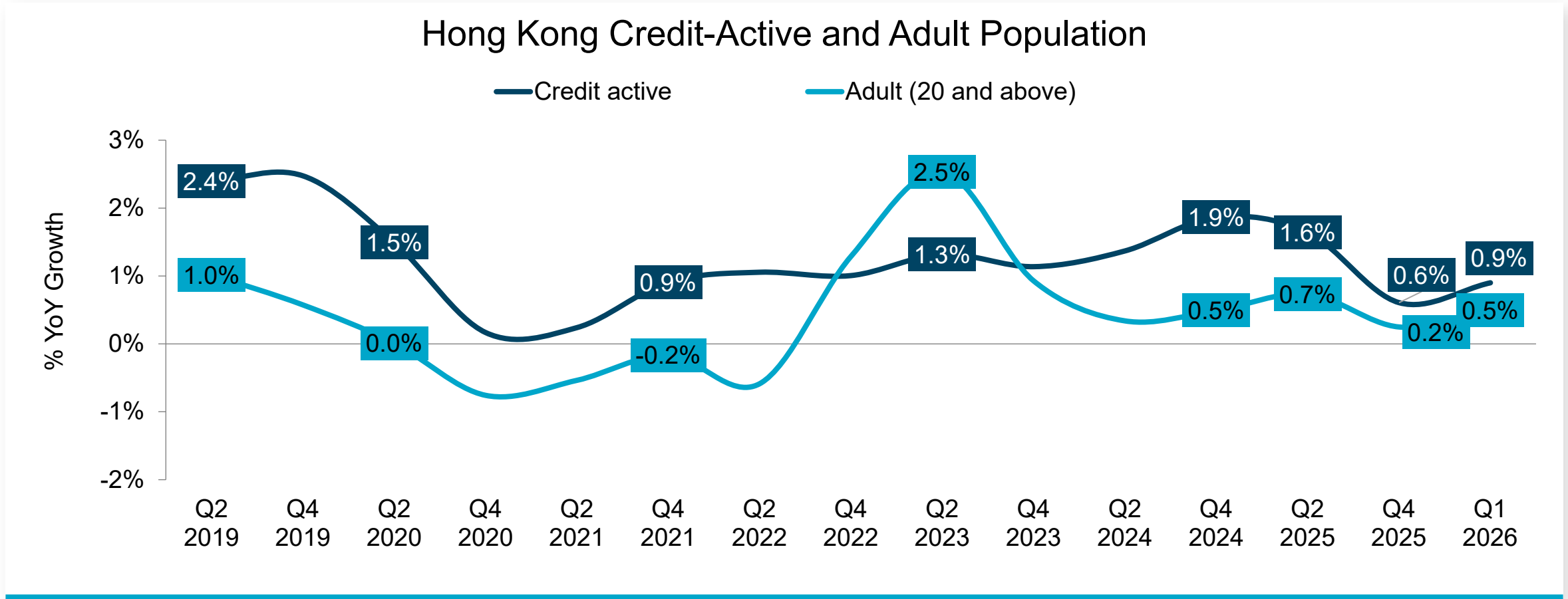


# Agenda

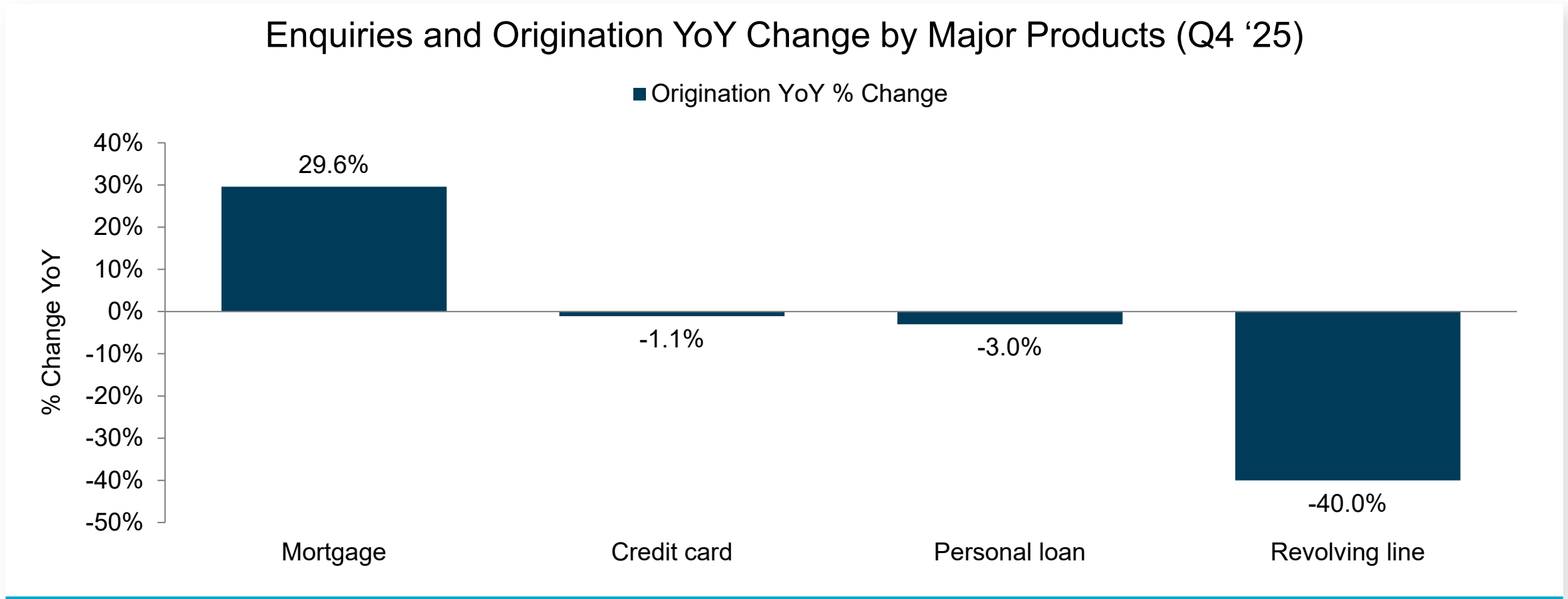
## Hong Kong Consumer Credit Market:

1. Market context: Where we are today?
2. Product deep dives:
  - Unsecured personal instalment loan
  - Credit cards
  - Revolving line
3. What's next: Implications for lenders

# Credit-active population growth continues to exceed demographic growth

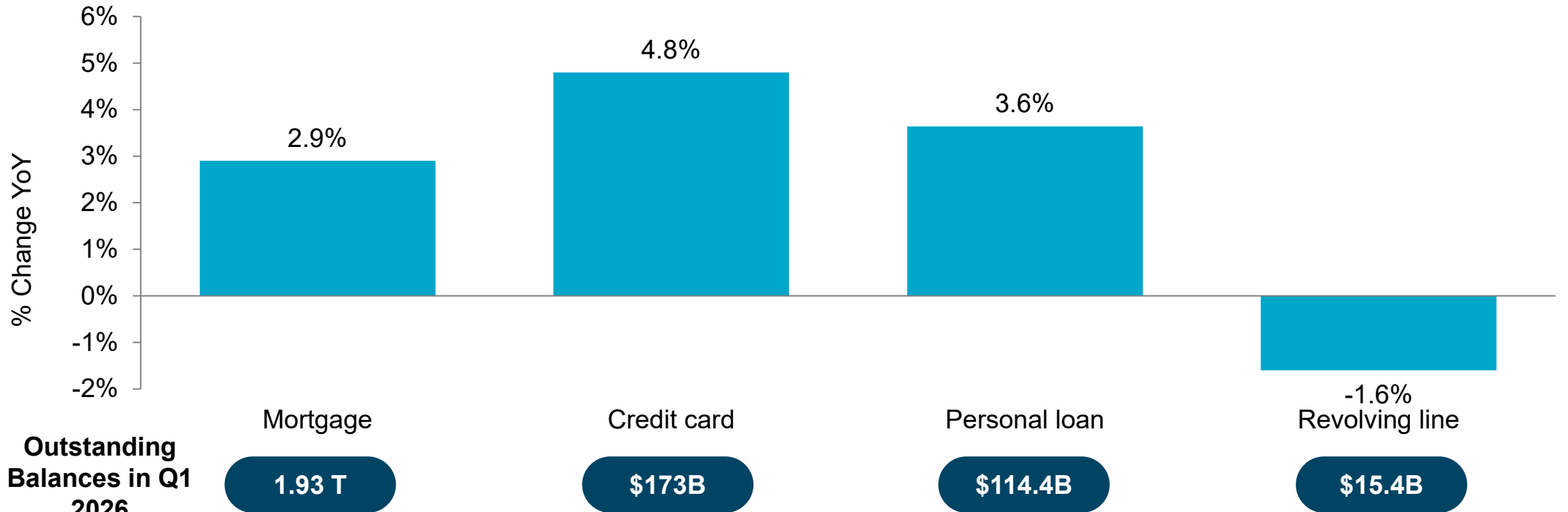


# Mortgage growth in Q4 2025 offset softer unsecured lending activity

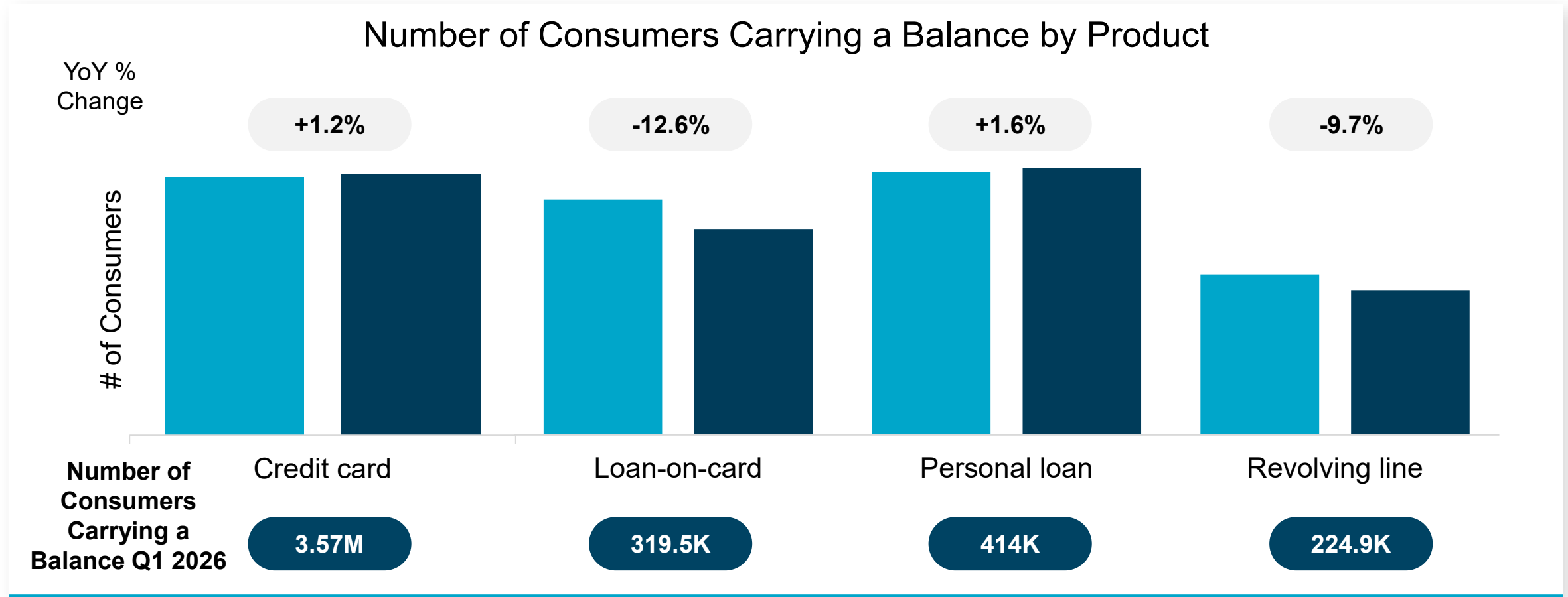


# Portfolio growth remains broad-based, led by credit cards and personal loans

Outstanding Balance YoY Change by Major Products (Q1 '26)

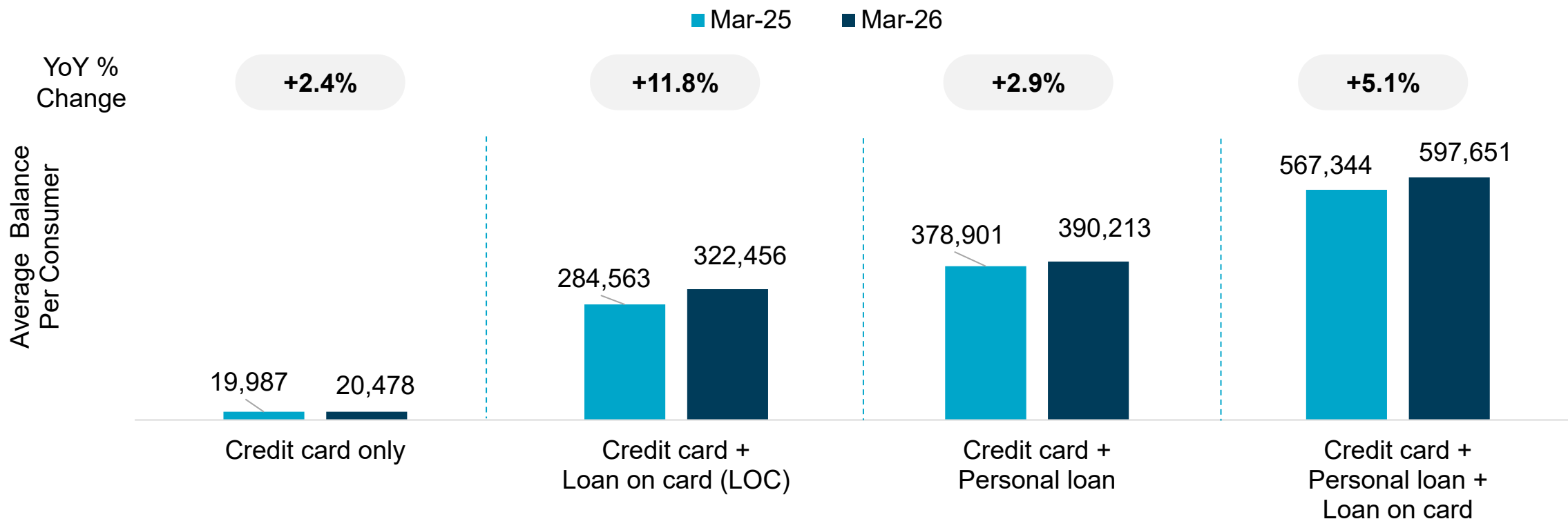


# Consumer leverage shifts toward traditional lending products

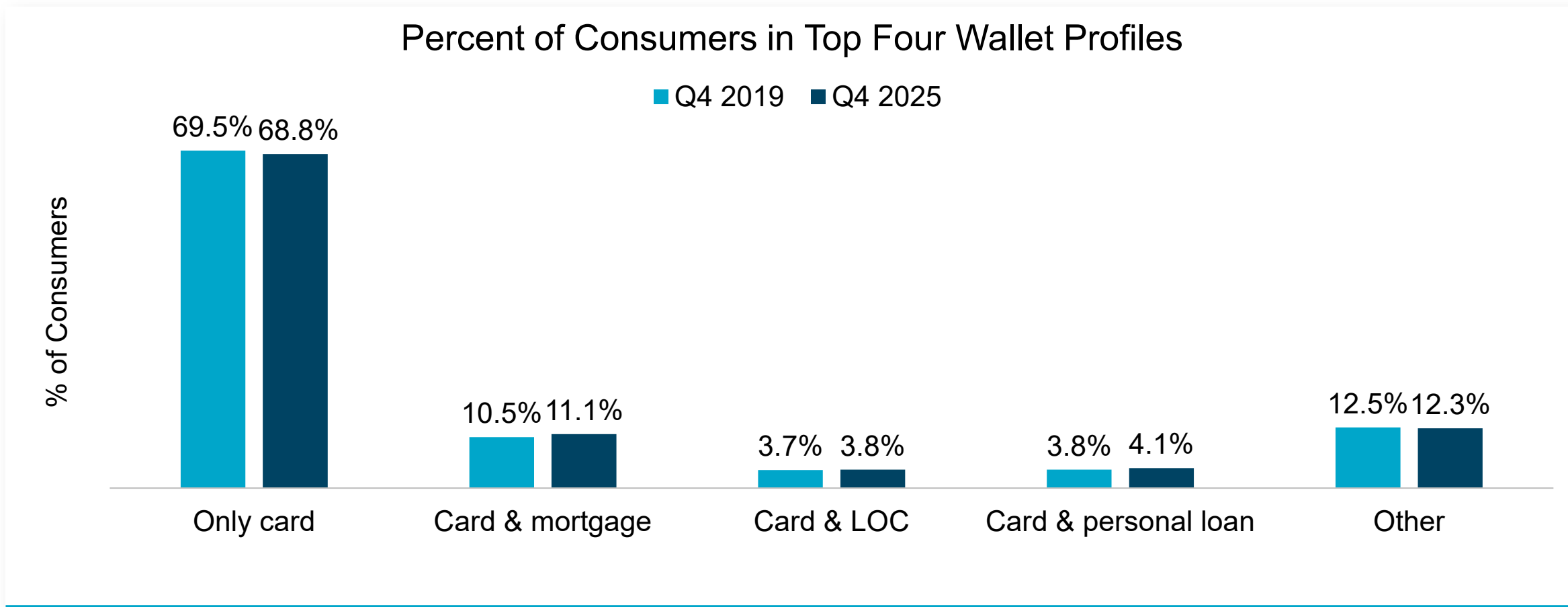


# Borrowers holding multiple products continue to drive balance growth

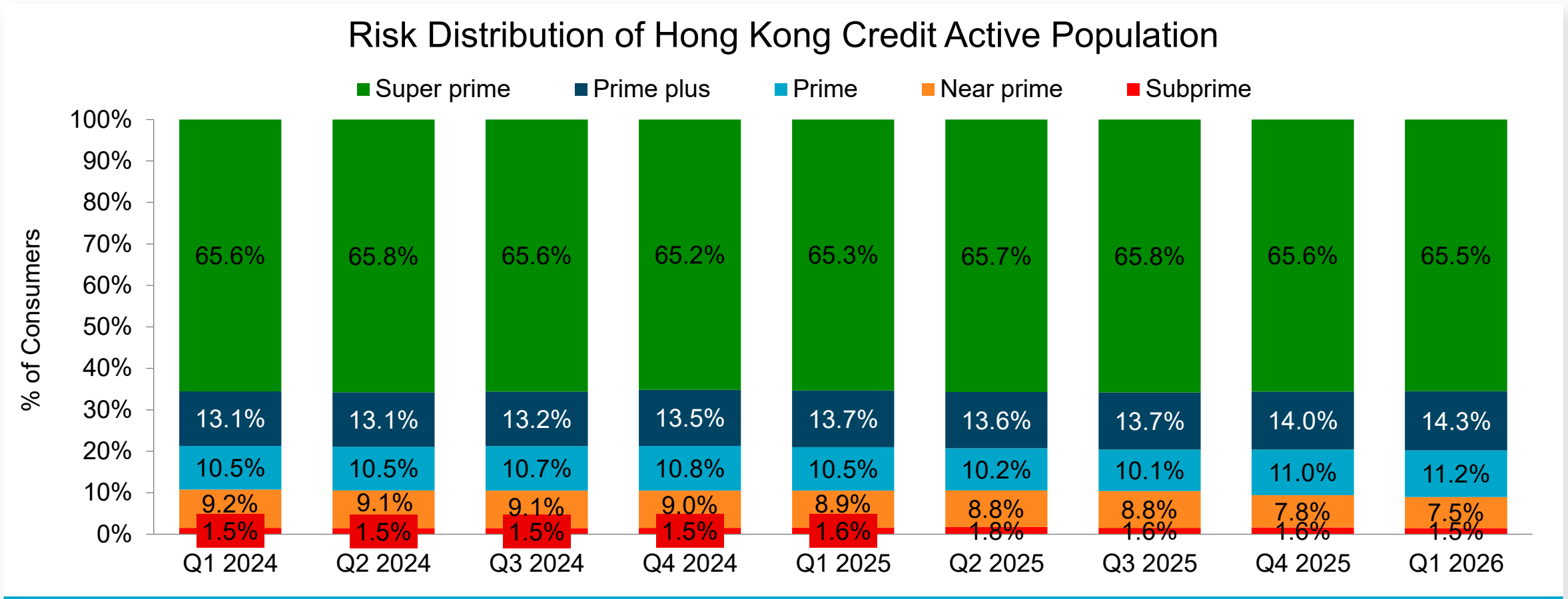
Average Balance per Consumer by Top Consumption Wallets



# Multi-product adoption continues to grow, though single-product wallets still dominate



# Prime and prime plus segments expand marginally — while higher-risk borrowers decline



# Risk migration remains favourable as upward movement continues to outpace deterioration

YoY Risk Tier Migration Q1 2026

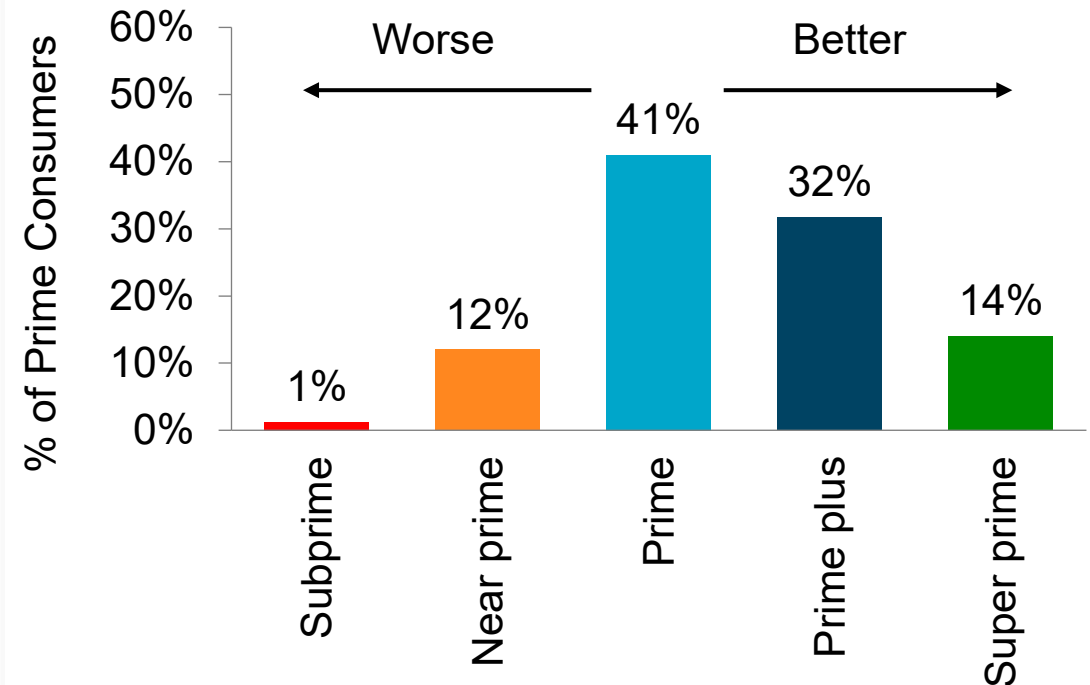
Risk tier Q1 2025	Worse *	Same	Better **
Super prime	13%	87%	NA
Prime plus	16%	36%	48%
Prime	13%	41%	46%
Near prime	9%	62%	29%
Subprime	NA	56%	44%

TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD; Prime = CC; Prime plus = BB; Super prime = AA

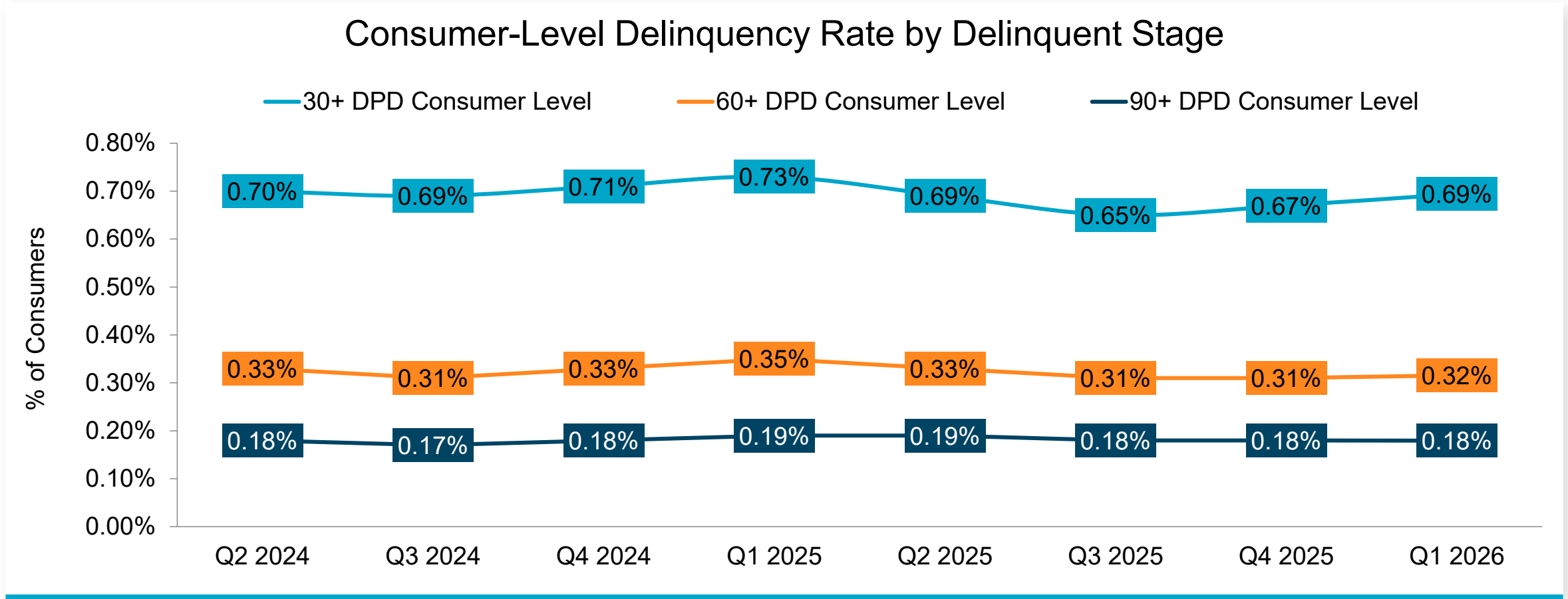
\* Worse refers to consumers whose scores dropped one or more risk segments; for example, from prime to near prime.

\*\* Better refers to consumers whose scores improved one or more risk segments; for example, from prime plus to super prime.

Risk Tier Migration for Prime Segment (Q1 2025 versus Q1 2026)



# Early- and late-stage delinquencies remain well contained



## In summary:



### **Growth**

Credit participation and portfolio balances continued to expand, supported by strong mortgage activity and sustained growth in credit card and personal loan balances.



### **Behaviour**

Consumers increasingly concentrated in borrowing in core lending products, while multi-product borrowers continued to demonstrate deeper wallet engagement and higher balances.

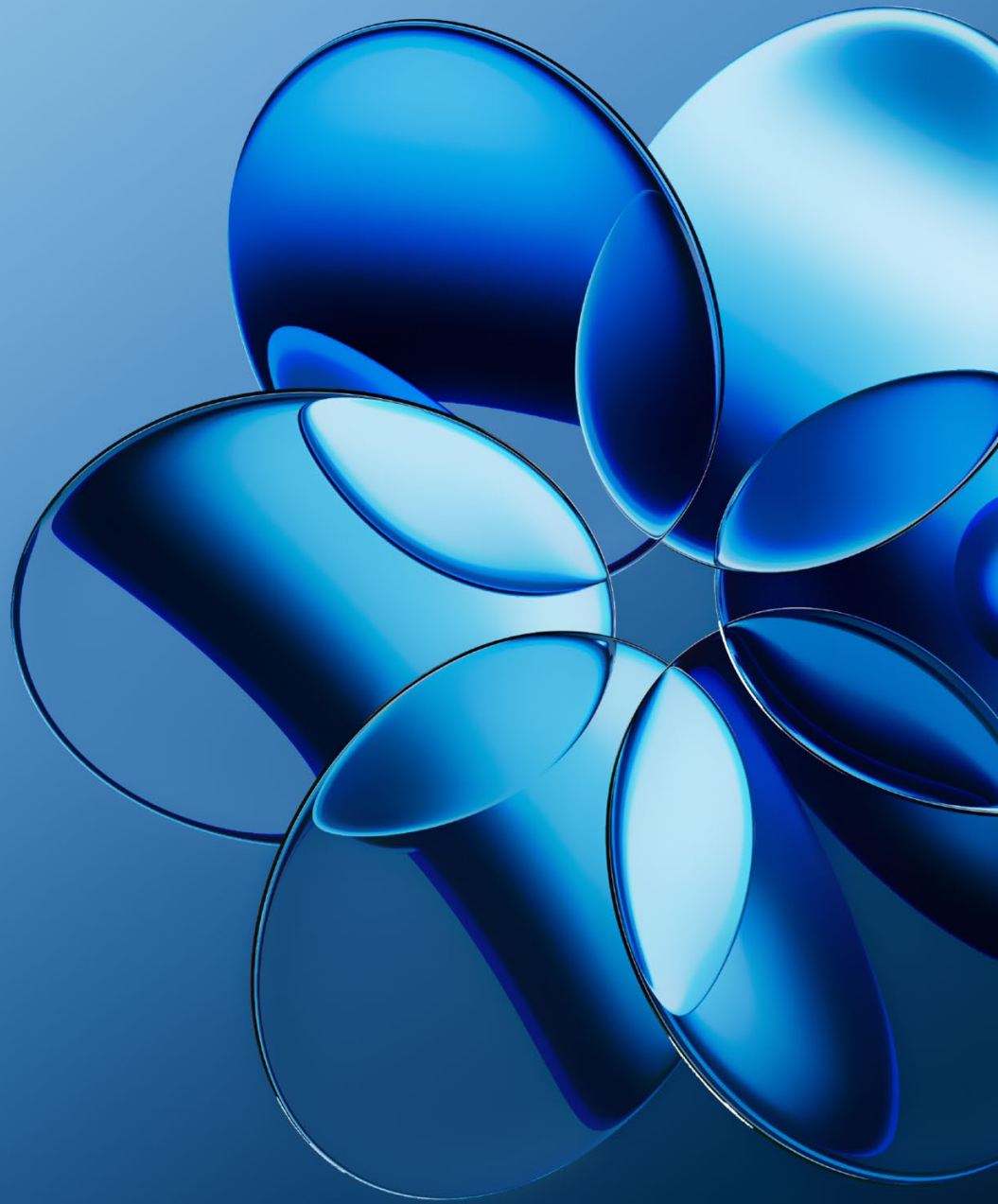


### **Risk**

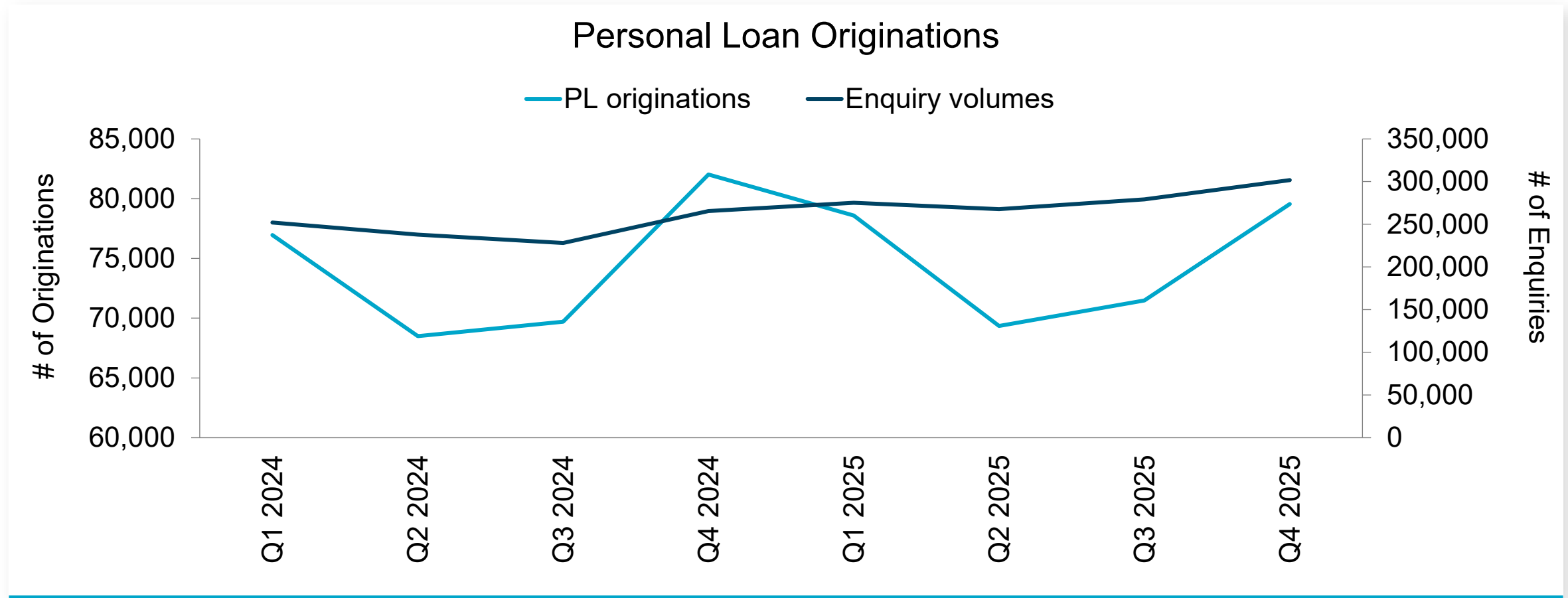
Credit quality remained resilient, with continued migration toward prime segments and delinquency rates remaining low and stable across all stages of arrears.

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# Unsecured Personal Instalment Loan

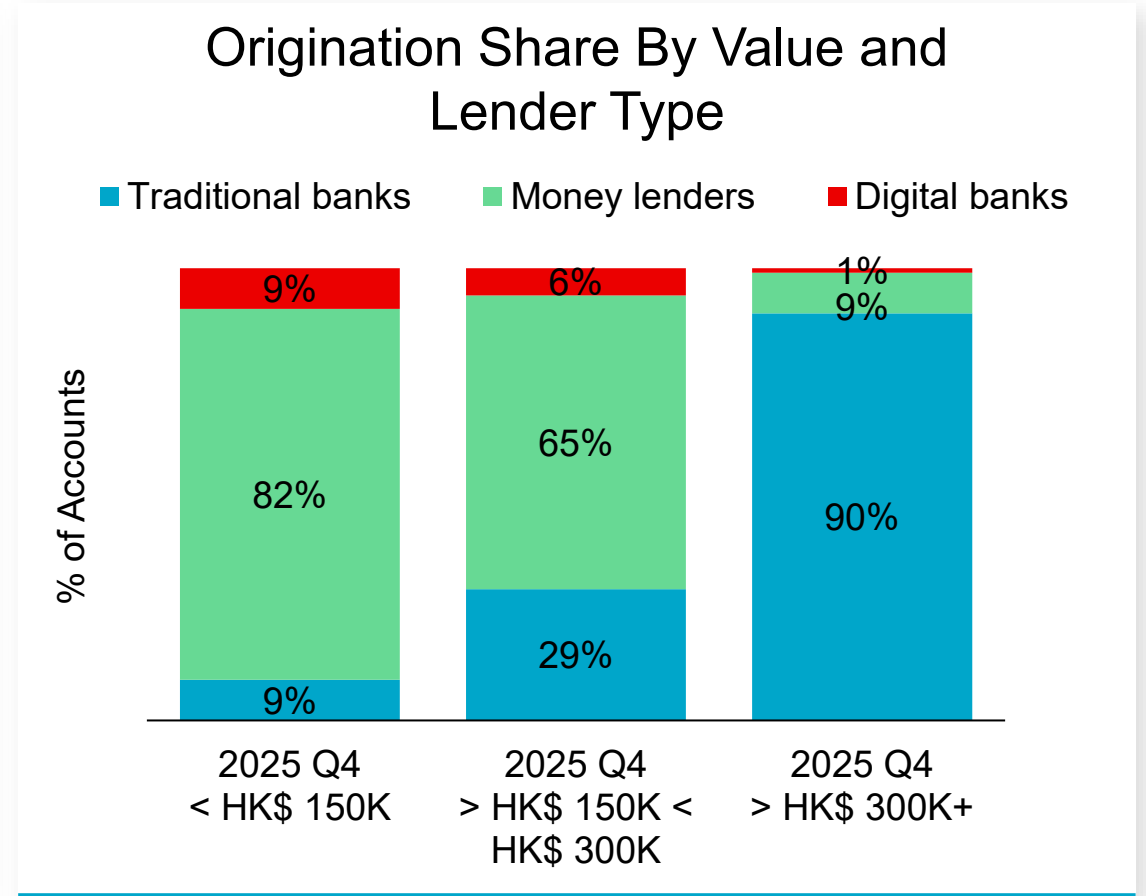


# Personal loan enquiries continued to rise — while originations remained below prior-year peak

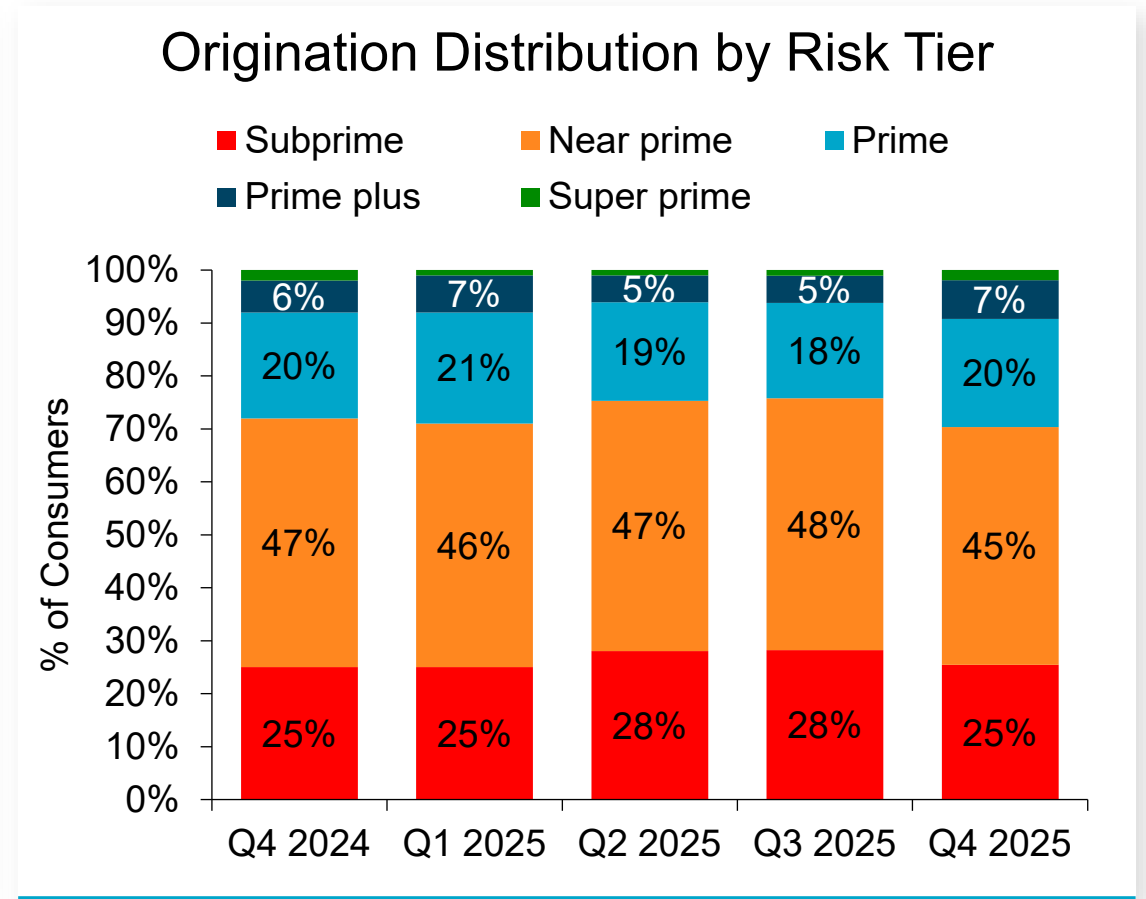
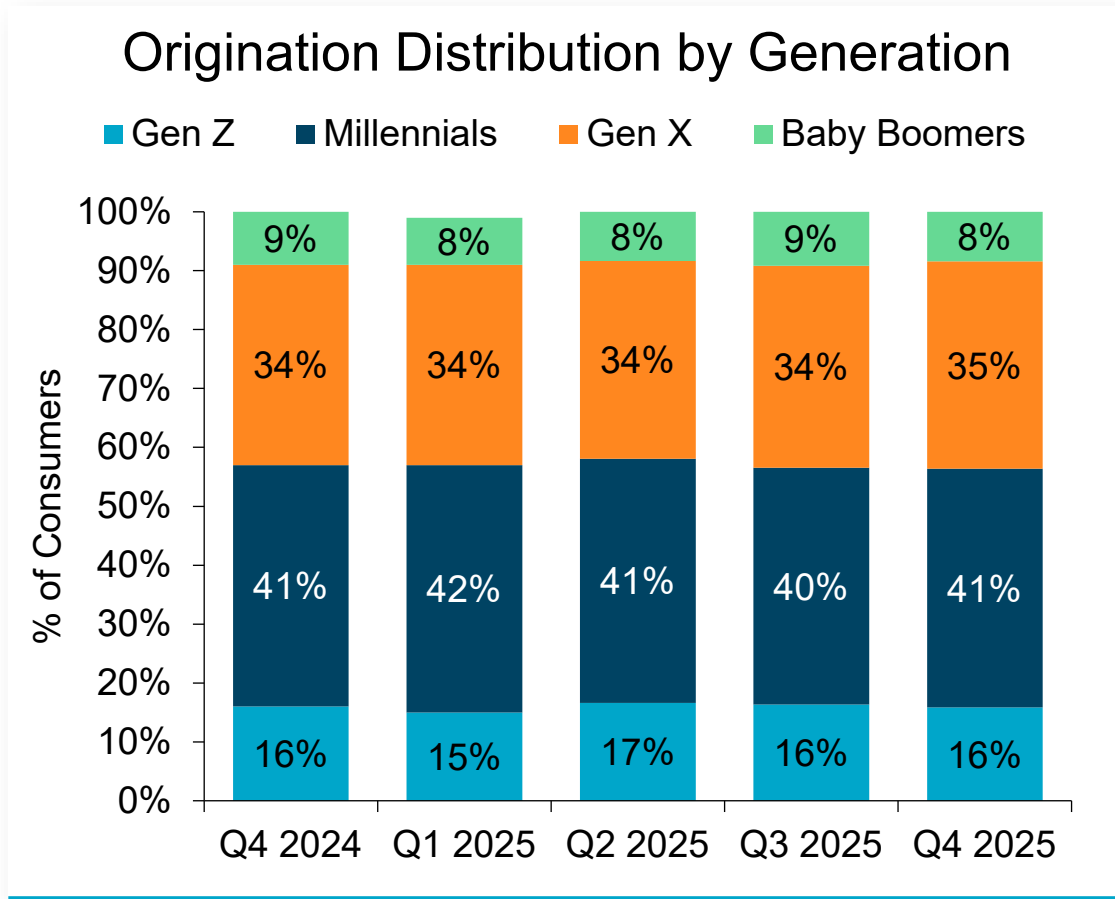


# Borrower risk and lender participation diverge significantly across loan sizes

HK\$	<150K loan amount	>150K < 300K loan amount	> 300K+ loan amount
<b>Total loan originations Q4</b>	20.1K	38.2K	21.5K
<b>Share of originations</b>	25%	48%	27%
<b>Number of consumers</b>	13.5K	35K	12K
<b>Share of consumers</b>	24%	56%	20%
<b>Borrowers age &lt;30</b>	43.2%	8%	0.2%
<b>Share of score &lt;Prime</b>	60%	17%	2%



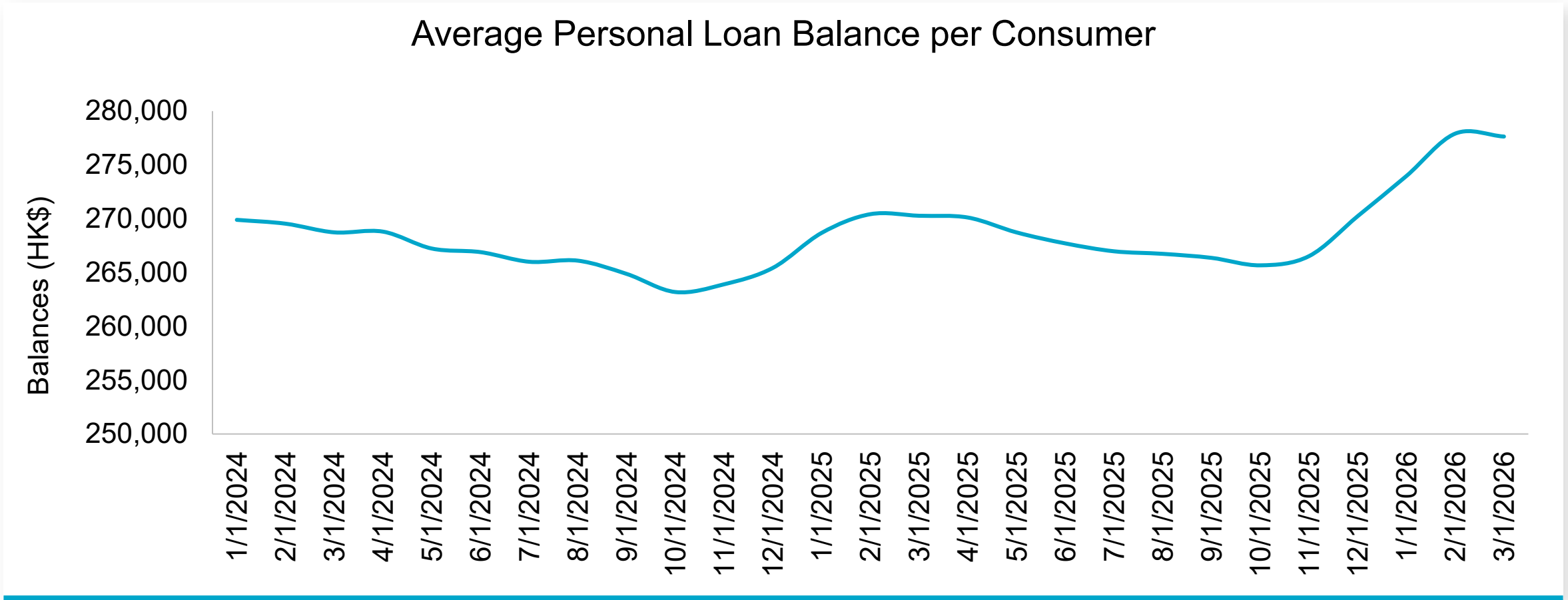
# Borrower composition remained stable despite modest improvement in risk mix



TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD; Prime = CC; Prime plus = BB; Super prime = AA

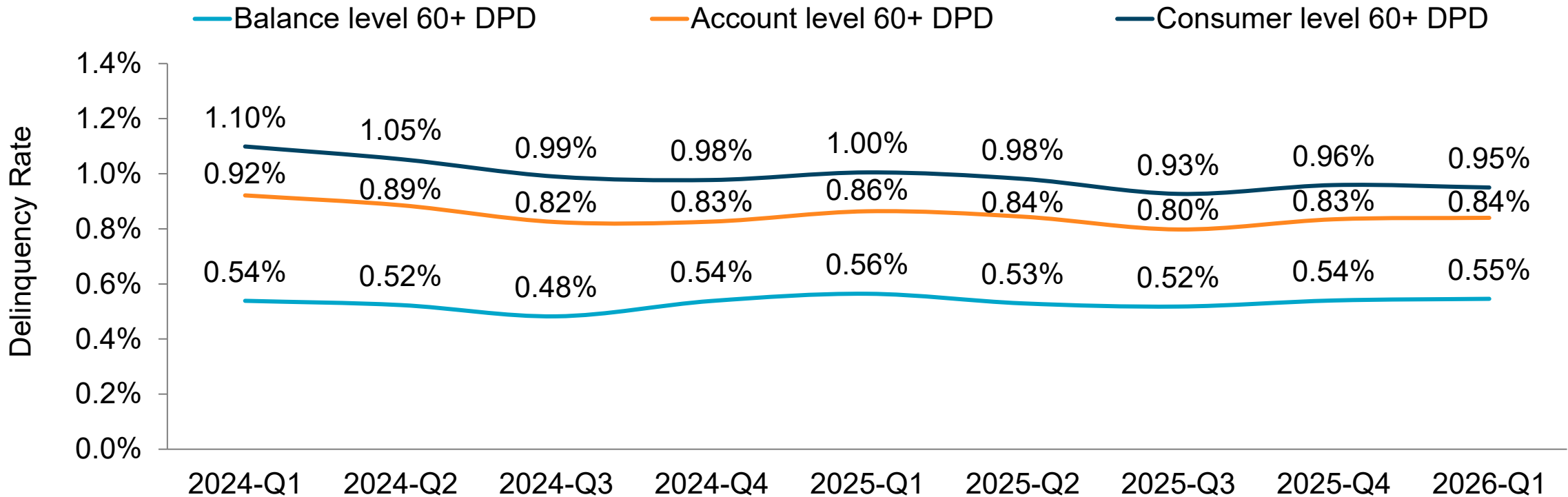


# Average personal loan balances strengthened as borrowers took on larger exposures



# Personal loan delinquencies remained stable despite rising loan balances

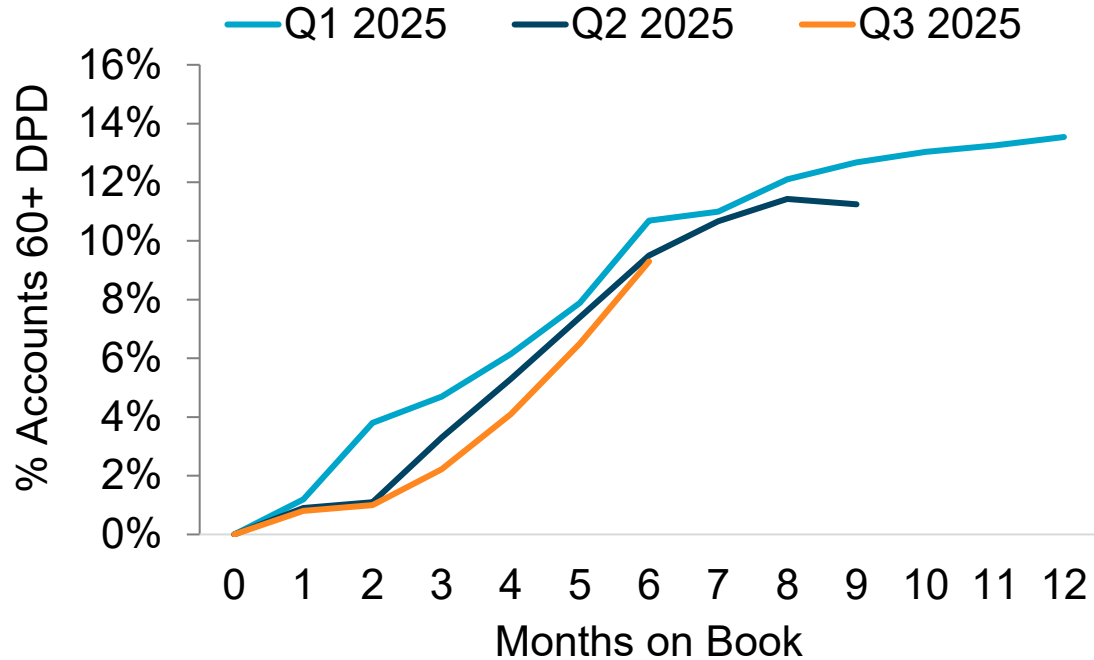
Personal Loan Delinquency Rates, by Category



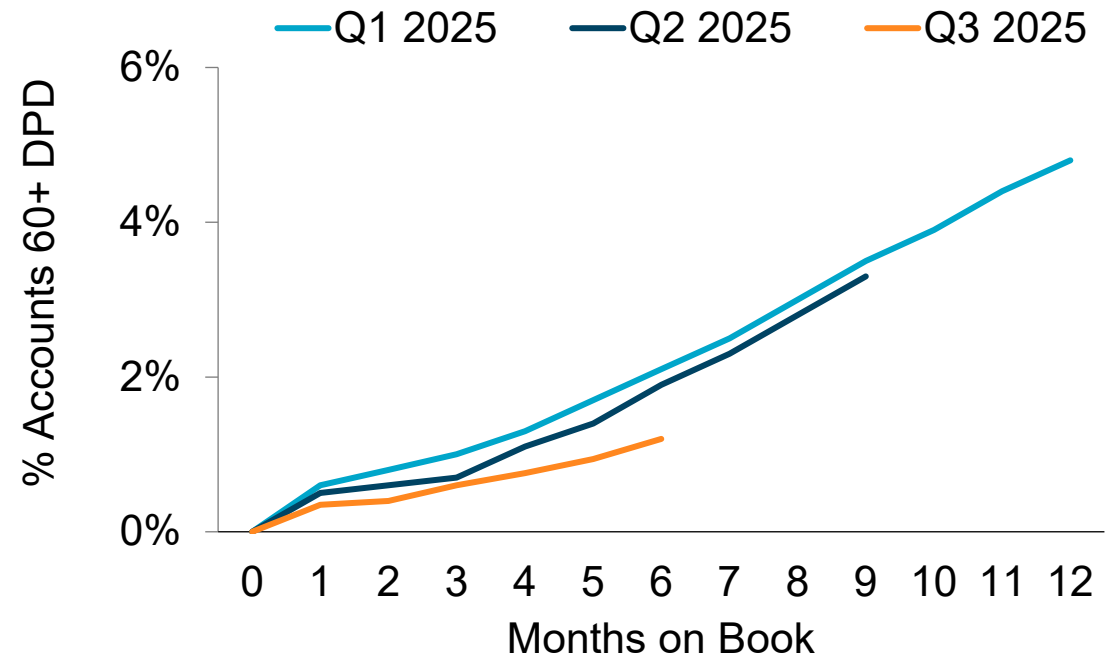
# Recent personal loan vintages show improving early-stage delinquency trends

Vintage Delinquency Rate of Personal Loans By Risk

## Subprime



## Near prime



TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD



# Summary



## Demand

Personal loan demand remained strong, with enquiry volumes reaching new highs, although origination growth continued to lag demand expansion.



## Borrower Profile

Origination activity remained concentrated among Millennials and near prime borrowers, while higher-value lending continued to be dominated by prime consumers and traditional banks.



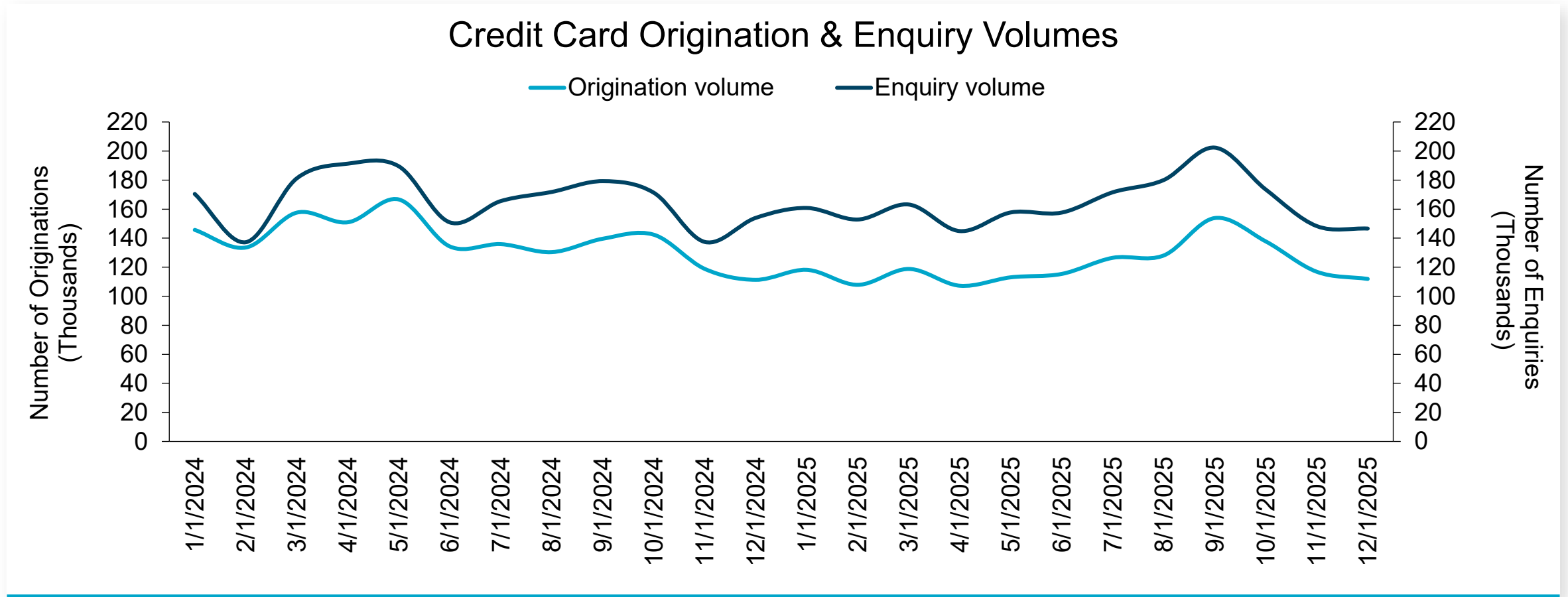
## Risk

Portfolio performance remained resilient, with stable delinquency rates and favorable vintage performance across recent booking cohorts.

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**Credit Card**

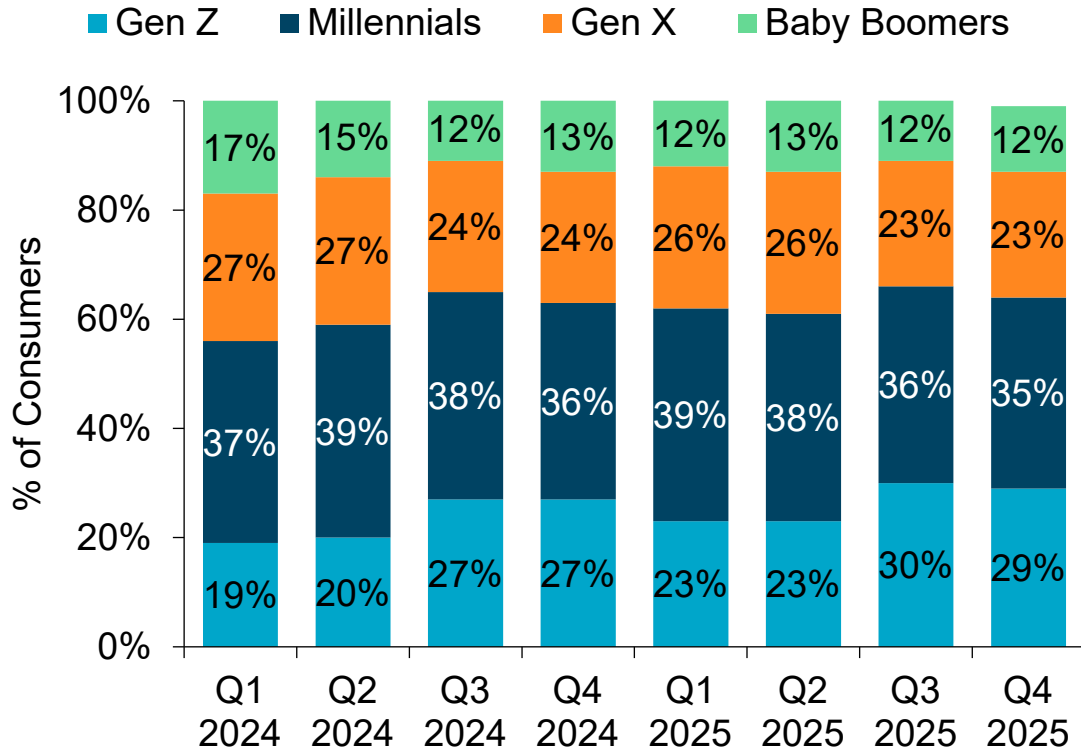


# Credit card demand remained stable as origination volumes moderated toward the latter part of 2025

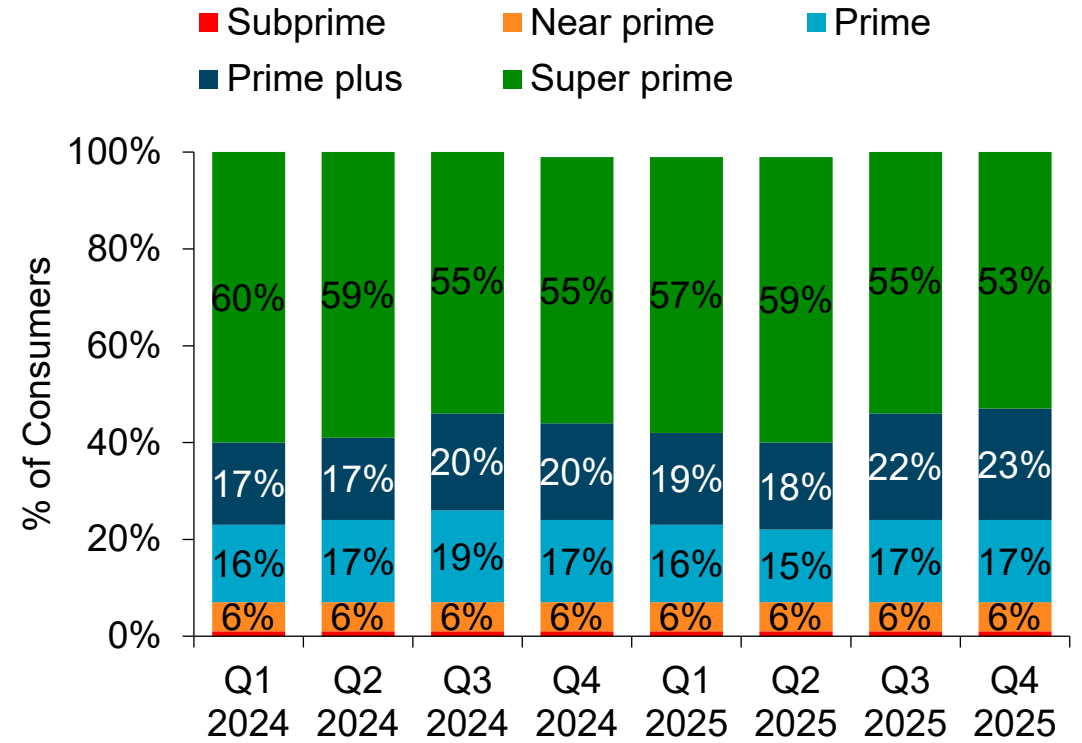


# Gen Z now accounts for nearly one-third of new credit card originations

### Origination Distribution by Generation



### Origination Distribution by Risk Tier



TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD; Prime = CC; Prime plus = BB; Super prime = AA



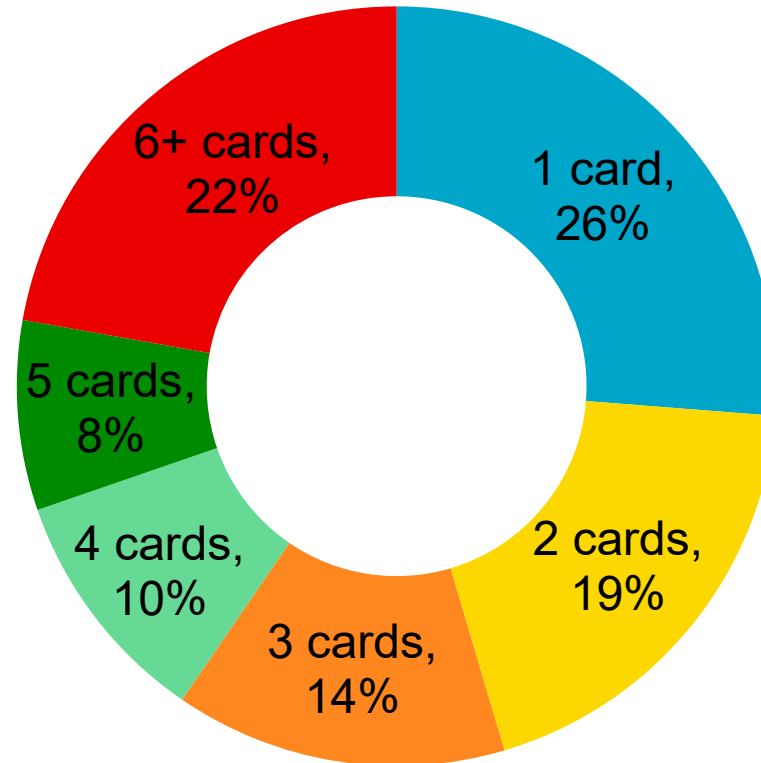
# Card growth increasingly depends on wallet share rather than new-to-credit acquisition

**4,573,831**  
consumers

**18.8M**  
cards

**26**  
card issuers

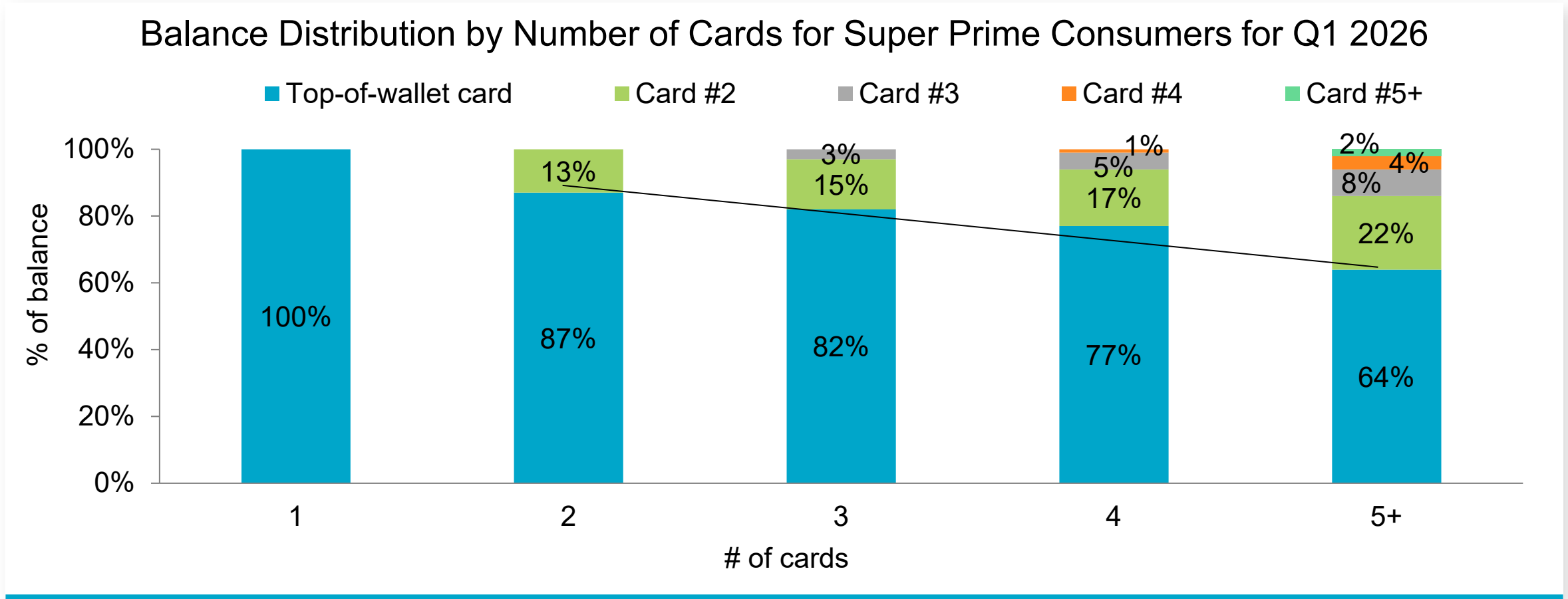
Number of cards in wallet



Data as at end of Q1 2026



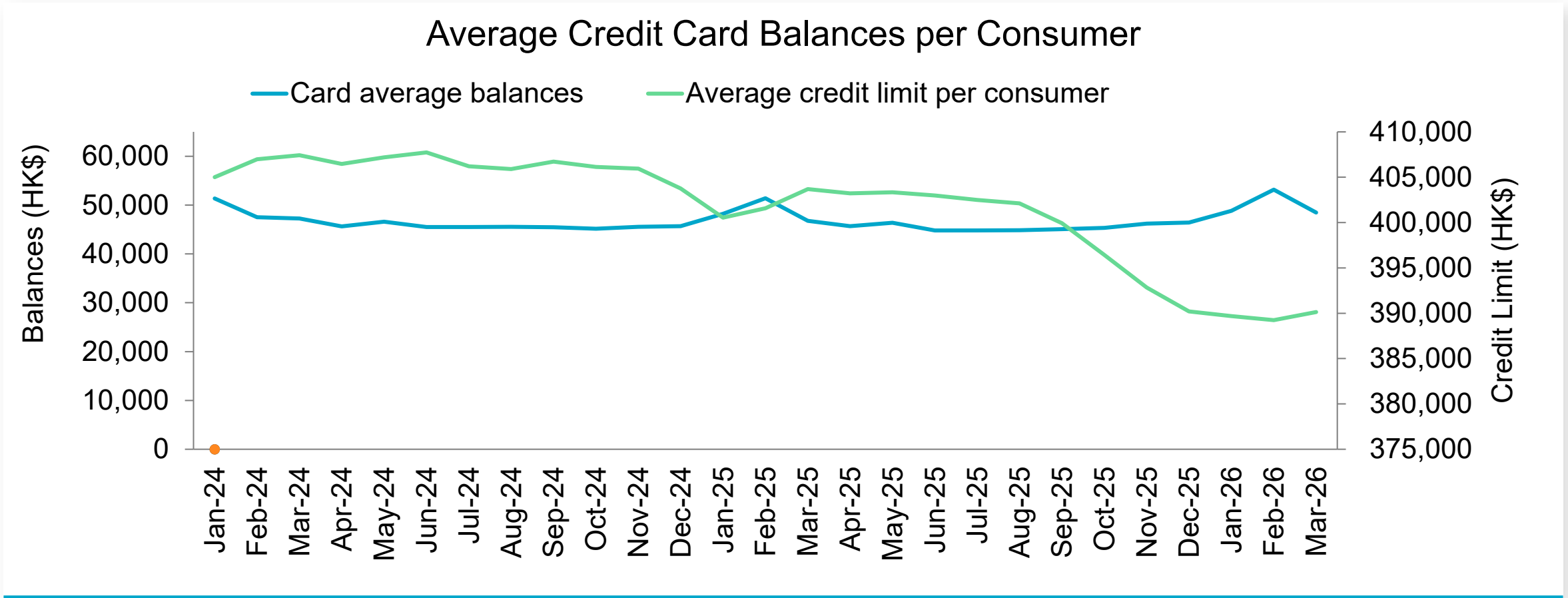
# Consumers maintain a clear primary card regardless of wallet size



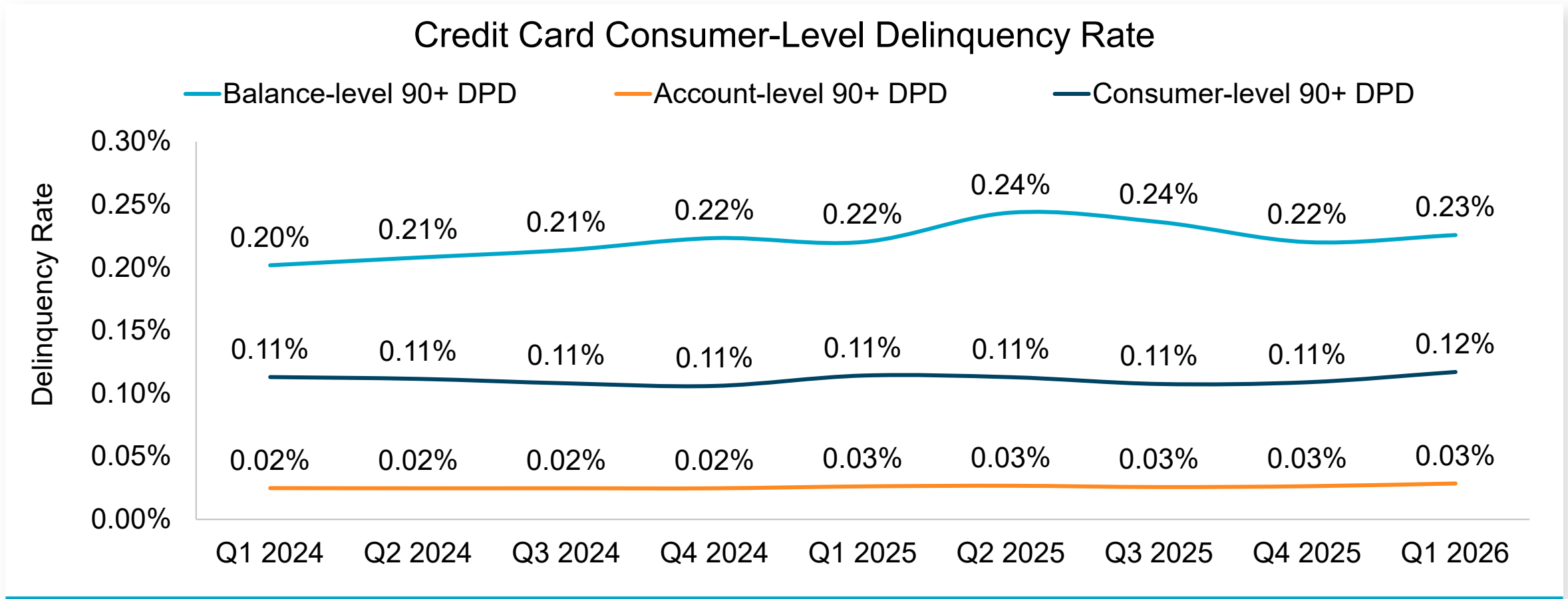
TransUnion CreditVision® risk ranges  
 Super prime = AA



# Credit card balances remained stable as available credit tightened



# Credit card delinquencies remained low despite minor increases in late-stage arrears



# Summary



## Demand

Credit card demand remained resilient, although origination volumes moderated from prior-year highs as the market continued to mature.



## Consumer Behaviour

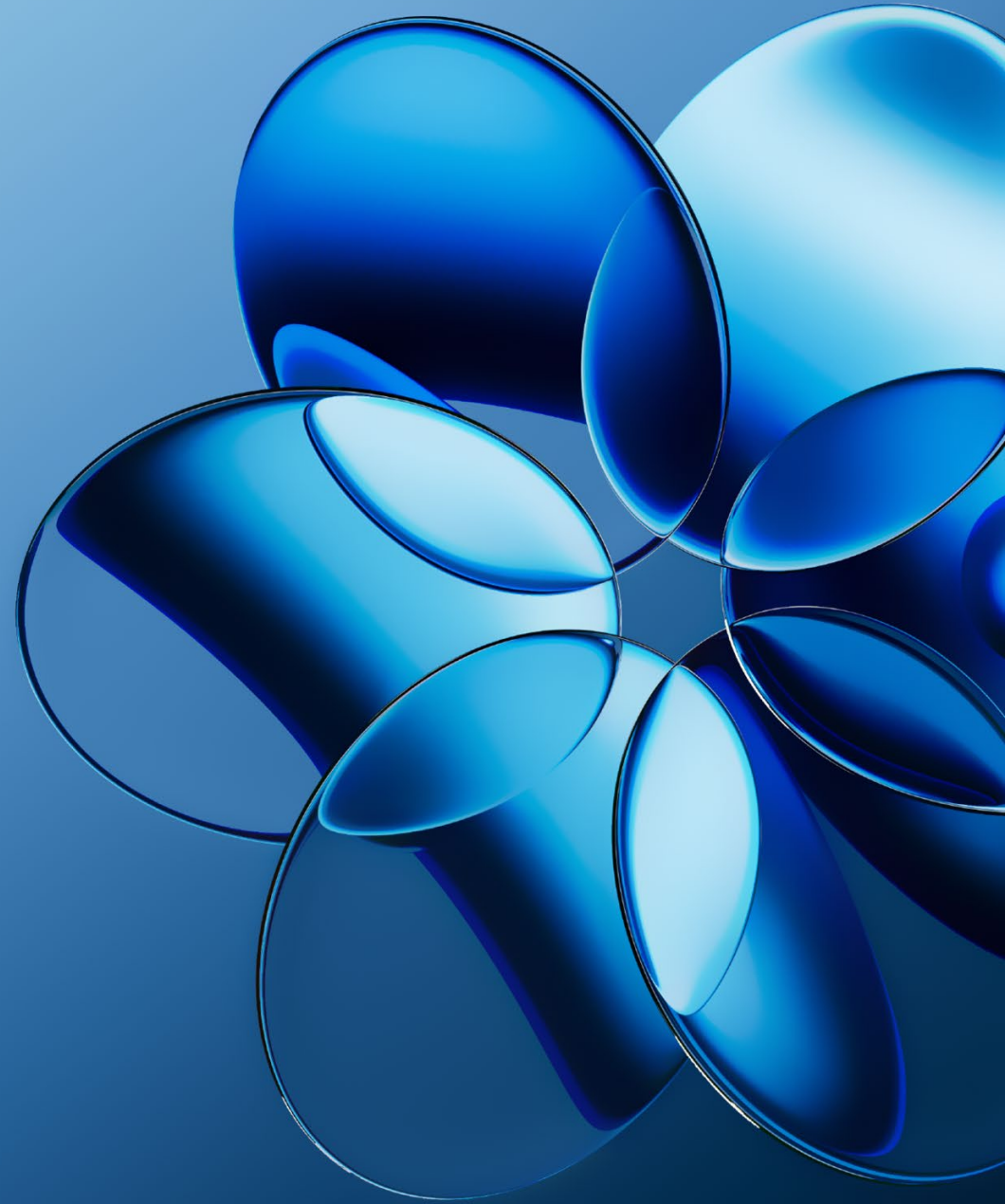
Gen Z now accounts for nearly one-third of new card originations, while multi-card ownership remains widespread and wallet share continues to concentrate on consumers' primary cards.



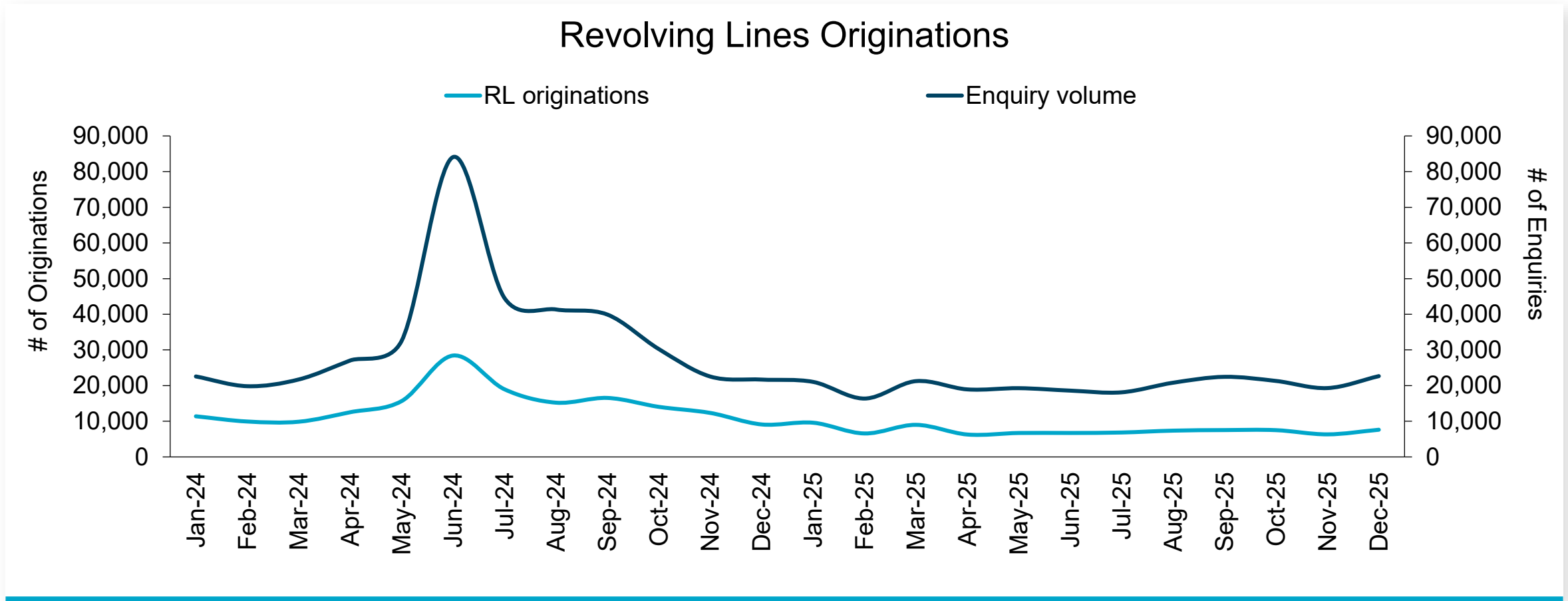
## Risk

Credit card portfolios remained healthy, with modestly higher utilization offset by stable delinquency rates that remained low.

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**Revolving Line**

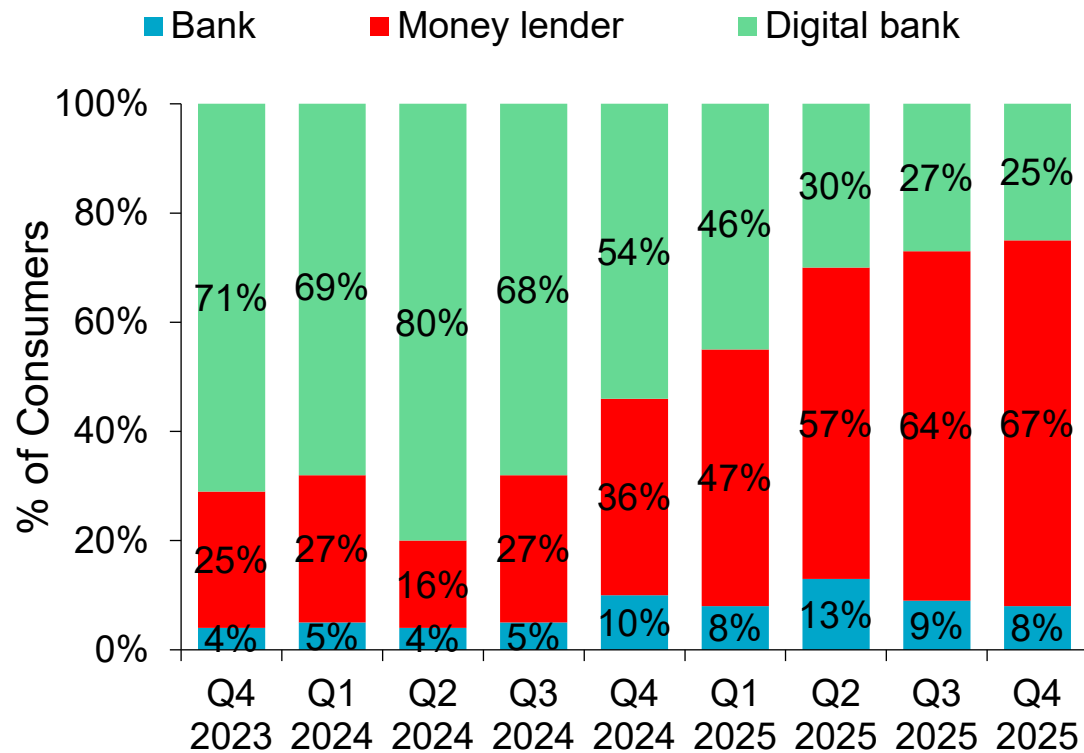


# Revolving line activity stabilized at lower levels following the 2024 surge

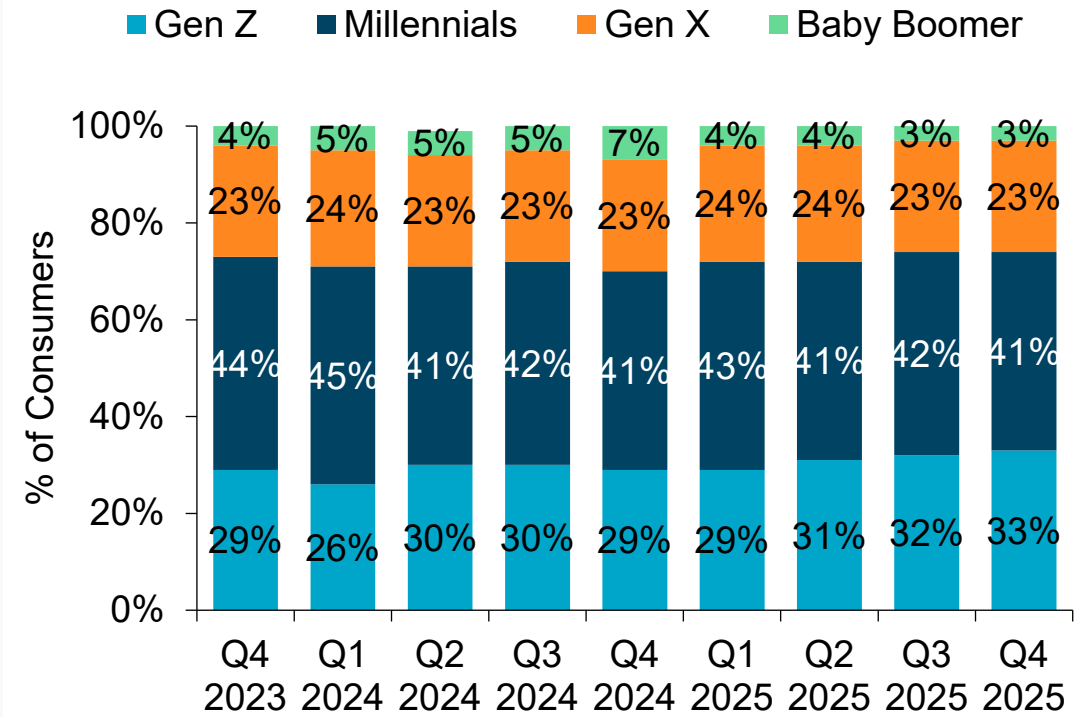


# Money lenders continue to gain share as digital bank participation declines

## Origination Distribution by Lender Type

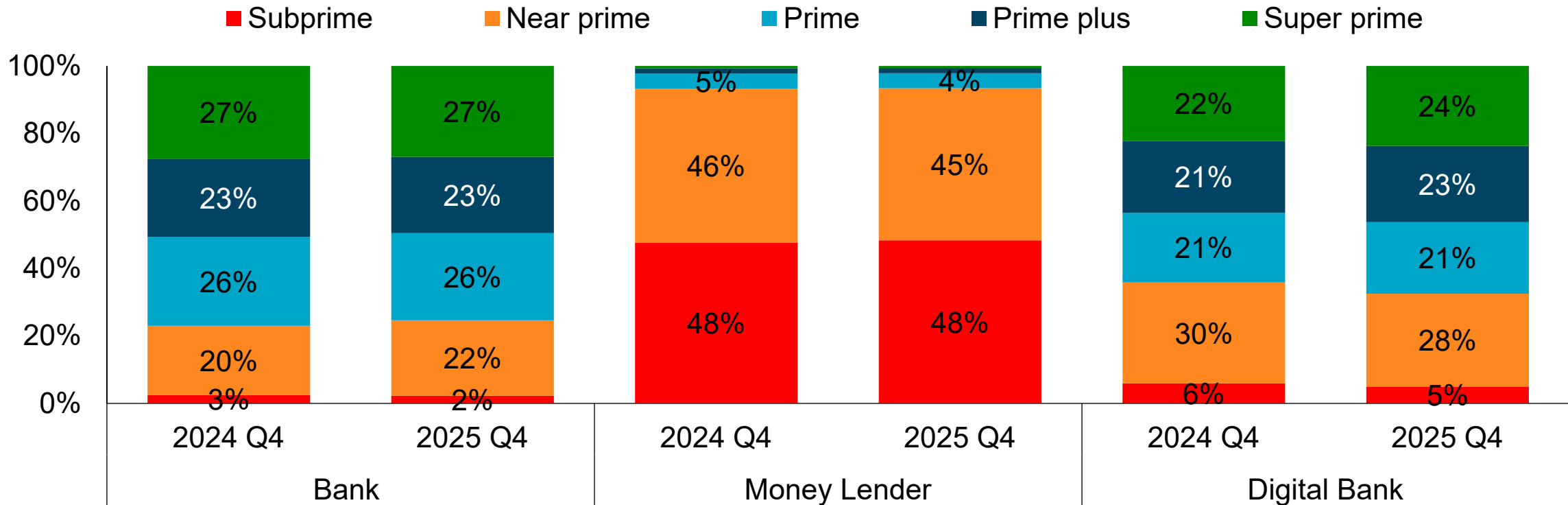


## Origination Distribution by Age



# Money lenders continue to serve higher-risk borrowers — while banks focus on prime segments

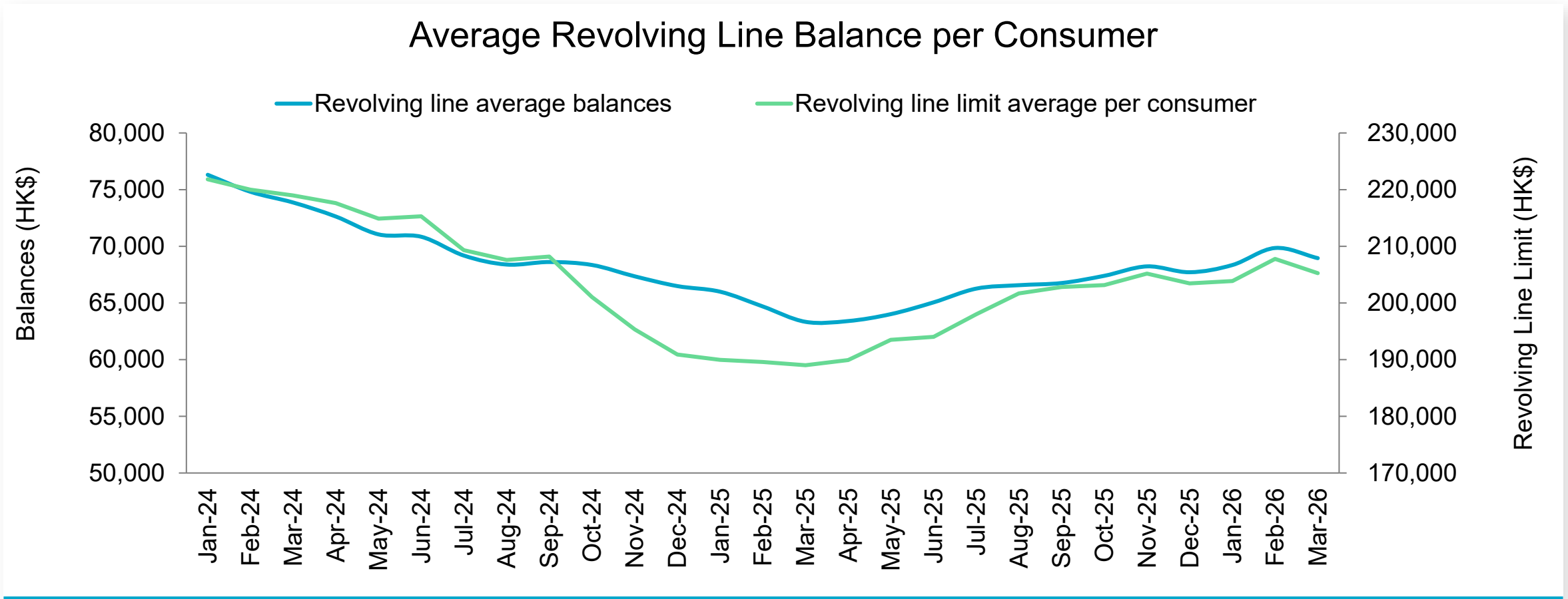
Risk Distribution of Revolving Line Originations by Lender Type



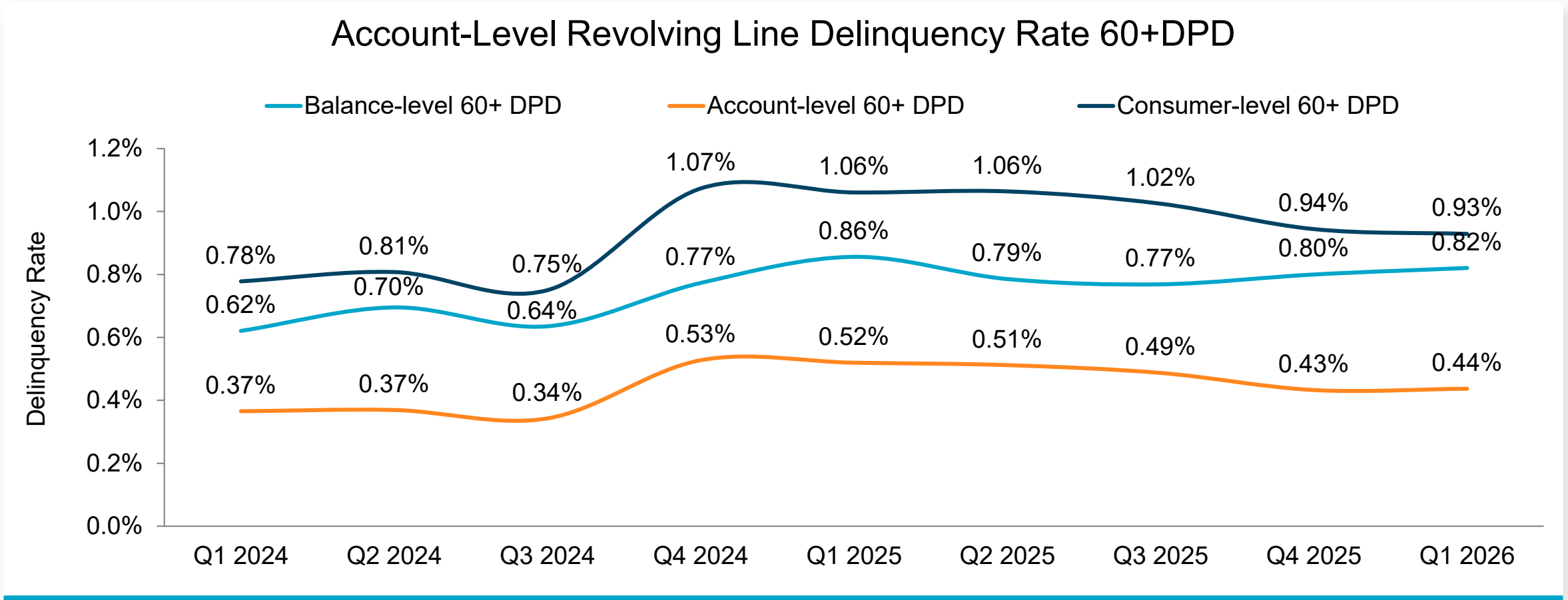
TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD; Prime = CC; Prime plus = BB; Super prime = AA



# Revolving line portfolios show signs of stabilization after prolonged declines

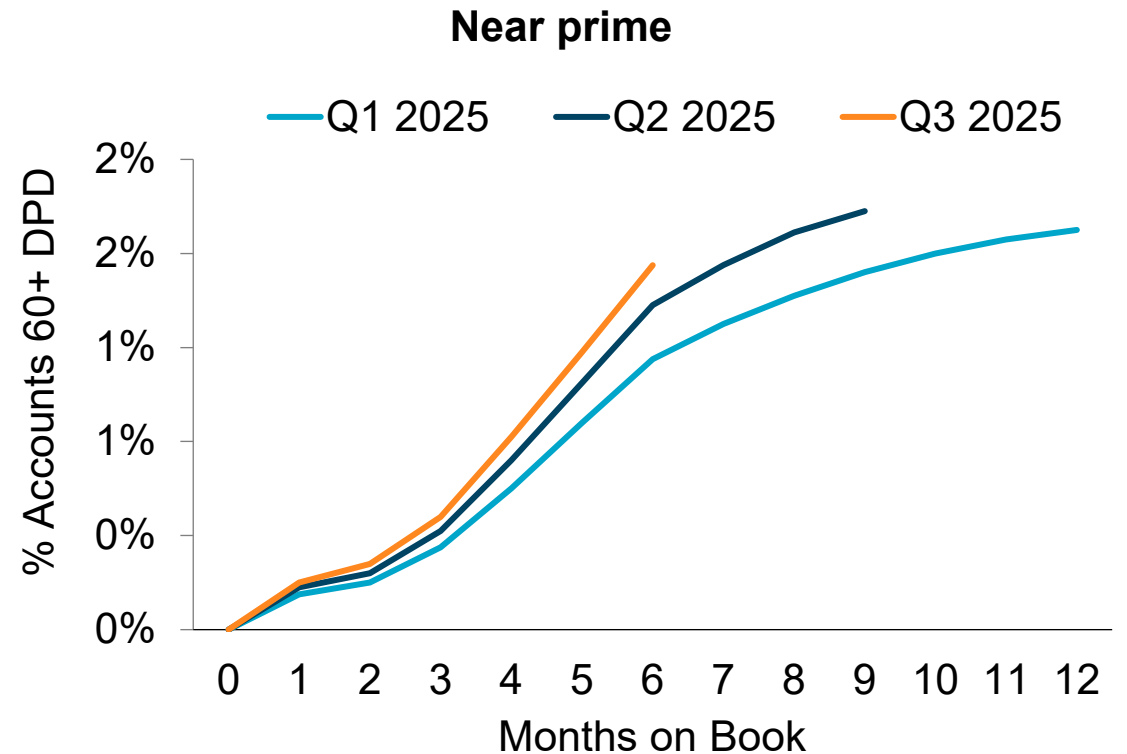
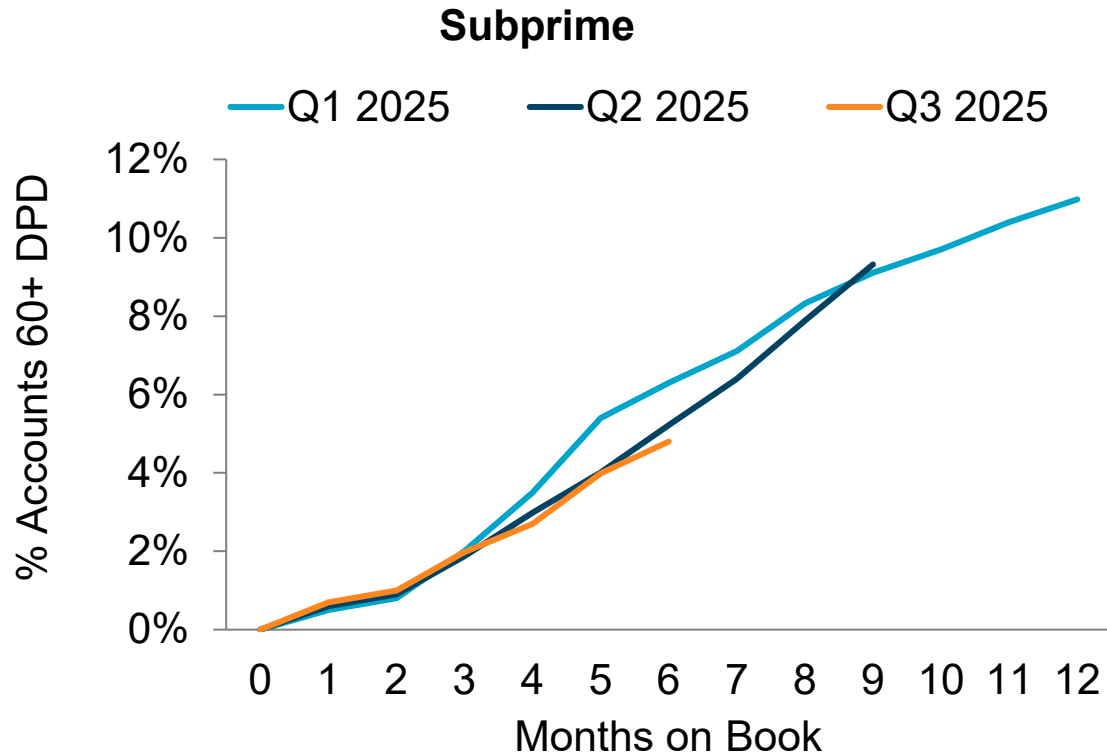


# Revolving line delinquencies stabilized following elevated loss trends in 2024



# Recent vintages have yet to demonstrate sustained credit improvement

Vintage Delinquency Rates Revolving Line By Risk Tier

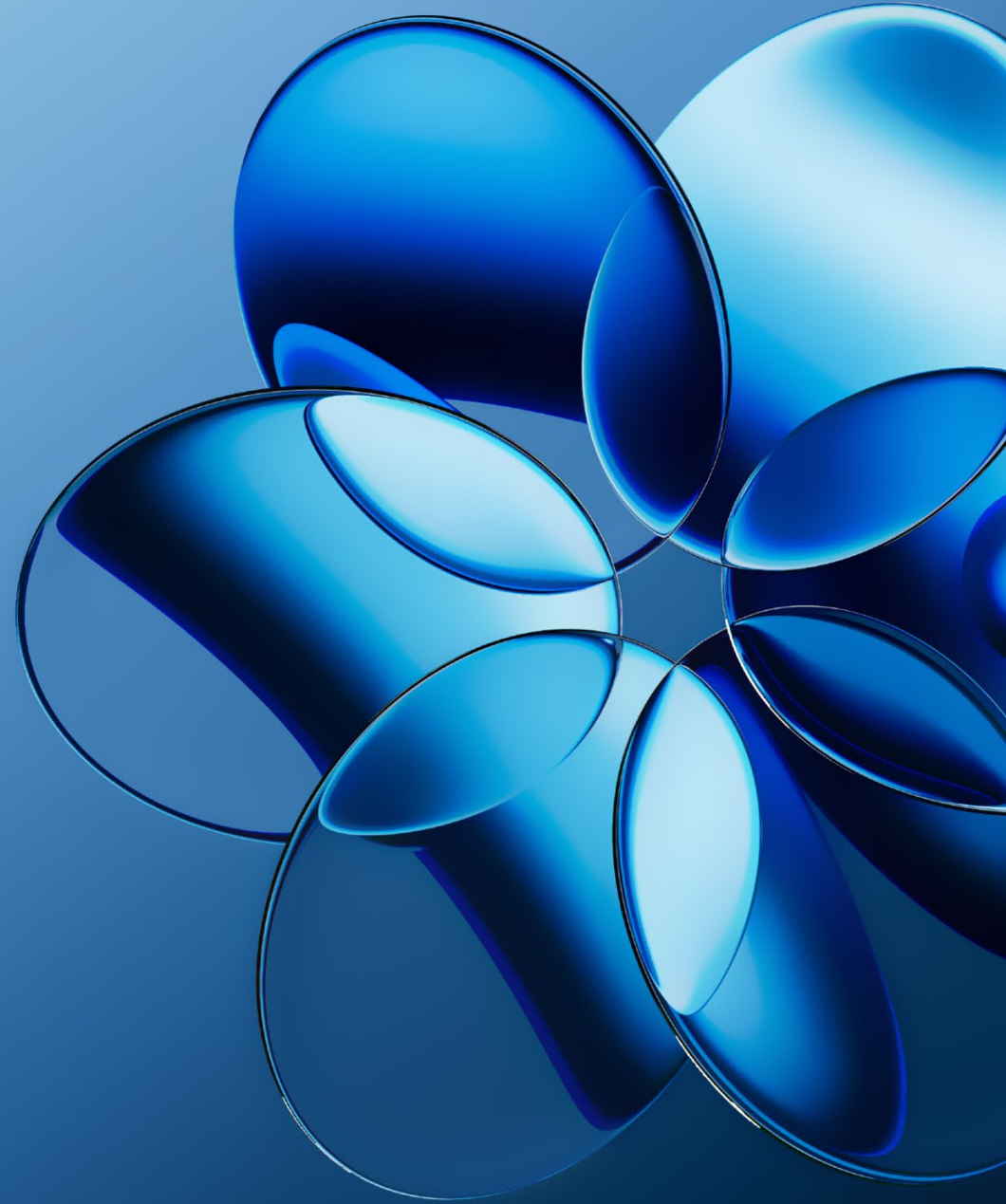


TransUnion CreditVision® risk score: Subprime = JJ to II; Near prime = HH to DD



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# Implications for Lenders to Consider



# Implications for lenders to consider



## Win share of wallet

Growth opportunities increasingly lie in deepening existing customer relationships and expanding multi-product engagement.



## Engagement of the next generation

Gen Z is becoming a major driver of new credit demand, creating opportunities for early customer acquisition and lifetime value growth.



## Adapt to shifting preferences

Consumer demand is concentrating in core lending products, requiring lenders to continuously reassess product, portfolio and risk strategies.