TransUnion

TRANSUNION CREDIT INDUSTRY INSIGHTS REPORT

Quarterly Overview of Consumer Credit Trends Released by TransUnion Canada

Fourth Quarter 2025



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Executive Summary

Macroeconomic consumer trends

Canada's macroeconomic environment has shifted from inflation management to a period of sub-potential growth, rising labour market slack and heightened trade uncertainty. Inflation is largely contained and monetary policy is on hold, but economic momentum is expected to remain weak through early 2026, with improvement in the second half of the year dependent on trade outcomes.

Canada avoided a technical recession in 2025; however, growth deteriorated sharply into Q4. GDP contracted 0.3% m/m in October followed by a modest rebound in November, leaving the quarter effectively flat. Real GDP growth is forecast to slow from 1.7% in 2025 to approximately 1.0%–1.4% in 2026 (well below potential) before recovering toward ~2.0% in 2027.[1]

Near-term growth remains constrained by persistent US tariffs and trade policy uncertainty suppressing exports and business investment; weak domestic demand as highly indebted households face slower job creation, moderating wage growth and higher effective mortgage renewal rates; and population contraction driven by declining non-permanent residents — which is weighing on labour supply and consumption.

The outlook improves in the second half of 2026, contingent on progress in the USMCA renegotiation. A constructive outcome would support a rebound in exports and non-residential investment. However, downside risks remain elevated should tariffs persist or escalate, particularly in manufacturing-intensive regions like Ontario and Quebec.

Labour market conditions continue to soften. The unemployment rate rose to 6.8% in December 2025 and is expected to briefly exceed 7.0% in early 2026 as labour force growth outpaces job creation. Employment gains are increasingly concentrated in part-time and lower-quality roles, while wage growth is moderating — still above inflation but no longer accelerating — limiting real income support.[2]

While unemployment is projected to ease toward ~6.0% by early 2027, the improvement is driven in part by demographic contraction rather than strong job creation. From a credit perspective, these dynamics point to continued elevated delinquency risk into early-to-mid 2026, particularly in unsecured consumer lending and among younger borrowers.[3]

Inflation remains well contained. Headline CPI is expected to temporarily rise into the mid-2% range in early 2026 due to base effects, but underlying inflation pressures remain subdued amid excess capacity, weak demand and soft energy prices. Lower interest rates have provided some support to housing and interest-sensitive sectors but are no longer a primary growth catalyst.[4]

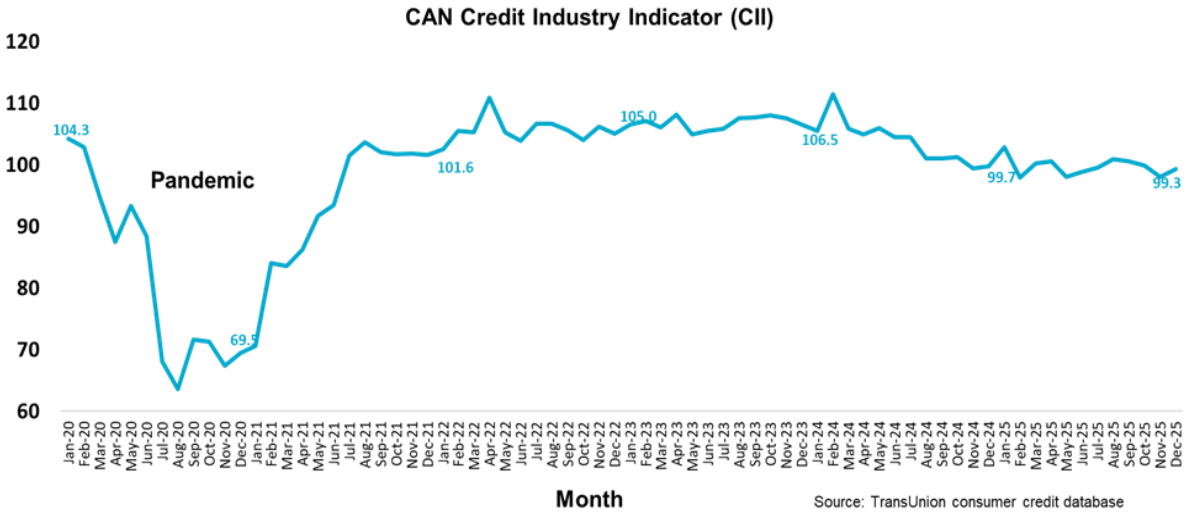
Canada is entering an adjustment phase followed by slight rebound. Growth will remain fragile through at least mid-2026, with downside risks concentrated in labour markets and trade exposure. Early signals of improving delinquency may trigger some cautious return to growth, while credit performance in certain segments is likely to soften, reinforcing the need for proactive risk management, regional segmentation and scenario-based stress testing over the next 12–18 months.

[1] S&P Global Economics: Canada Economic Outlook, January 21, 2026. spglobal.com/marketintelligence

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[2,3] Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted and trend-cycle
[4] Oxford Economics. Country Economic Forecast – Canada, January 15, 2026

TransUnion's Canada Credit Industry Indicator



In Q4 2025, Canada's Consumer Credit Industry Indicator (CII) rose one point from the third quarter to 99.3, though it remained unchanged YoY. While the index stayed below pre-pandemic norms, this quarter's flat performance suggests a temporary stabilization in overall credit market health.

The steadiness of the CII reflects a mix of counterbalancing forces. Continued strength in consumer spending and credit-seeking behaviour supported the index, but this was offset by a slight rise in delinquency rates and ongoing tightening in credit supply conditions. Demand for credit remains elevated as households adapt to higher living costs, even as lenders maintain more conservative risk postures.

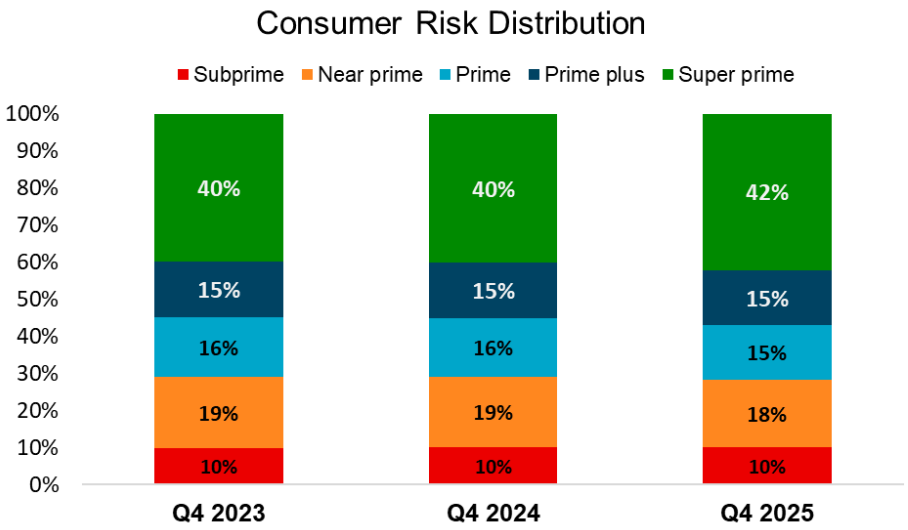
Risk scores and distributions

In Q4 2025, the median CreditVision® score reached 736 (up two basis points year over year and flat relative to the prior quarter), reflecting a generally stable credit environment. This stability is echoed in the shifting distribution of Canadian credit-active consumers. The share of super prime consumers continued to rise meaningfully, reaching 42.1% (up from 40.2% last year), driven in part by strong credit performance among higher-quality borrowers. Meanwhile, the prime and near prime segments contracted (declining 6.6% and 2.9%, respectively, year over year) as some consumers migrated upward into lower-risk tiers. Subprime volumes grew modestly (+0.4%), keeping its overall share at 10%, indicating financial stress remains contained among the most vulnerable consumers.

Two-thirds of Canadians remained in the same risk tier over the past year — while 19.4% improved their credit standing and 14.4% moved into a lower-risk tier. This downward movement is still noteworthy: 5.2% of consumers fell from prime or above into near prime or subprime categories, a shift that may signal financial stress for those households. The share of subprime consumers also edged up (from 9.8% in Q4 2023 to 10.0% in both Q4 2024 and Q4 2025), reflecting a modest uptick in a trend of a shrinking middle-tier population. Together, these changes potentially suggest some financially vulnerable households are facing financial stress.

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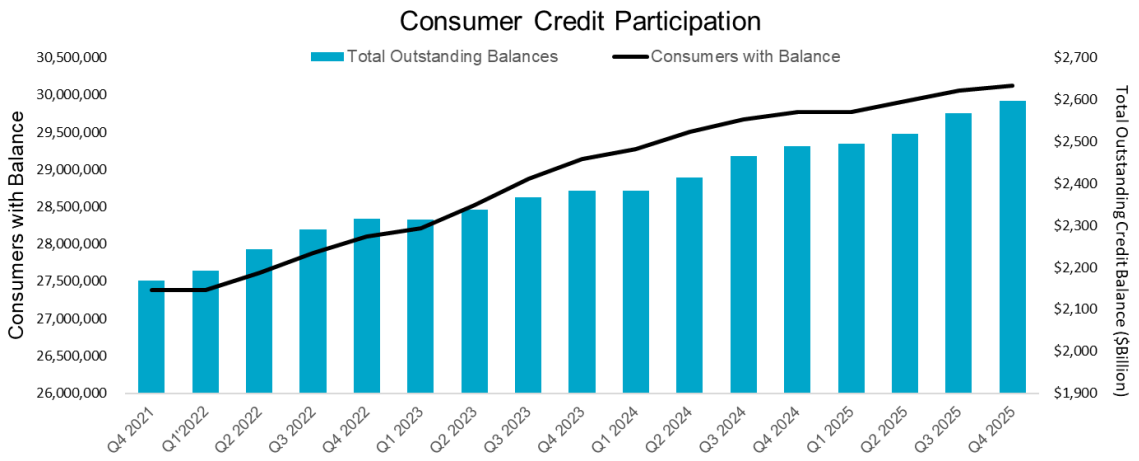
Over the past three years, Canada's rising cost of living has created financial strain for many households, particularly those in the near prime and prime segments who face higher borrowing costs when refinancing or taking on new credit. Conversely, a sizable portion of higher-quality consumers — especially those who locked in low mortgage rates earlier in the cycle — continues to demonstrate resilience. Their relatively stable debt-servicing profiles helped anchor overall credit health in Q4 2025, even as pressure builds for more rate-sensitive borrowers. The consumer risk distribution in the chart below is reflective of these current trends — which have influenced the changing distribution of consumer risk. Despite some pockets of volatility among Canadian credit consumers, the vast majority remains prime or above — and this has stayed consistent for over a decade



Total consumer balances and participation

Canadians' total outstanding balances across all credit products grew by 4.3% as total outstanding credit debt reached $2.6 trillion. Total balances grew across all products and across all risk tiers. Mortgage balances rose 4.3% year over year (YoY) to $1.91 trillion, while total non-mortgage debt increased 4.4% to $685 billion. This growth was driven by the combination of rising average loan sizes, as well as the number of borrowers. The number of credit-active Canadians (number of Canadians with at least one credit product) increased by only 1.2%. Population growth has not been as strong a driver of balance growth as lower immigration over the past 18 months reduced demand from new-to-credit consumers. The average non-mortgage balance per consumer reached $27,444 (up 2.9% YoY), marking a shift back to the more moderate pace of growth seen before the pandemic.

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Importantly, the steady increase in the number of consumers with balances suggests credit remains a vital tool for households across income levels. As the market matures, the focus is shifting from rapid expansion to sustainable growth, supported by healthier financial fundamentals and a more stable macroeconomic environment.

Average minimum payment due per Canadian consumer

As illustrated below, average balances continued to rise across most major credit products, translating into higher monthly minimum payment obligations for consumers. Mortgage payments once again led this increase in dollar terms, with the average minimum payment due rising 4.2% year over year to $2,513, reflecting both elevated balances and ongoing rate pressure for renewing borrowers. Credit cards, auto finance, personal loans and student loans also recorded year-over-year increases in minimum payment due, while lines of credit were the lone exception, declining 5.6%.

Personal loans experienced the fastest growth on a percentage basis; average minimum payments increased 12.2% year over year, underscoring growing reliance on installment credit to manage higher living costs. Auto finance followed with payments up 4.8%, reflecting higher vehicle prices and financing costs. Credit card minimum payments rose 4.1%, driven largely by increased card spending combined with lower repayment rates on revolving balances.

Overall, the steady rise in minimum payment obligations continued to pressure household cash flow. However, these impacts were partially offset by a resilient labour market and modest real wage growth, which helped many consumers absorb higher monthly payment requirements through the end of 2025. The chart below illustrates how average minimum payments continued to trend upward across most products, reinforcing the importance of monitoring affordability as credit conditions remain tight.

Monthly Minimum Payment Due

	Q4 2024	Q4 2025	YoY % change
Credit cards	$121	$126	4.1%
Auto finance	$704	$738	4.8%
Personal loans	$90	$101	12.2%

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Lines of credit	$463	$437	-5.6%
Mortgage	$2,411	$2,513	4.2%
Student loans	$194	$196	1.0%

Originations

Continued tightening among lenders, combined with a modest pullback in consumer demand, drove overall origination volumes lower year over year in Q3 2025. Total originations declined across most products, reflecting a more cautious credit environment despite pockets of resilience. While origination velocity slowed, newly originated loans continued to contribute meaningfully to outstanding balances, reinforcing credit growth is increasingly being driven by higher balances rather than higher loan counts.

Origination trends were mixed across products. Mortgage lending was the clear outperformer, rising 14.5% year over year as easing interest rates brought some buyers back into the housing market and supported purchase activity. Lines of credit also recorded modest growth (+2.1%), suggesting continued use of revolving credit to manage liquidity needs. In contrast, bankcard originations declined 3.2%, reflecting issuer caution amid elevated card delinquency rates. Installment loan originations saw the steepest contraction (down 10.0% year over year), while auto loan originations edged slightly lower (-0.5%) as affordability pressures and tighter underwriting tempered demand.

From a risk-tier perspective, origination activity continued to shift toward higher-quality consumers. Super prime originations increased 2.9% year over year, making it the only risk tier to post growth as lenders remained selective and prioritized lower-risk borrowers. All other tiers experienced declines, led by prime (-10.6%) and near prime (-8.2%), underscoring reduced risk appetite and fewer approvals outside the top of the credit spectrum. Subprime originations fell 6.3%, reflecting continued restraint in higher-risk lending.

Overall, Q3 2025 origination patterns highlighted a market characterized by selective growth rather than broad-based expansion. As interest rates continue to ease, mortgage activity is expected to remain a key source of origination momentum, with refinancing volumes likely to re-emerge as a growth driver. However, outside of housing, origination volumes are likely to remain constrained as lenders balance competitive pressures against rising delinquency risk and affordability challenges.

Delinquencies

After rising steadily since 2021, delinquency rates (missed or late debt repayments) largely stabilized across major credit products in Q4 2025. From Q4 2021 to Q4 2023, delinquencies increased sharply across all products, driven in part by inflation and interest rate hikes. In 2024 and 2025, the pace of deterioration slowed significantly as both consumers and lenders adapted to the new economic environment.

While some credit products continued to see modest increases in delinquency rates in Q4 2025, the pace of deterioration slowed compared to recent years — pointing to a potential plateau.

Credit card delinquencies (90+ days past due) rose two bps to 0.95% in Q4 2025, the smallest annual increase since 2021. For Canadian lenders, this points to stabilizing but still elevated revolving-credit stress, supporting targeted line management and collections for higher-risk segments rather than broad-based tightening.

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Serious mortgage delinquency (60+ days past due) remained very low overall, increasing three bps to 0.29%. The continued low level suggests system-wide mortgage credit quality remains resilient, allowing lenders to keep measured risk — while qualified borrowers likely continue to access mortgage credit.

Installment loan serious delinquency (60+ days past due) was an outlier, rising from 24 bps to 2.68% (+24 bps). However, the growth rate also slowed compared to previous YoY increases. Given the high concentration of installment lending in the subprime and near prime segments, the increase in serious delinquency was consistent with expected post-downturn normalization as more financially vulnerable consumers continued to lag in recovery. For lenders, this reinforces the need for disciplined underwriting and loss forecasting rather than signaling a renewed broad-based deterioration.

Auto loan serious delinquency rates (60+ days past due) saw the only decline (down five bps to 0.90%), marking the first improvement in four years. Lenders may find room to normalize approval rates and pricing, especially for prime borrowers, as loss trends improve. Consumers could see slightly better financing availability — though affordability constraints may still keep non-prime terms selective.

Geographic differences in performance also reflect divergent regional macroeconomic trends. Delinquency rates remained broadly stable across most provinces in Q4 2025, with minimal movement over the past year. The Atlantic and Prairie provinces saw the largest declines, suggesting stronger household financial resilience or regional economic recovery. Quebec's delinquency rate held steady at 1.31%, continuing to be the lowest in the country and reflecting consistently strong credit performance. Alberta was the only province to see a sizable increase, rising eight bps YoY to 2.37%, potentially linked to sector-specific volatility or higher credit exposure.

Ranking Consumer Total Delinquency Rate (90+ Days Past Due) on all products by Province

	Q4 2024	Q4 2025	YoY (bps)
Canada	1.83%	1.83%	0
AB	2.29%	2.37%	8
ON	1.95%	1.96%	1
QC	1.31%	1.31%	0
BC	1.72%	1.69%	-3
PEI	1.79%	1.76%	-3
NS	2.00%	1.96%	-4
NB	2.09%	2.02%	-8
SK	2.01%	1.93%	-8
NL	1.88%	1.78%	-11
MB	2.13%	1.98%	-15

Delinquency rates are a lagging indicator and we expect lowering inflation combined with interest rate reductions may provide a relief valve for some struggling consumers. However,

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the uncertain impact of potential tariffs may cause spikes in regional delinquency in areas where tariff-impacted industries are concentrated.

Looking ahead

Canada's credit market is positioned for renewed expansion. Although some uncertainty persists, underlying economic conditions are improving. Easing macroeconomic conditions, stabilizing delinquency rates, rising consumer confidence and lenders' strong capital positions create a foundation for cautious but accelerating growth through 2026.

Innovation is poised to further accelerate the positive momentum of Canada's credit market. The emergence of Open Banking — alongside rapid FinTech growth, continued digitization and increasing use of AI — has the potential to further expand credit access and reshape competition. Robust data and analytics will continue to play a critical role by enabling lenders to identify opportunities, enhance decision-making and promote sustainable growth in a dynamic landscape.

Bankcard Summary

BANKCARD METRICS	Q4 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	52.2M	0.63%	2.66%
Outstanding Balance	$129.1B	2.80%	3.55%
Total Credit Lines	$535.3B	1.54%	6.25%
Average Balance	$3,213	2.02%	0.61%
Average Credit Line	$10,426	0.97%	3.50%
Number of Consumers With Access to an Active Trade	28.7M	0.35%	1.46%
Number of Consumers Carrying a Balance	25.3M	0.32%	1.92%
Origination Volumes (Q3 2025)	1.8M	3.94%	(3.16%)
Average New Account Credit Line	$6,290	(3.91%)	5.50%
Account Delinquency Rate (90+ DPD)	0.61%	3 bps	1 bps
Consumer Delinquency Rate (90+ DPD)	0.95%	5 bps	2 bps
Balance Delinquency Rate (90+ DPD)	1.23%	7 bps	10 bps

New credit card originations remain subdued, declining 3.2% year over year as of Q3 2025, continuing the cautious stance lenders have maintained throughout the past 18 months. While still negative, this represents a significant moderation from the deeper declines seen in prior quarters, suggesting the market is showing early signs of stabilization in response to gradually improving macroeconomic conditions. Originations continue to be influenced by slowing population growth, particularly among newcomers — historically the most likely segment to adopt a credit card as their first financial product in Canada. This demographic shift continues to place structural downward pressure on volume.

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Despite softer originations overall, issuers appear to be leaning into selective, higher-value acquisition strategies. The average new account credit line sits at $6,290, up 5.5% year over year, even though it dipped modestly quarter over quarter. Tier-level patterns reinforce this selective posture: Prime plus and super prime originations grew 2.6% and 5.3%, respectively, while prime tier originations were down 8.7%. Below prime origination continued to drop, down -1.5% from the prior year.

Average card balances continued to drift upward (rising 0.61% year over year), with below prime consumers seeing a more pronounced 1.9% increase compared with 1.5% for prime and better. This highlights a persistent pressure imbalance: Higher-risk consumers are carrying proportionally heavier debt loads, while higher-quality segments remain more disciplined, supported by stronger cash flow resilience.

At the portfolio level, outstanding balances grew 3.6% year over year to $129.1 billion, driven primarily by super prime and prime plus segments. Below prime balances also increased 4.3%, although growth decelerated from prior quarters, likely reflecting tighter underwriting and more measured use of available credit among financially stretched consumers.

Revolving behavior continued to diverge across the risk spectrum. While overall revolving balances remained relatively flat, below prime consumers increased revolving balances by roughly 2%, whereas prime and better segments reduced revolving exposure by about 4%. This bifurcation, consistent with broader household credit trends, points to growing liquidity strain among lower-score borrowers.

The credit cycle continues to stabilize, though with clear segmentation dynamics. Early-stage account-level delinquency (30+ DPD) fell four bps to 1.68. This improvement was partly attributable to tighter lender behavior, particularly reduced exposure to subprime borrowers over the past year. Later-stage delinquency (90+ DPD) rose one bp year over year to 0.61%, showing stabilization after several quarters of deterioration. Rates remained modestly above pre-pandemic reference points but no longer exhibit the accelerating trend seen in 2023.

Balance-level delinquency continued to show a pattern of gradual softening, with some quarter-to-quarter volatility, reflecting both seasonality and underlying consumer stress. By Q4 2025, late-stage delinquency (90+ DPD) edged up to 1.23%, representing a 10 bp increase year over year. While these increases were modest, they signal a slightly larger share of total balances is migrating deeper into delinquency over time.

Notably, balance delinquency is rising faster than account-level consumer delinquency, which increased only one bp year over year (90+ DPD). This divergence suggests while the number of consumers missing payments was relatively stable, the dollar value of delinquent balances is growing faster. In other words, delinquent consumers today are carrying larger outstanding balances than in prior periods. This indicates a shift toward deeper or more prolonged stress among a subset of borrowers rather than broad-based deterioration.

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Installment Loan Summary

INSTALLMENT LOAN METRICS	Q4 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	2.9M	(0.90%)	(0.77%)
Outstanding Balance	$52.7B	(0.07%)	2.61%
Average Balance	$18,302	0.81%	3.26%
Number of Consumers Carrying a Balance	2.7M	(0.99%)	(2.17%)
Origination Volumes (Q3 2025)	331.0K	(9.36%)	(9.95%)
Average New Account Balance	$20,394	1.48%	8.33%
Account Delinquency Rate (60+ DPD)	2.62%	6 bps	24 bps
Consumer Delinquency Rate (60+ DPD)	2.68%	5 bps	24 bps
Balance Delinquency Rate (60+ DPD)	1.63%	3 bps	8 bps

The installment loan market ended 2025 in a clear transition phase — shaped by tightening lender strategies, recalibrated FinTech growth models and evolving consumer demand. Total account volumes declined 0.90% quarter over quarter and 0.77% year over year, falling to 2.9 million active loans. This contraction in account participation occurred even as the market continued to support larger loans for stronger borrowers. The number of consumers carrying an installment-loan balance declined 0.99% QoQ and 2.17% YoY, consistent with a shrinking pool of actively borrowing consumers, lenders screening out higher-risk segments and stronger borrowers maintaining or expanding usage.

Outstanding balances remained relatively stable, down 0.07% quarter over quarter, though still up 2.61% year over year, with the average balance rising 3.26% to $18,302. This pattern — fewer accounts but higher average balances — signals credit supply is consolidating among better-qualified borrowers as lenders tighten around profitability and risk.

Serious delinquency (60+ DPD) increased at all levels: Account delinquency reached 2.62%, up +6 bps quarterly and +24 bps from prior year; consumer delinquency increased 24 bps year over year to 2.68%; and balance delinquency was also up slightly to 1.63% (+3 bps QoQ, +8 bps YoY). The pace of deterioration is moderating relative to 2023 and early 2024. This stabilization may partly be due to the runoff of older, subprime-heavy vintages that performed poorly under 2022–2023 rate conditions, along with stronger 2024–2025 vintages heavily weighted toward prime and above, and lenders tightening underwriting and recalibrating risk models following funding constraints.

Notably, balance delinquency rose more slowly than account delinquency — suggesting fewer severely distressed borrowers — but those who remain delinquent may still carry relatively elevated balances.

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Auto Loan Summary

AUTO LOAN METRICS	Q4 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	6.1M	0.53%	(0.42%)
Outstanding Balance	$166.8B	2.37%	4.34%
Average Balance	$27,348	1.75%	4.74%
Number of Consumers Carrying a Balance	6.3M	0.39%	(0.31%)
Origination Volumes (Q3 2025)	471.1K	(6.07%)	(0.53%)
Average New Account Balance	$39,701	3.01%	3.47%
Account Delinquency Rate (60+ DPD)	0.83%	(1 bps)	(5 bps)
Consumer Delinquency Rate (60+ DPD)	0.90%	(1 bps)	(5 bps)
Balance Delinquency Rate (60+ DPD)	0.71%	(2 bps)	(4 bps)

Auto lending ended 2025 with a mix of stabilization and strategic recalibration. Total auto loan accounts rose slightly 0.53% quarter over quarter but declined 0.42% year over year, while outstanding balances grew 4.34%, driven not by new borrowers but by larger loan sizes within a stable consumer base. The average balance rose 4.74% YoY to $27,348, consistent with persistently elevated vehicle prices and ownership costs.

Origination activity softened meaningfully in Q3 2025 (down 6.07% QoQ and 0.53% YoY), signaling affordability pressures and lender selectivity remain central forces in the market. The average new loan balance climbed to $39,701 (+3.5%), reinforcing the trend toward fewer, higher-value loans. Over the past two years, the auto finance industry has undergone a significant risk-mix reshaping as lenders sharply retreated from below prime borrowers and concentrated growth almost exclusively in the highest-quality segments. Subprime originations fell 17% in 2024 and another 7.9% in 2025, with near prime volumes similarly declining 6% year over year — marking a notable strategic pullback in a segment that historically represented a substantial share of auto loan activity. At the same time, the upper tiers expanded rapidly: Super prime originations surged more than 21% in 2024 and rose another 5.6% in 2025, while prime plus grew 9.3% and 3.1% over the same period. This two-year pivot represents a pronounced up-market shift in auto lending, with super prime now comprising the largest share of new originations and materially elevating the overall credit quality of the auto finance landscape.

The affordability challenges shaping auto finance remain unchanged, with monthly payments up 4.8% year over year, far outpacing wage growth and inflation. Vehicle prices remain structurally elevated despite some cooling in used vehicle markets. These factors are reshaping consumer behavior — lengthening replacement cycles, reducing application volume and increasing reliance on refinancing and term extensions to manage cash flow.

In Q4 2025, auto loan performance showed modest improvement, with account-level delinquency declining five basis points year over year to 0.83%, consumer-level delinquency falling to 0.90% and balance delinquency easing to 0.71%. These gains were driven primarily by lenders' reduced exposure to

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below prime borrowers, the natural runoff of weaker 2022–2023 vintages and growing dominance of prime tier originations. However, this stability is being achieved through portfolio mix rather than improved consumer affordability. Vintage curves for the newest loans continue to show signs of strain as elevated vehicle prices, rising insurance costs and tightening household budgets challenge repayment capacity — an important vulnerability should economic conditions soften in 2026. Compounding these pressures, rising auto loan fraud — once seen as an operational nuisance but now a material driver of credit risk — is increasingly distorting early-stage performance, underscoring the need for proactive fraud prevention embedded directly into origination workflows.

Lines of Credit Summary

LINE OF CREDIT METRICS	Q4 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	12.5M	0.69%	0.94%
Outstanding Balance	$288.1B	1.31%	4.31%
Total Credit Lines	$795.4B	1.84%	5.32%
Average Balance	$40,842	0.75%	2.87%
Average Credit Line	$64,372	1.13%	4.53%
Number of Consumers With Access to an Active Trade	12.1M	0.21%	(0.27%)
Number of Consumers Carrying a Balance	7.1M	0.43%	0.71%
Origination Volumes (Q3 2025)	357.2K	(0.37%)	2.06%
Average New Account Credit Line	$83,660	3.72%	24.56%
Account Delinquency Rate (60+ DPD)	0.42%	3 bps	1 bps
Consumer Delinquency Rate (60+ DPD)	0.46%	3 bps	0 bps
Balance Delinquency Rate (60+ DPD)	0.45%	2 bps	(1 bps)

The line of credit (LOC) market continued to expand modestly in Q4 2025, supported by favorable rate dynamics and strong homeowner equity positions. Total account volume grew 0.9% year over year to 12.5 million, while outstanding balances increased 4.3% to $288.1B, driven largely by higher utilization among prime and super prime consumers. The average LOC balance rose 3.3% YoY to $40,842 and average credit lines increased 4.5%, reflecting lenders' continued prioritization of extending LOCs — particularly HELOCs — to their most creditworthy customers as a primacy-building strategy.

Consumer participation remained stable: The number of consumers carrying a balance grew slightly (+0.7% YoY), even as the number of consumers with access to an active LOC dipped (–0.27% YoY), indicating continued consolidation toward stronger borrowers. Origination activity showed modest improvement; Q3 2025 originations were up 2.1% YoY, with the average new account credit line increasing sharply by 24.6%, the fastest growth across major credit products. This surge highlights increased consumer use of home equity as borrowing costs remain elevated and mortgage holders with low locked-in rates avoid refinancing.

Delinquency rates remained low and stable and consistent with the high-quality credit mix of LOC borrowers. Account-level 60+ DPD rose only one bp YoY to 0.42%, while consumer-level delinquency was flat at 0.46% and balance-level delinquency declined slightly. With over two-thirds of outstanding

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balances concentrated in the prime plus and super prime tiers, lenders continue to experience resilient repayment performance despite broader consumer cost of living pressures.

Looking ahead, continued rate normalization and growing homeowner equity levels are expected to support further growth, particularly in HELOCs. Consumers facing high non-mortgage debt burdens and rising delinquencies in other credit categories may increasingly leverage LOC products as a lower-cost liquidity tool. For lenders, this environment presents opportunities to deepen primacy, differentiate through digital origination and credit line automation, and expand tailored HELOC offerings while keeping a close watch on repayment behavior as household cash flow dynamics evolve.

Mortgage Loan Summary

MORTGAGE LOAN METRICS	Q4 2025	Q-O-Q Change	Y-O-Y Change
Number of Accounts	6.6M	(0.08%)	(0.19%)
Outstanding Balance	$1911.9B	0.96%	4.27%
Average Balance	$288,720	1.03%	4.44%
Number of Consumers Carrying a Balance	8.7M	0.03%	0.25%
Origination Volumes (Q3 2025)	308.2K	(1.80%)	14.46%
Average New Account Balance	$367,669	2.24%	4.22%
Account Delinquency Rate (60+ DPD)	0.28%	0 bps	3 bps
Consumer Delinquency Rate (60+ DPD)	0.29%	0 bps	3 bps
Balance Delinquency Rate (60+ DPD)	0.28%	1 bps	5 bps

Canada's mortgage market ended 2025 with signs of stabilization as easing interest rates, early renewals and selective refinancing continued to lift activity. While the total number of mortgage accounts remained essentially flat (–0.2% YoY), outstanding balances increased 4.3% to $1.91 trillion, driven by larger loan sizes and persistent affordability pressure across major metropolitan markets. The average mortgage balance rose 4.4% year over year to $288,720, reflecting both elevated home prices and borrowers stretching further to maintain ownership in high-cost regions.

Origination momentum remained robust (Q3 2025 volumes rose 14.5% YoY), supported by a wave of refinancing and early renewals as borrowers positioned themselves ahead of anticipated rate declines. The shift toward shorter fixed terms — particularly one- and three-year products — continued to accelerate as households sought optionality in the face of uncertain rate paths. This aligns with broader market observations that Canadians are increasingly avoiding long-term commitments until monetary policy normalizes.

The average new mortgage amount increased 4.2% YoY to $367,669, reinforcing ongoing affordability challenges, especially in Toronto and Vancouver — which continue to anchor the national average. Growth remained strongest in markets like Quebec City, Montreal and Saskatoon, reflecting localized affordability and migration dynamics. Recent industry commentary indicates a similar trend: While

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national housing activity softened toward the end of 2025, regional resilience and demographic tailwinds continued to support pockets of strength.

Mortgage performance remained exceptionally stable. Serious delinquency rates held near-record lows, with 60+ DPD consumer delinquency at 0.29% (+3 bps YoY) and account-level delinquency unchanged. The modest uptick in balance delinquency (+5 bps) was still well below historical norms, supported by strong homeowner equity positions and prudent underwriting frameworks, such as the federal mortgage stress test.

While market indicators pointed to improving confidence — highlighted by a gradual return of variable-rate mortgage interest late in 2025 — analysts continue to flag rising risks associated with payment shocks, income stability and regional supply imbalances. Nonetheless, the combination of borrower resilience, high equity buffers and disciplined lending standards has reinforced the stability of Canada's mortgage landscape as 2026 progresses. The key uncertainty ahead remains the speed of rate normalization, which will shape renewal cycles, refinancing activity and the timing of a broader housing market recovery

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Report Overview and Definitions

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

Data pulled from TransUnion's consumer credit database of nearly 30 million files — which profile nearly every credit-active consumer in Canada.

Full view of all data records (not a sample) over the most recent nine quarters

Both account-level and consumer-level views of key metrics and trends

Data and trends for the national population overall, as well as breakdowns within consumer credit score risk tiers

Analysis of individual consumer loan product types (bankcard, installment loan, auto loan and line of credit), as well as aggregate views of all revolving and all non-revolving loans

Risk Tier Definitions

RISK TIER	CREDITVISION RISK SCORE RANGE
Super prime	800+
Prime plus	760–799
Prime	720–759
Near prime	640–719
Subprime	300–639

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 and secured credit card
Installment	Secured or unsecured fixed payment loans reported by a bank, finance company or credit union, or a department store, furniture store, appliance store, home improvement store
Auto	Loans reported by an auto dealer or auto finance company for financing of new and used vehicles; loan types include auto loans and auto leases

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PRODUCT CATEGORY	DEFINITION
Line of credit	Revolving account, open account or line of credit reported by a bank, finance company, national card or credit union; can be secured or unsecured
All revolving loans	All revolving accounts, open accounts or line of credit accounts, including the above bankcard and line of credit categories, as well as other revolving-type accounts not included in the above categories, including private-label credit cards
All non-revolving loans	All installment accounts and fixed payment accounts, including the above installment and auto categories, as well as other non-revolving accounts not included in the above categories, including student loans and other installment loans

Data Definitions

DATA CATEGORY	DEFINITION
Total Account Volumes	Total number of accounts that are open or closed-with-a-balance or closed-and-delinquent, at quarter-end
Total Account Balances	Total dollar amount of accounts that are open or closed-with-a-balance, at quarter-end
Total Credit Lines	Total dollar amount of the credit lines of open revolving-type accounts, at quarter-end
Total Open-to-Buy	Total dollar amount of the 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 (including accounts in credit counselling, repossession or charge-off) at quarter-end divided by the total number of open or closed-with-a-balance or closed-and-delinquent accounts
Dollar Delinquency Rates	Total dollar amount of delinquent open and closed accounts (including accounts in credit counselling, repossession or charge-off) at quarter-end divided by the dollar balances of open or closed-with-a-balance accounts
Total New Account Volumes	Total number of new accounts reported opened during the calendar quarter

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DATA CATEGORY	DEFINITION
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 the open-to-buy (open account credit lines minus balances) of 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 or closed-and-delinquent accounts, 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 or closed account that is delinquent, 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

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DATA CATEGORY	DEFINITION
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

Report Generation Timing

Each quarter's data and calculations are generated from the data available on the last day of the quarter. There is typically a time lag between a new account opening date 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. In order to enable more accurate and robust reporting of new accounts, all new account counts and balances in this report are measured one quarter in arrears, with the latest quarter of data reflected being the quarter prior to the current report date.

A note about the calculation of Total Utilization

To derive Total Utilization, we use the following formula:

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

We do not calculate 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. Credit lines are only calculated where credit is actually available — a closed account cannot be used for further purchases and hence, should have a credit line of $0. Thus, calculating Total Utilization as total balances divided by total credit lines may lead to inaccurate utilization rates under certain circumstances.

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