

TRANSUNION INDUSTRY INSIGHTS REPORT

Overview of Consumer Credit Trends Released by TransUnion Hong Kong

Third Quarter 2025



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Executive Summary

In Q3 2025, the Hong Kong consumer credit market continued to show an uneven recovery as secured and several unsecured products demonstrated renewed momentum while others remain subdued. Mortgage lending strengthened meaningfully; double-digit, year-on-year origination growth signalled a gradual revival in housing sentiment. Among other instalment based products, personal loans and auto loans emerged as key pockets of expansion: Personal loan demand held steady, supported by younger consumers and digital lenders, while auto lending accelerated sharply — with strong year-on-year growth in originations, accounts and outstanding balances — as more consumers re-entered the vehicle market at lower average ticket sizes.

In contrast, bankcards, revolving lines and loan-on-card products continued to reflect softer demand and tighter lender appetite. Origination volumes remained weak across these product types as consumers exercised repayment discipline and lenders continued to favour higher-quality borrowers. In particular, revolving lines saw sustained contraction, reflecting both lender retrenchment from lower-limit digital-bank products introduced last year and reduced reliance on discretionary credit by consumers. Tax loans normalised following their seasonal mid-year surge, returning to lower and more typical levels of portfolio activity.

Portfolio balances largely mirrored origination patterns. Strong growth in auto loans and modest increases in personal loan balances offset declines across other product categories. The broader market remained characterised by cautious consumer behaviour; deleveraging continued across revolving products — even as selected categories show renewed engagement.

Credit performance remained broadly resilient across all major products. Delinquency rates improved quarter on quarter in most unsecured lender portfolios and remained low in absolute terms. While revolving lines still exhibited elevated delinquency levels linked to the 2024 digital-bank cohort, the trend is stabilising. Auto loans showed a healthy profile, with only modest year-on-year increases in delinquency and quarterly improvements that signal stronger repayment behaviour. Mortgages maintained exceptionally low delinquency rates, reinforcing the stability of secured credit quality.

Overall, the market is shifting toward a more balanced foundation. Growth in mortgages, personal loans and auto loans points to emerging areas of consumer confidence — while ongoing weakness in revolving credit reflects both lender caution and consumers' more conservative borrowing preferences. As sentiment gradually improves, the outlook for 2025 points to measured stabilisation — while continued vigilance is required around risk concentration in certain borrower groups and the pace at which lenders reopen broader access to unsecured credit.

All the data in dollar amount in the report is in HKD.

Bankcard Summary

BANKCARD METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	18.80M	-0.64%	-1.58%
Outstanding Balance	159.78B	0.91%	-0.19%
Total Credit Lines	1.42T	-0.49%	-1.02%
Average Balance (per consumer)	45.09K	0.63%	-0.84%
Average Credit Line (per consumer)	399.93K	-0.76%	-1.67%
Number of Consumers With Access to an Active Trade	4.53M	-0.49%	0.43%
Number of Consumers Carrying a Balance	3.54M	0.28%	0.66%
Origination Volumes (Q2 2025)	334.93K	-3.8%	-23.52%
Average New Account Credit Line (Q2 2025)	66.39K	-1.95%	6.07%
Account-Level Delinquency Rate (90+ DPD)	0.03%	0 bps	0 bps
Consumer-Level Delinquency Rate (90+ DPD)	0.11%	-1 bps	0 bps
Balance-Level Delinquency Rate (90+ DPD)	0.24%	-1 bps	2 bps

Source: TransUnion Credit Information Services consumer credit database

Credit card originations declined sharply in the second quarter of 2025, down 23.5% year on year, reflecting a broader contraction in both consumer demand for new cards and lender appetite. Even Gen Z consumers, who are typically expected to drive new-to-credit growth, declined 13% in new card volume compared to the prior year, signalling the slowdown has affected the market's youngest and most expansionary segment. Millennial and Gen X segments saw even steeper drops, each declining by 26% from the past year. Lender appetite remained selective, overall limits on new cards increased (up 6% year on year) due to significant expansion in credit lines for prime borrowers, while limits on new subprime borrower cards fell 7%.

Despite the sharp fall in new originations, total outstanding balances remained broadly stable, declining only 0.2% year on year with the number of consumers carrying a balance consistent to levels observed in the prior year. A deeper dive into the data showed continued deleveraging among prime and above segments; average balances per consumer fell 3% year on year as these consumers reduced reliance on revolving credit and managed spend more selectively. In contrast, subprime consumers increased their utility with balances up 8% year on year, suggesting growing liquidity needs or rising dependency on card-based borrowing. This divergence means while the headline balance figure remains relatively flat, the portfolio is carrying slightly higher proportion of risk-sensitive debt.

Consumer repayment performance remained stable year over year, with the 90 days or more past due rate holding at 0.11%. Prime and near prime borrowers continued to demonstrate strong repayment behaviour. In the subprime segment, overall delinquency rates improved, declining 41 basis points to 7.39%. However, balance-level delinquencies rose slightly (up two basis points), driven primarily by higher outstanding balances on delinquent subprime accounts. These dynamics highlight a growing concentration of risk within a smaller subset of borrowers — even as broader repayment trends remain stable.

All the data in dollar amount in the report is in HKD.

Loan on Card Summary

LOAN ON CARD METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	431.72K	-14.32%	-13.75%
Outstanding Balance	39.77B	-6.59%	-9.26%
Average Balance (per consumer)	127.69K	9.00%	5.88%
Number of Consumers Carrying a Balance	311.48K	-14.3%	-14.3%
Origination Volumes (Q2 2025)	142.88K	-1.64%	-5.16%
Account-Level Delinquency Rate (60+ DPD)	0.01%	0 bps	0 bps
Consumer-Level Delinquency Rate (60+ DPD)	0.01%	0 bps	0 bps

Source: TransUnion Credit Information Services consumer credit database

Loan on card (LOC) originations continued to soften in Q2 2025, in line with broader credit card market trends. Origination volumes declined by 5.16% year over year as fewer consumers turned to LOC facilities compared to the stronger demand observed in the prior year.

The ongoing slowdown in new originations contributed to a 13.8% annual decline in the total number of open LOC accounts. Outstanding balances fell below the HKD 40 billion mark, down 9.3% from the prior year, reflecting reduced utilization across the market. Average balances per consumer increased 5.9% year over year, primarily driven by the denominator effect of fewer active accounts rather than increased spending behaviour.

All the data in dollar amount in the report is in HKD.

Auto Loan Summary

AUTO LOAN METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	14.52K	1.42%	22.5%
Outstanding Balance	2.55B	-2.93%	23.2%
Average Balance (per consumer)	178.42K	-4.48%	-0.2%
Number of Consumers Carrying a Balance	14.30K	1.66%	23.6%
Origination Volumes (Q2 2025)	946.00	-9.90%	33.6%
Average New Account Balance (Q2 2025)	229.24K	-1.59%	-15.1%
Account-Level Delinquency Rate (60+ DPD)	0.13%	-3 bps	3 bps
Consumer-Level Delinquency Rate (60+ DPD)	0.14%	-3 bps	3 bps
Balance-Level Delinquency Rate (60+ DPD)	0.15%	-2 bps	4 bps

Source: TransUnion Credit Information Services consumer credit database

The auto loan market showed signs of recovery: Origination volumes rose strongly in Q2 2025, up 33.6% year over year. Growth in new lending was accompanied by a 15.1% year-over-year decline in the average new account balance to HKD 229.24K and broadly stable average balance per consumer (-0.2% year over year), indicating more consumers are taking auto loans but at lower-ticket sizes.

This rebound in new loan generation translated to a meaningful expansion in portfolio size. The number of open auto loan accounts increased 22.5% year over year to 14.52K, while outstanding balances rose 23.2% to HKD 2.55 billion. The number of consumers carrying a balance also grew 23.6% year over year, reflecting renewed willingness to finance vehicle purchases and deeper penetration of auto lending.

Credit performance remained healthy. Account-level and consumer-level 60+ days past due rates increased modestly by three basis points year over year to 0.13% and 0.14%, respectively, while balance-level delinquencies rose four basis points to 0.15%. Nevertheless, all three delinquency measures improved quarter on quarter, suggesting although a slightly larger share of balances is held by delinquent borrowers than a year ago, overall auto loan credit risk remains low and is trending positively in the near term.

All the data in dollar amount in the report is in HKD.

Mortgage Summary

MORTGAGE METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	685.51K	0.96%	-2.30%
Origination Volumes (Q2 2025)	16.72K	16.29%	13.28%
Account-Level Delinquency Rate (60+ DPD)	0.04%	0 bps	0 bps

Source: TransUnion Credit Information Services consumer credit database

Mortgage origination activity strengthened in Q2 2025, rising 13.28% year over year as residential transaction volumes began to recover. This marks a positive shift in borrower sentiment and suggests early stages of renewed confidence in the property market.

Despite this improvement in new lending, the total number of open mortgages declined 2.3% year over year, reflecting the lingering impact of soft market conditions over the past several quarters. Outstanding account performance continued to remain exceptionally stable, with the 60+ days past due rate holding at 0.04% (unchanged from both last year and the prior quarter).

Overall, the mortgage portfolio showed encouraging signs of recovery in demand — while maintaining strong credit quality and low delinquency risk.

All the data in dollar amount in the report is in HKD.

Unsecured Personal Loan Summary

UNSECURED PERSONAL LOAN METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	603.29K	0.2%	2.18%
Outstanding Balance	108.22B	-0.27%	1.62%
Average Balance (per consumer)	266.36K	-0.5%	0.56%
Number of Consumers Carrying a Balance	408.19K	0.24%	1.07%
Origination Volumes (Q2 2025)	69.35K	-11.76%	1.24%
Average New Account Balance (Q2 2025)	208.31K	-3.98%	0.06%
Account-Level Delinquency Rate (60+ DPD)	0.8%	-5 bps	-3 bps
Consumer-Level Delinquency Rate (60+ DPD)	0.93%	-5 bps	-6 bps
Balance-Level Delinquency Rate (60+ DPD)	0.52%	-1 bps	4 bps

Source: TransUnion Credit Information Services consumer credit database

Unsecured personal loan originations, reported on a one-quarter lag, increased 1.24% year over year in Q2 2025, supported by strong growth among younger consumers. Gen Z originations rose 14% year over year and Millennials increased 1%, while Gen X and Baby Boomer originations declined. Digital banks continued to gain share, posting a 35% year-over-year rise in volume, now accounting for 7.7% of originations compared to 5.8% a year earlier. In contrast, traditional banks saw a 5% year-over-year decline in origination activity. Average new account balances remained broadly stable year over year at HKD 208.3K.

The unsecured personal loan portfolio continued to expand steadily in Q3 2025. The number of accounts grew 2.18% year over year, while outstanding balances increased 1.62%, reflecting ongoing demand and stable engagement. The number of consumers carrying a balance also increased 1.07% year over year, though average balance per consumer softened slightly quarter on quarter, suggesting continued cautious borrowing behaviour.

Credit performance remained resilient. Both account-level and consumer-level 60+ DPD delinquency rates improved quarter on quarter and year over year. While the balance-level 60+ DPD delinquency rate increased four basis points year over year, this modest rise reflected slightly higher balances among the smaller segment of consumers who have fallen behind — rather than a broad-based deterioration in repayment performance.

All the data in dollar amount in the report is in HKD.

Unsecured Tax Loan Summary

UNSECURED TAX LOAN METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	9.74K	-10.28%	-8.65%
Outstanding Balance	1.98B	-31.88%	0.98%
Average Balance (per consumer)	211.88K	-24.56%	9.81%
Number of Consumers Carrying a Balance	9.34K	-9.68%	-8.09%
Origination Volumes (Q2 2025)	267.00	-93.81%	32.18%
Average New Account Balance (Q2 2025)	418.66K	26.95%	29.85%
Account-Level Delinquency Rate (60+ DPD)	0.09%	-5 bps	-4 bps
Consumer-Level Delinquency Rate (60+ DPD)	0.11%	-5 bps	-4 bps
Balance-Level Delinquency Rate (60+ DPD)	0.05%	2 bps	-5 bps

Source: TransUnion Credit Information Services consumer credit database

Unsecured tax loan originations increased 32.18% year over year in Q2 2025, driven by seasonal demand aligned with Hoing Kong's tax filing cycle. Tax returns for some individuals are issued by the Inland Revenue Department in early May, with most taxpayers required to file within a fixed period, creating a concentrated need for short-term financing to support tax obligations. Average new account balances also increased 29.85%, reflecting higher borrowing per customer during the peak lending window.

By Q3 2025, the unsecured tax loan portfolio had contracted significantly following this seasonal spike. The number of accounts fell 8.65% year over year, while outstanding balances declined 31.88% quarter on quarter, consistent with accelerated repayment behaviour once tax liabilities are settled. The average balance per consumer remained elevated on an annual basis (+9.81% YoY), indicating borrowers who remain active carried higher balances.

Credit performance on tax loans improved compared to last year. Both account-level and consumer-level 60+DPD delinquency rates decreased by four basis points year over year, reflecting strong repayment trends in this traditionally low-risk product.

All the data in dollar amount in the report is in HKD.

Unsecured Revolving Lines Summary

UNSECURED REVOLVING LINES METRICS	Q3 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	573.23K	-2.79%	-5.75%
Outstanding Balance	15.21B	-2.19%	-8.62%
Total Credit Lines	45.75B	-0.35%	-8.6%
Average Balance (per consumer)	66.76K	2.62%	-2.7%
Average Credit Line (per consumer)	202.80K	4.53%	-2.59%
Number of Consumers With Access to an Active Trade	461.56K	-2.34%	-6.61%
Number of Consumers Carrying a Balance	228.91K	-4.68%	-6.12%
Origination Volumes (Q2 2025)	20.10K	-18.39%	-63.05%
Average New Account Credit Line (Q2 2025)	91.26K	55.21%	101.52%
Account-Level Delinquency Rate (60+ DPD)	0.49%	-2 bps	14 bps
Consumer-Level Delinquency Rate (60+ DPD)	1.02%	-4 bps	27 bps
Balance-Level Delinquency Rate (60+ DPD)	0.77%	-2 bps	13 bps

Source: TransUnion Credit Information Services consumer credit database

Origination activity for unsecured revolving lines declined aggressively in Q2 2025 (down 63.05% year over year) as lenders scaled back credit expansion following a period of rapid growth in lower-limit products introduced last year. Traditional banks and money lenders posted double-digit growth in originations (+10% and +31%, respectively), while digital banks saw a substantial 86% year-over-year decline. This reversal marks the unwinding of digital banks' aggressive market share gains in 2024 when they accounted for 80% of originations compared to 30% in Q2 2025.

By Q3 2025, portfolio exposure continued to contract. The number of accounts fell 5.75% year over year and outstanding balances declined 8.62%, reflecting both reduced credit access and consumer deleveraging. Although average balances per consumer rose (+2.62%) quarter on quarter, the declines in total credit lines (-8.6% YoY) and number of consumers with active trades (-6.61% YoY) indicate tightening underwriting conditions and reduced availability of revolving credit.

Credit performance showed mixed trends. Account-level delinquency rates improved quarter on quarter (-2 bps), yet consumer-level and balance-level 60+ DPD delinquency rates increased 27 bps and 13 bps year over year, respectively. The deterioration was linked primarily to lower-limit digital bank facilities introduced in 2024 — which continued to exhibit weaker risk performance into 2025. As lenders pull back issuance of these products, portfolio quality is expected to gradually stabilise.

All the data in dollar amount in the report is in HKD.

Report Overview and Definitions

The TransUnion Industry Insights Report is a quarterly overview summarizing data and trends and providing insights on the Hong Kong consumer lending industry.

Data has been pulled from TransUnion’s consumer credit database — which profiles nearly every credit-active consumer in Hong Kong. The report analyses all open accounts reported to TransUnion that have been verified in the past 10 years. All accounts not reported as closed with zero balance (as indicated with a closed date, an instalment balance of zero or a remark indicating a final status, such as foreclosure or settlement) are included in the report’s metrics.

The report provides a full view of all data records (not a sample) over the nine most recent quarters.

Both account-level and consumer-level views of key metrics and trends are included in the report.

The report covers data and trends for the national population overall, as well as breakdowns within consumer credit score risk tiers.

The report analyses individual consumer loan product types (bankcard, private label, auto, mortgage and consumer lending) while also looking at aggregate views of all revolving and non-revolving loans.

Risk Tier Definitions

In this report, we use the global standard risk tier terminology — based on ‘clean’ score breaks that align with the lettered risk grades traditionally used in Hong Kong, as per the table below.

Risk Tier	Borrower CVS Range
Super prime	3,526–4,000 (AA)
Prime plus	3,417–3,525 (BB)
Prime	3,240–3,416 (CC)
Near prime	2,868–3,239 (DD–HH)
Subprime	1,000–2,867 (II–JJ)

Note: Non-prime refers to the 1,000 to 3,239 range; the union of near prime and subprime.

All the data in dollar amount in the report is in HKD.

Product Definitions

PRODUCT CATEGORY	DEFINITION
Bankcard	Revolving account, open account or line of credit reported by a bank, finance company, national card or credit union; loan types include credit card, business credit card, secured credit card and cards with no preset spending limit (flexible spending)
Auto	Loans reported as an auto loan or auto lease
Mortgage	Mortgage loans and instalment (non-revolving) loans with a loan type, including housing mortgage, second mortgage loan, mortgage instalment loan and car park mortgage
Unsecured instalment loans	Instalment (non-revolving) loans with a loan type, including unsecured instalment loan, unsecured tax loan, unsecured short term loan, restructured loans and unsecured decoration loan
Unsecured revolving loans	Revolving loans with a loan type, including unsecured revolving credit account and unsecured overdraft (O/D) facility
All revolving loans	All revolving accounts include bankcards and unsecured revolving loans
All non-revolving loans	All auto and instalment accounts, excluding mortgages due to the lack of positive balance data in Hong Kong

Data Definitions

DATA CATEGORY	DEFINITION
Total account volumes	Total number of accounts open or closed-with-a-balance, at quarter end
Total account balances	Total dollar amount of accounts open or closed-with-a-balance, at quarter end
Total credit lines	Total dollar amount of credit lines of open revolving-type accounts, at quarter end
Total open-to-buy	Total dollar amount of open-to-buy (open account credit lines minus balances) of open revolving-type accounts, at quarter end
Average account balance	Total account balances divided by the number of open-with-a-balance and closed-with-a-balance accounts, at quarter end
Average credit line	Total credit lines divided by the total number of open revolving-type accounts with a credit line greater than zero, at quarter end
Average open-to-buy	Total open-to-buy divided by the total number of open revolving-type accounts with a credit line greater than zero, at quarter end
Unit delinquency rates	Total number of delinquent open and closed accounts at quarter end divided by the total number of open and closed-with-a-balance accounts
Dollar delinquency rates	Total dollar amount of delinquent open and closed accounts at quarter end divided by the dollar balances of open and closed-with-a-balance accounts

All the data in dollar amount in the report is in HKD.

DATA CATEGORY	DEFINITION
Total new account volumes	Total number of new accounts reported opened during the quarter
Total new account balances	Total dollar balances of new accounts reported opened during the calendar quarter, including open and closed-with-a-balance accounts, at quarter end
Total new account credit lines	Total dollar amount of the credit lines of new, open revolving-type accounts reported opened during the calendar quarter, at quarter end
Total new account open-to-buy	Total dollar amount of open-to-buy (open account credit lines minus balances) new, open revolving-type accounts reported opened during the calendar quarter, at quarter end
Average new account balance	Total new account balances divided by the number of new accounts open-with-a-balance and closed-with-a-balance — reported opened during the calendar quarter
Average new account credit line	Total new account credit lines divided by the total number of new, open revolving-type accounts reported opened during the calendar quarter
Average new account open-to-buy	Total new account open-to-buy divided by the total number of new, open revolving-type accounts — reported opened during the calendar quarter
Number of consumers with access to an active trade	Total number of consumers with access to at least one open revolving-type account, including authorized account users, at quarter end
Number of consumers with a balance present	Total number of consumers with at least one open or closed account with a balance greater than zero, not including authorized users, at quarter end
Percentage of borrowers with a delinquent balance	Total number of consumers with at least one open or closed account with a past-due balance greater than zero (30+, 60+, 90+ days past due) divided by the number of consumers with at least one open or closed-with-a-balance account at quarter end
Average number of accounts per consumer	Total number of open and closed-with-a-balance accounts divided by the total number of consumers with at least one open or closed-with-a-balance account, at quarter end
Average total balance per consumer, of consumers with a balance	Total dollar balances of all open and closed accounts divided by the number of consumers with at least one open or closed account with a balance at quarter end
Average credit line per consumer, of consumers with a credit line	Total dollar credit lines of all open revolving-type accounts divided by the number of consumers with at least one open account with a credit line greater than zero at quarter end
Average open-to-buy per consumer	Total dollar open-to-buy of all open revolving-type accounts divided by the number of consumers with at least one open account with a credit line greater than zero at quarter end
Number of new collections accounts	Total number of new collections accounts reported during the quarter
Total new collections account dollars	Total dollar amount of new collections accounts reported during the quarter

All the data in dollar amount in the report is in HKD.

Significant Generations

GENERATION	DEFINITION
Baby Boomers	Consumers born 1946 to 1964
Generation X	Consumers born 1965 to 1979
Millennials	Consumers born 1980 to 1994
Generation Z	Consumers born in 1995 onward

Report Generation Timing

Each quarter's data and calculations are generated from the data available on the last day of the quarter. There's a time lag between the date when a new account is opened and when lenders report new accounts to credit reporting companies. As a result of this time lag, a significant number of new accounts opened during a quarter may not yet be reported as of the quarter end date. To enable more accurate and complete reporting of new accounts, we measure all new account counts and balances in this report one quarter in arrears. With this approach, the quarter prior to the current report date reflects the most recent data.

A note about the calculation of total utilization

To derive total utilization, we recommend the following formula:

$$Total\ Utilization = 1 - \left[\frac{Total\ Open - to - Buy}{Total\ Credit\ Lines} \right]$$

We recommend against calculating utilization as the ratio of total balance to total credit lines because the total balance measure includes balances on closed accounts that have balances, while total credit lines are zeroed out for closed accounts. Our reasoning is credit lines should only be calculated where credit is actually available; a closed account cannot be used for further purchases and hence, should have a credit line of \$0.

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TransUnion's third Industry Insights Report for Hong Kong in 2025 is based on data from the Credit Reference Platform under Credit Data Smart (CDS), following the full migration by the end of November 2024. Future reports will continue to leverage data from this source.

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