2026

TransUnion

Canada Summit

Growth Reimagined – Resilient, Inclusive, and Future-Ready.

Credit Industry Insights

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Agenda

1. Credit Market Overview
2. Shifting Composition of Canada's Credit Market
3. Deeper Dive into Delinquency Trends
4. Key Risks and Opportunities in 2026

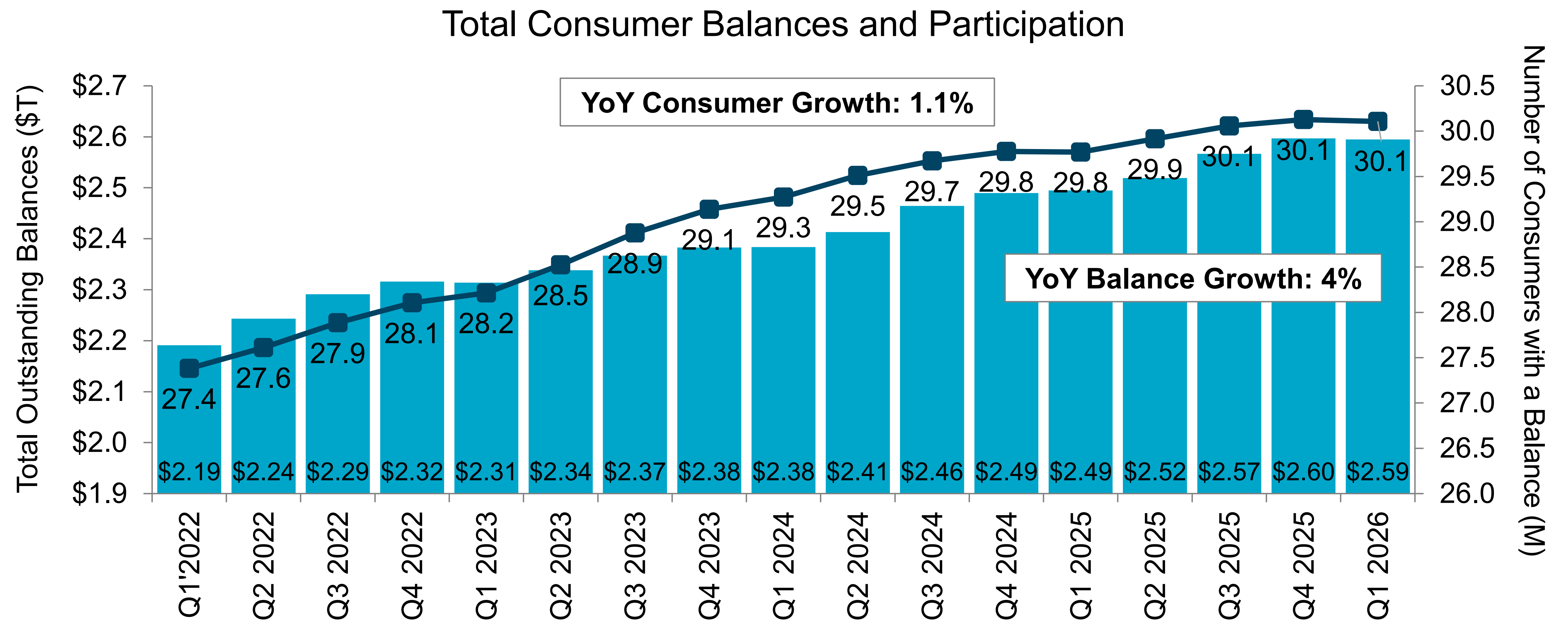
Recap of 2025 Summit

1. Understand implications of behavioural shifts in your customer base
2. Balance smart growth with proactive early warning signals of risk
3. Approve smarter, not larger
4. Master score migration and portfolio realignment to manage downturn risk and economic volatility
5. Build friction-right fraud strategies during underwriting throughout the lifecycle

5 things we suggested lenders get right through 2025 and into 2026

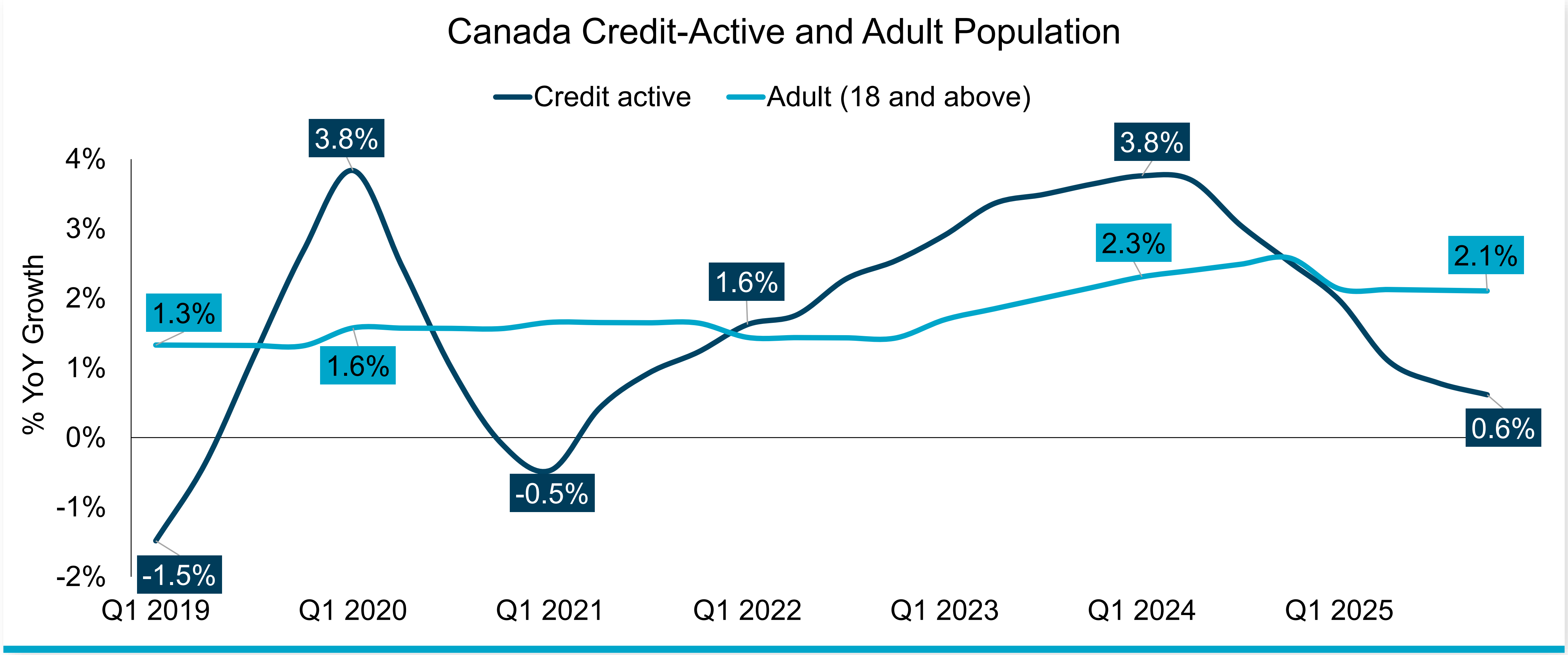
Credit Market Overview

Credit participation slows, while credit balances illustrate steady expansion marked by moderate leverage growth



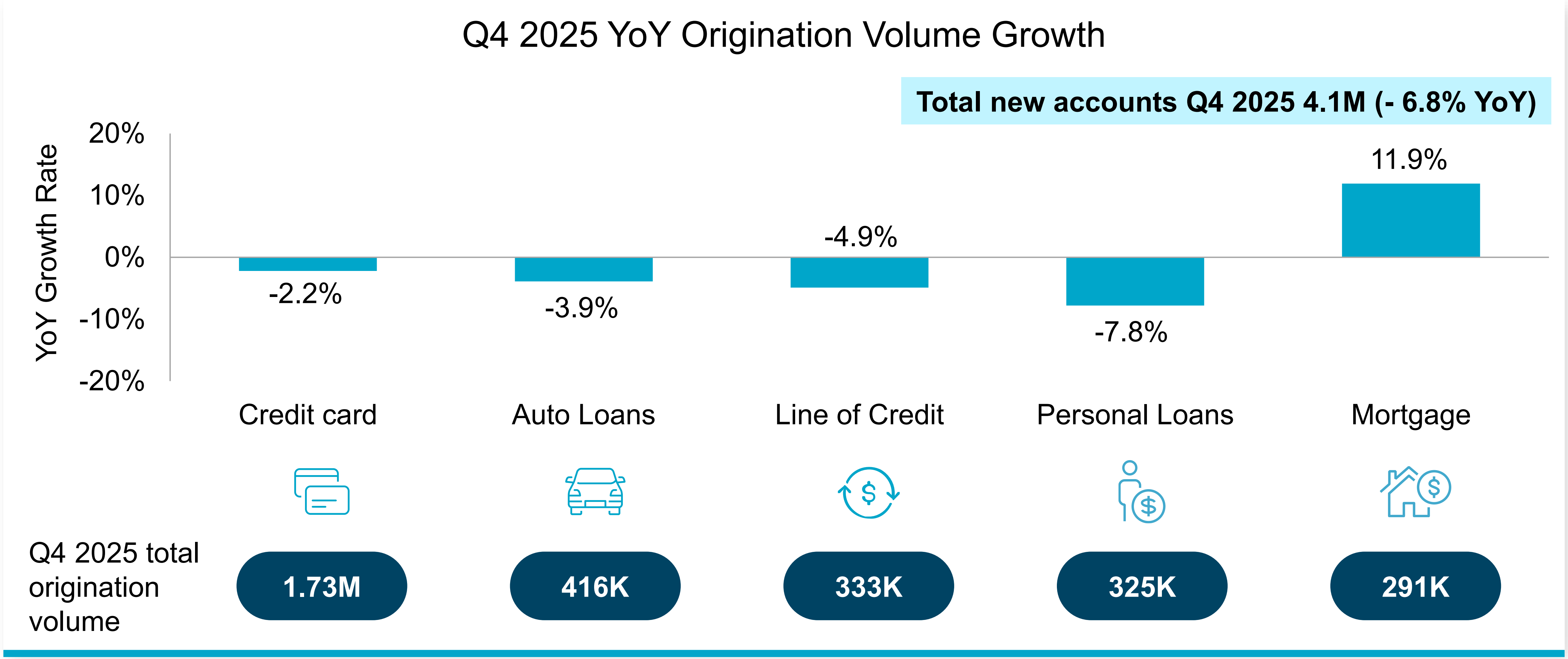
Source: TransUnion Canada Consumer Credit Database

Macro-economic cyclical volatility in credit participation has outpaced population growth, but is normalizing



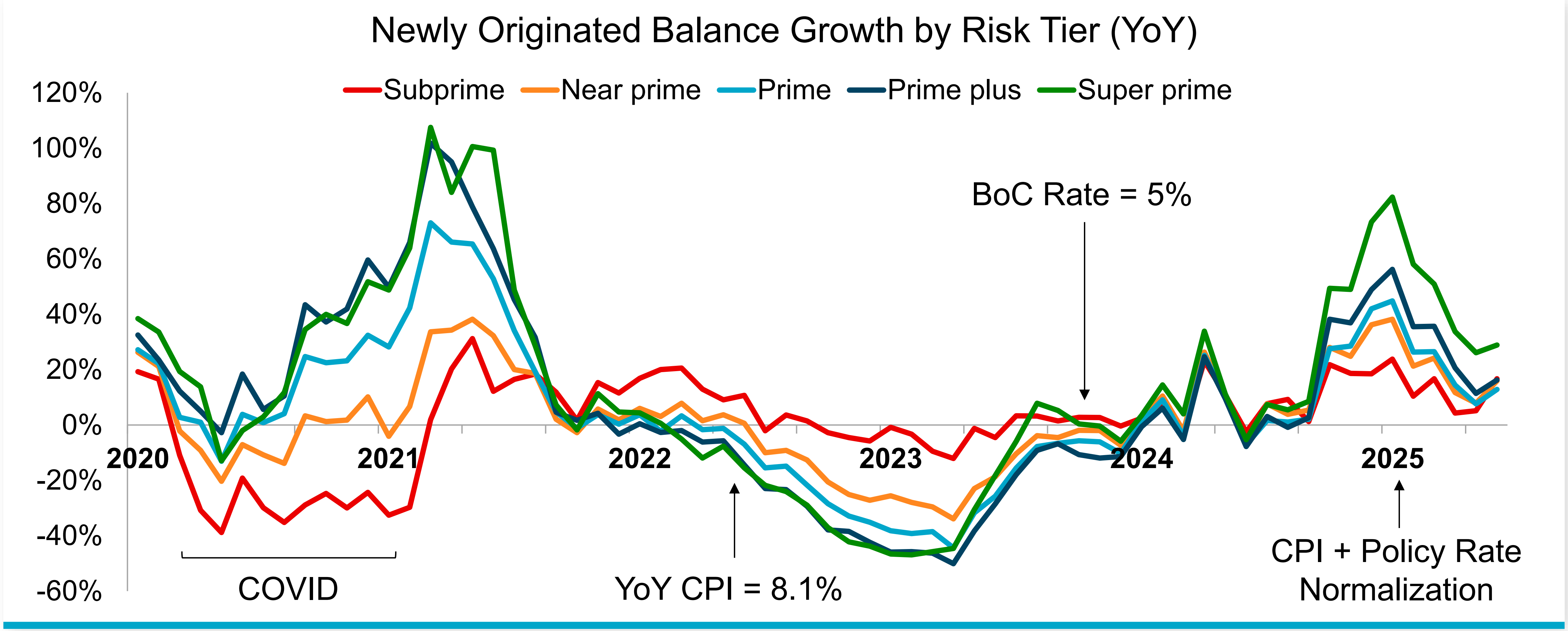
Source: TransUnion Canada Consumer Credit Database
TransUnion Canada Analysis, Statistics Canada. Table 17-10-0005-01 Population estimates on July 1, by age and gender

Origination volumes declined, reflecting selective lending rather than retrenchment



Product total will not match market total as utilities, student loans and other products are excluded;
Source: TransUnion Canada Consumer Credit Database

Lender tightening has shifted the risk mix of new balances as growth shifts from credit box expansion to relationship depth



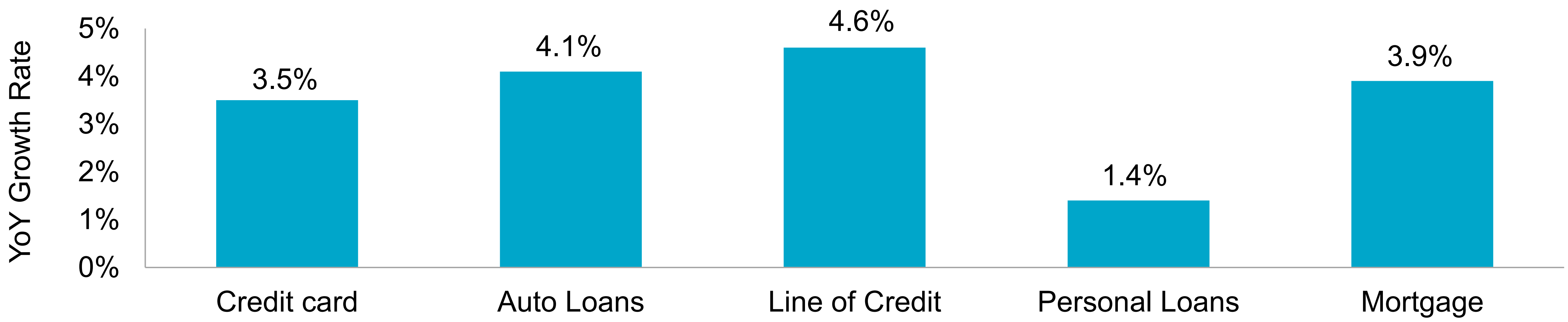
CreditVision® risk score: Subprime = 300-639; Near prime = 640-719;
Prime = 720-759; Prime plus = 760-799; Super prime = 800+;

Source: TransUnion Canada Consumer Credit Database

Resilient balance expansion across products signals sustained consumer credit demand

Q1 2026 YoY Balance Growth

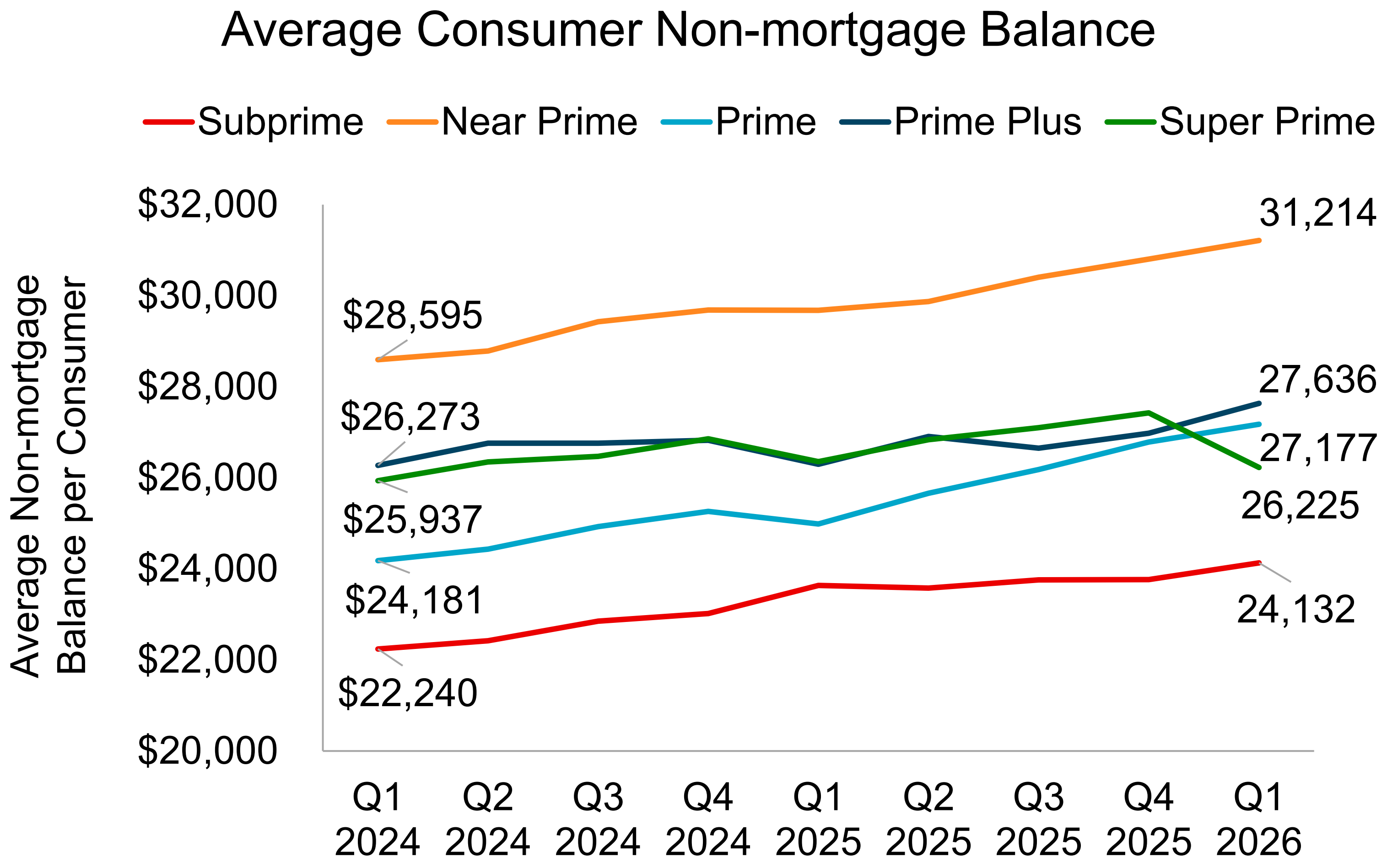
Q1 2026 Consumer Debt $2.6 Trillion (up 4% YoY)



Q1 2026 Outstanding balance	Credit card	Auto Loans	Line of Credit	Personal Loans	Mortgage
	$122B	**$166B**	**$289B**	**$52B**	**$1,915B**

Source: TransUnion Canada Consumer Credit Database

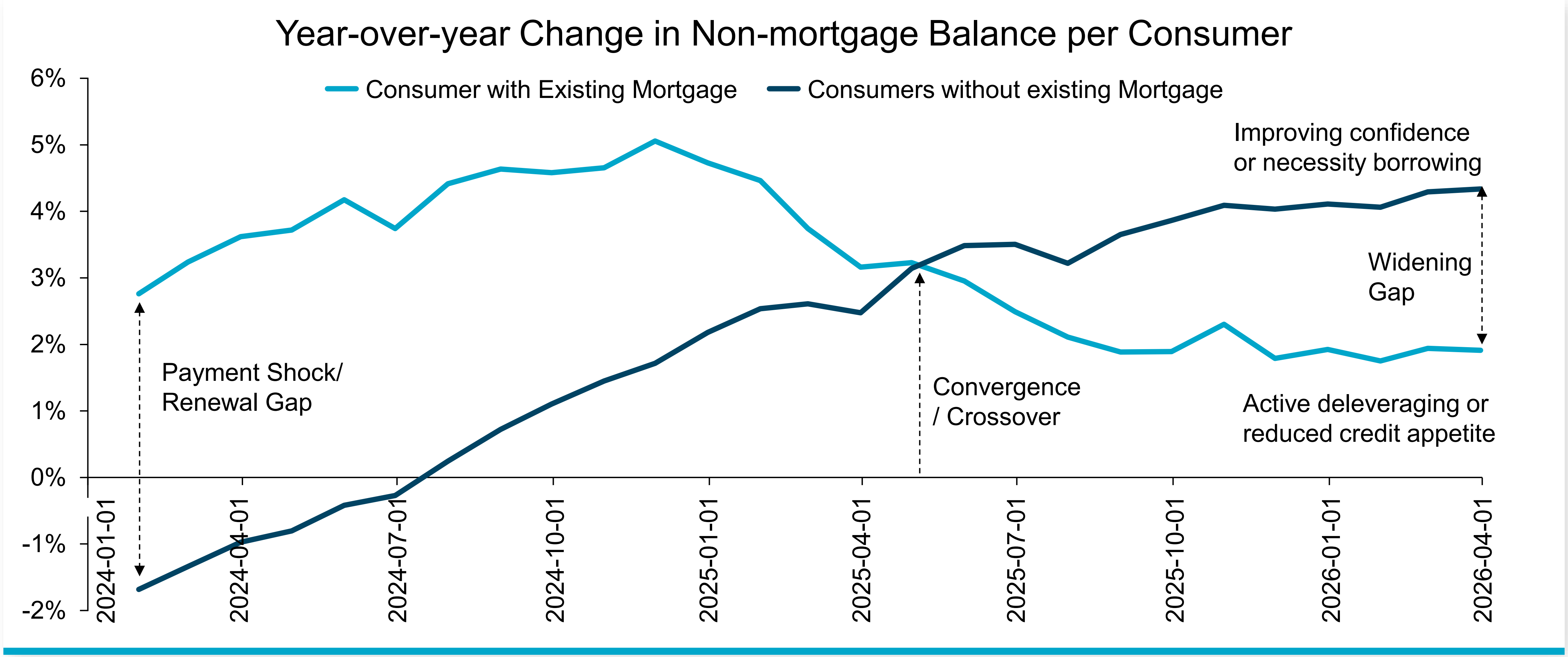
Higher-risk borrowers are still growing non-mortgage balances, but momentum is slowing



	Growth Rate Q1'24-Q1'25	Growth Rate Q1'25-Q1'26
Super prime	+ 2%	+ 2%
Prime plus	0%	+ 5%
Prime	+ 3%	+ 9%
Near prime	+ 4%	+ 5%
Sub prime	+ 6%	+ 2%

CreditVision® risk score: Subprime = 300-639; Near prime = 640-719; Prime = 720-759; Prime plus = 760-799; Super prime = 800+; Source: TransUnion Canada Consumer Credit Database

Mortgage borrowers are deleveraging while non-mortgage consumers take on more debt, redistributing risk and portfolio mix



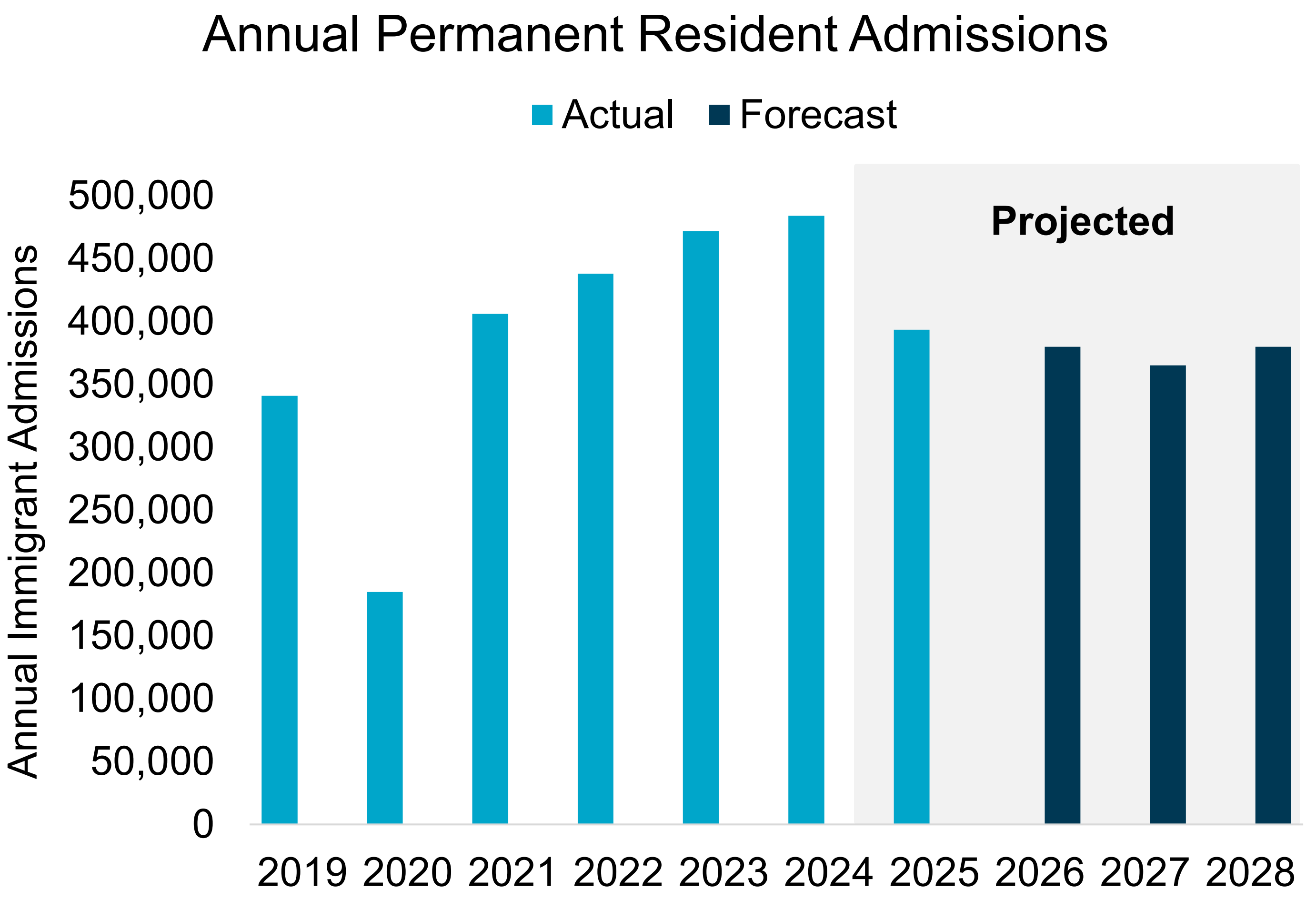
Source: TransUnion Canada Consumer Credit Database

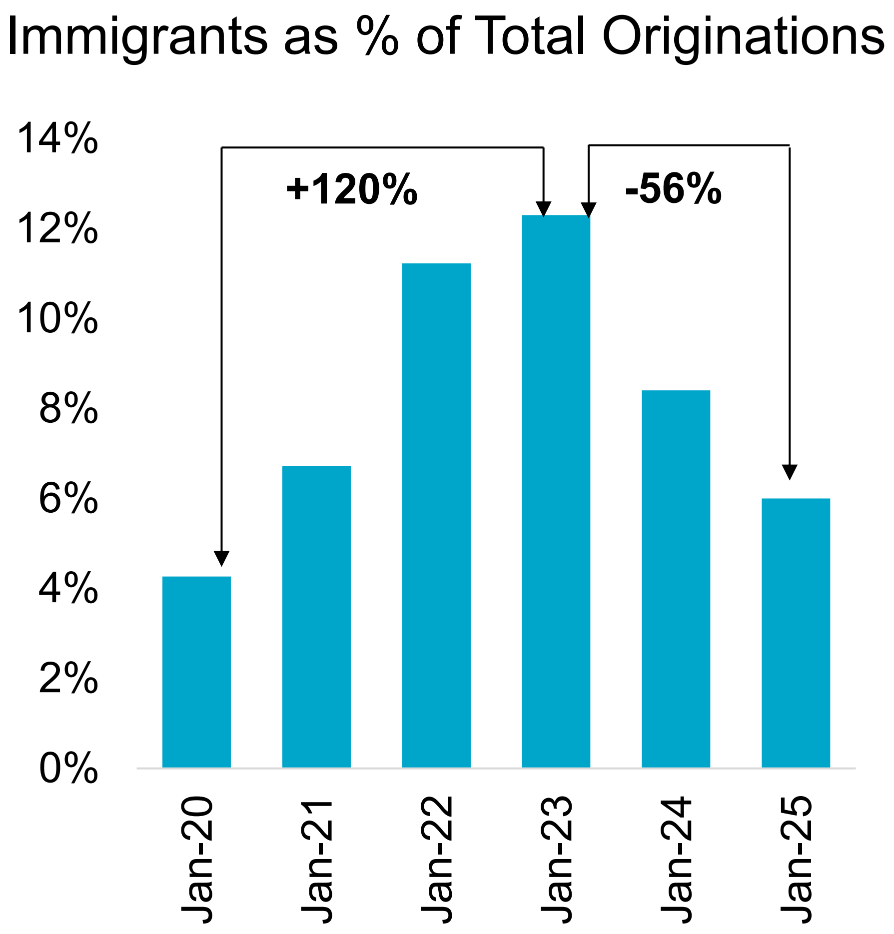
Resilient growth, rising leverage, and a bifurcating consumer are reshaping credit risk and portfolio strategy

Balances outpacing participation	Selective, risk-aware lending	Broad-based balance growth persists	Consumer divergence is widening
Credit balances continue to expand faster than consumer growth, signaling rising leverage despite moderating new borrower inflows	Tightening credit has shifted growth toward prime segments, with future expansion increasingly dependent on deepening existing relationships rather than expanding the credit box	Broad-based balance growth persists across both revolving and installment products, supported by easing rates and sustained borrowing needs	Mortgage holders are deleveraging under payment pressure, while non-mortgage consumers are re-leveraging, redistributing risk across portfolios

Shifting Composition of the Canadian Credit Market

New to Canada momentum rose with post-COVID immigration and remains an attractive durable source of organic growth despite normalization

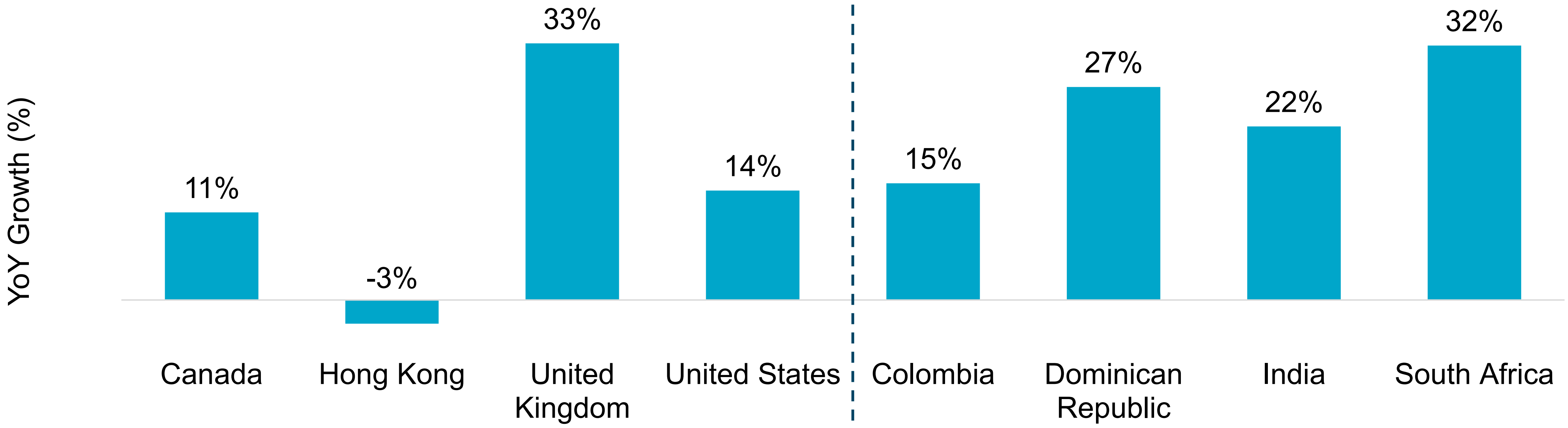




Source: TransUnion Canada Consumer Credit Database, Statistics Canada, Population projections on immigration and diversity: Interactive Dashboard; https://www150.statcan.gc.ca/en/catalogue/71-607-X2022012. Office of the Parliamentary Budget Officer; Demographic Implications of the 2026-2028 Immigration Levels Plan, February 26, 2026

The rise of Gen Z signals a new credit paradigm

FY 2025 YoY Growth in Total FS Originations: Gen Z Consumers



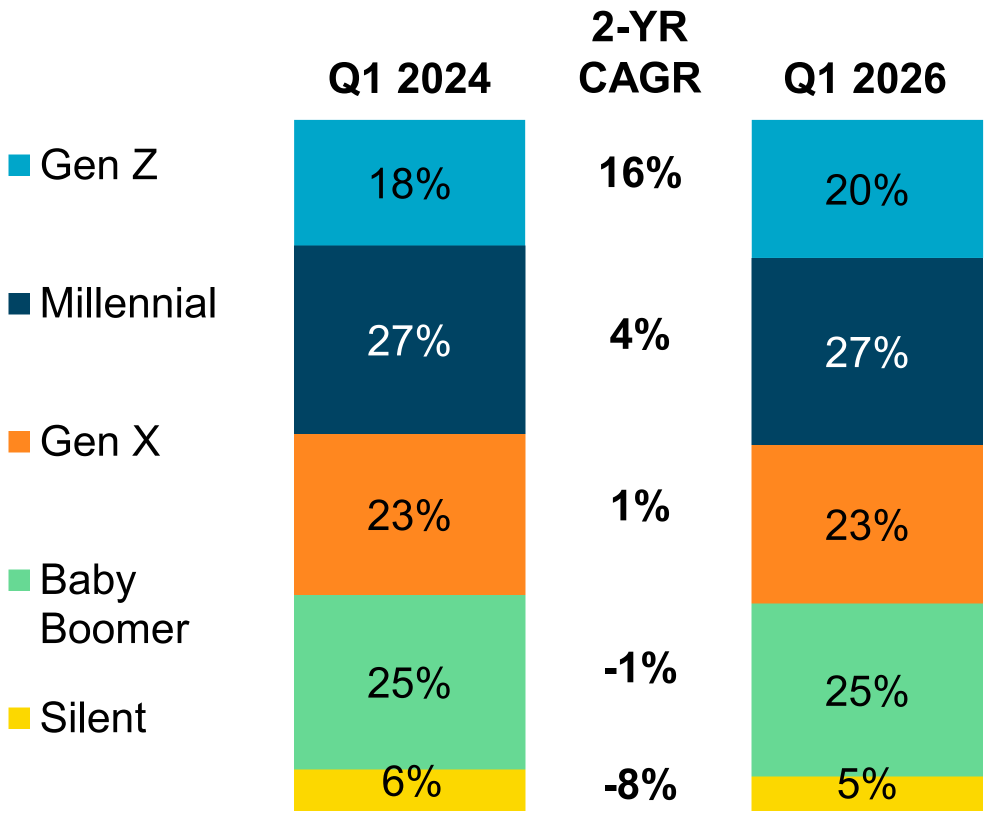
	Canada	Hong Kong	United Kingdom	United States	Colombia	Dominican Republic	India	South Africa
% of adult credit-eligible population	18%	15%	18%	21%	24%	28%	30%	45%

US data is inclusive of Puerto Rico

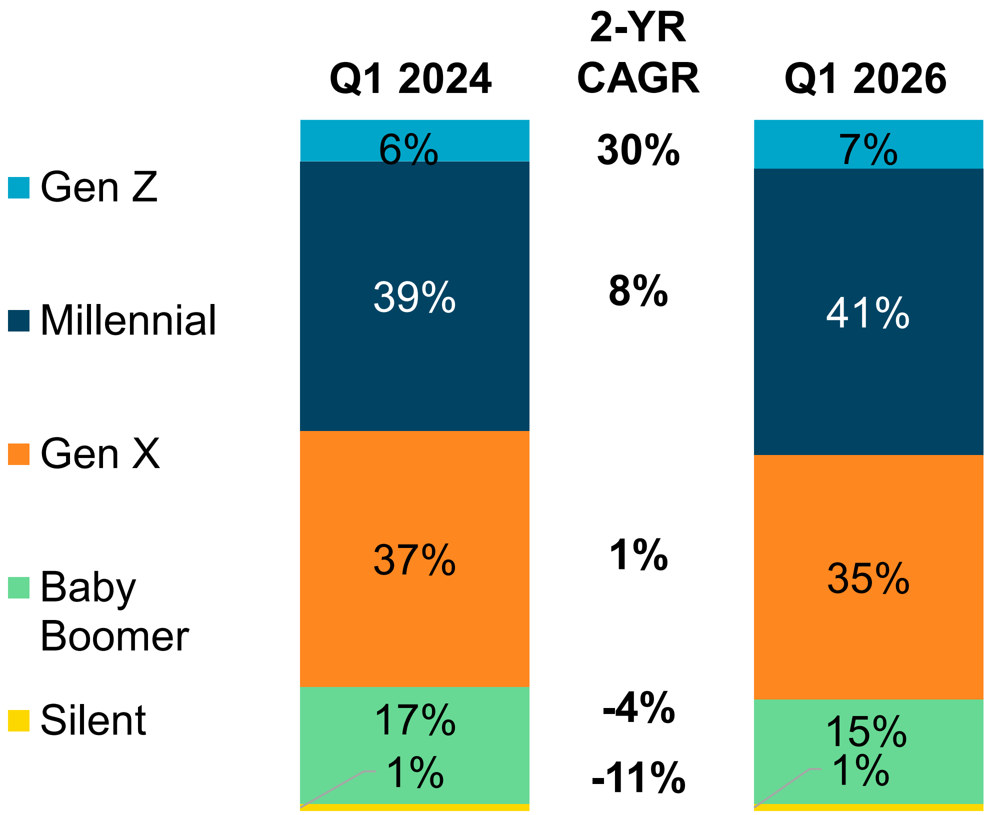
Source: TransUnion consumer credit database

Younger demographics make up almost half of outstanding balances, marking a major shift in consumer demographics

Credit Participation by Generation

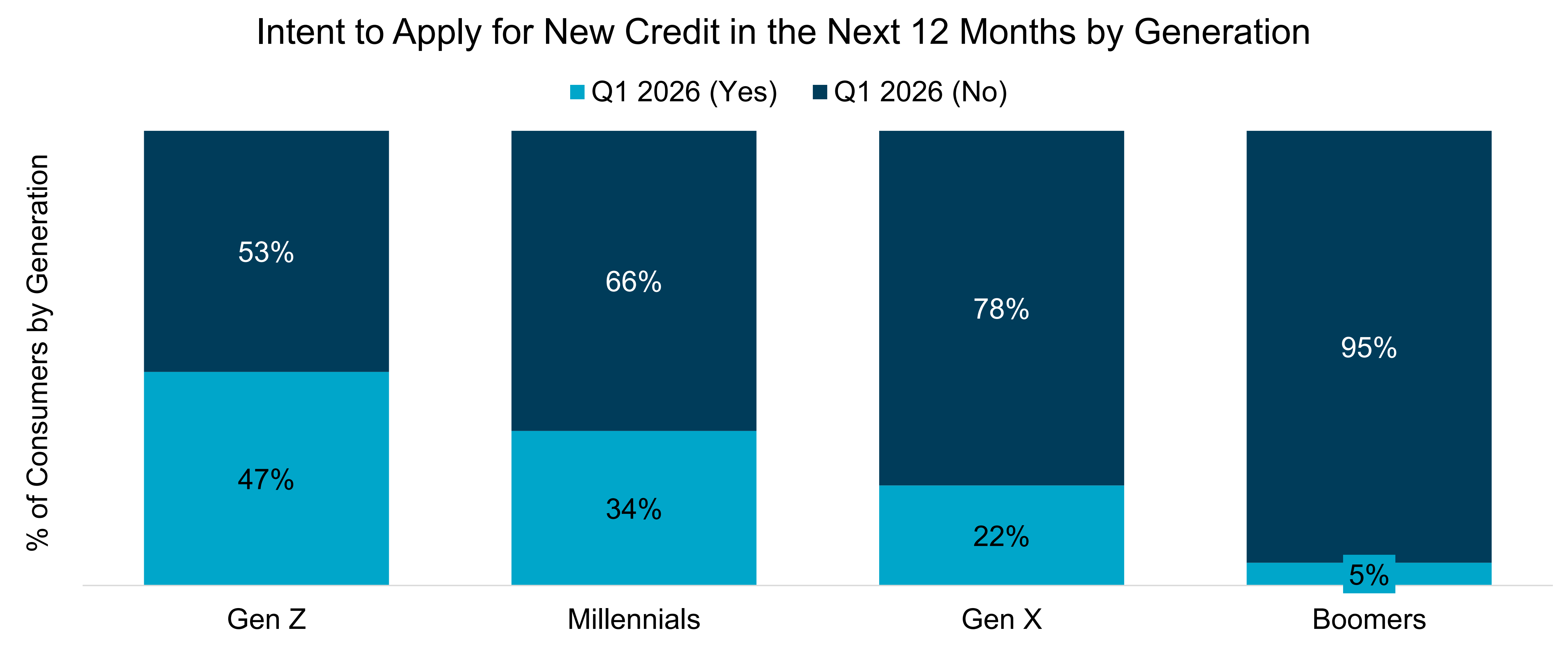


Balance Share by Generation



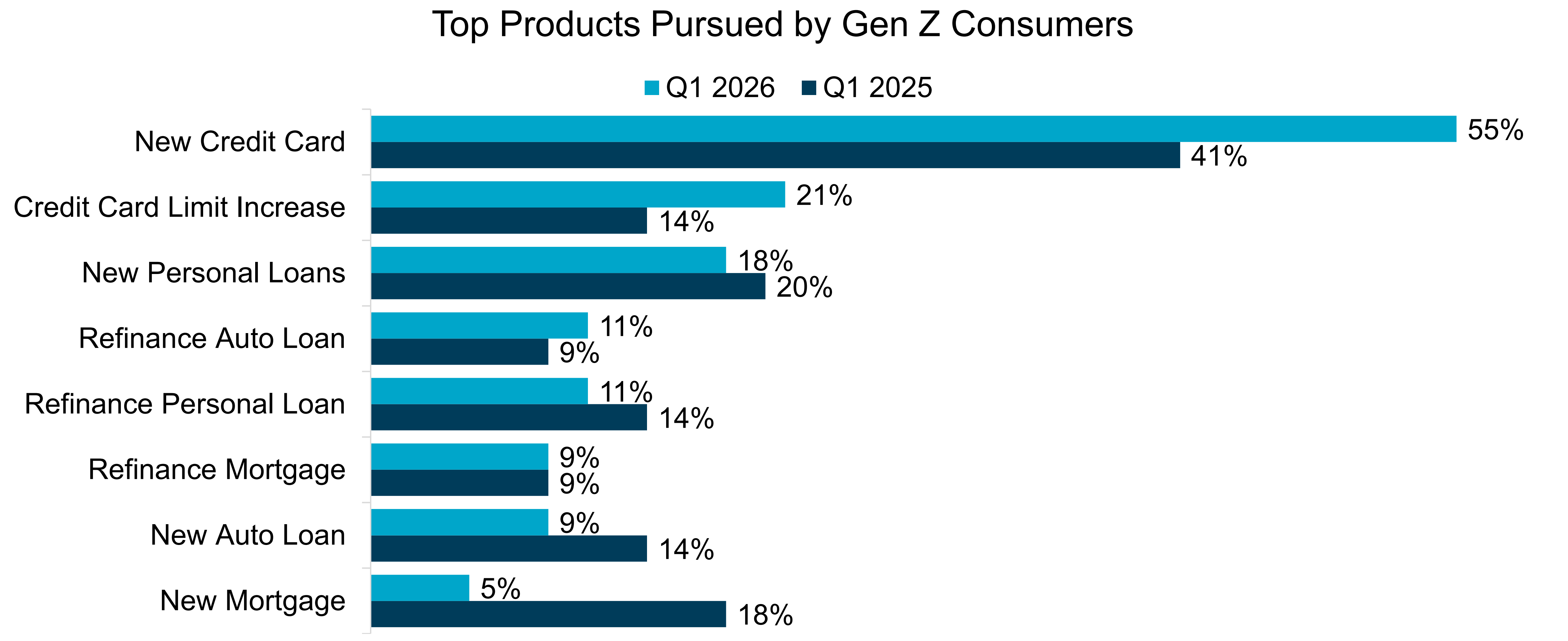
Source: TransUnion Canada Consumer Credit Database

With nearly half intending to apply for new credit, Gen Z intent signals a sustained and attractive opportunity for organic credit growth



Source: TransUnion Consumer Pulse Study Q1 2026

As wallet stress mounts, Gen Z is prioritizing accessible credit—an attractive segment for continued organic growth



*Multiple answers allowed

Source: TransUnion Consumer Pulse Q1 2026

Risk tier migration shows upward trend with more consumers improving scores over the past year vs declining

YoY Risk Tier Migration Q1 2026

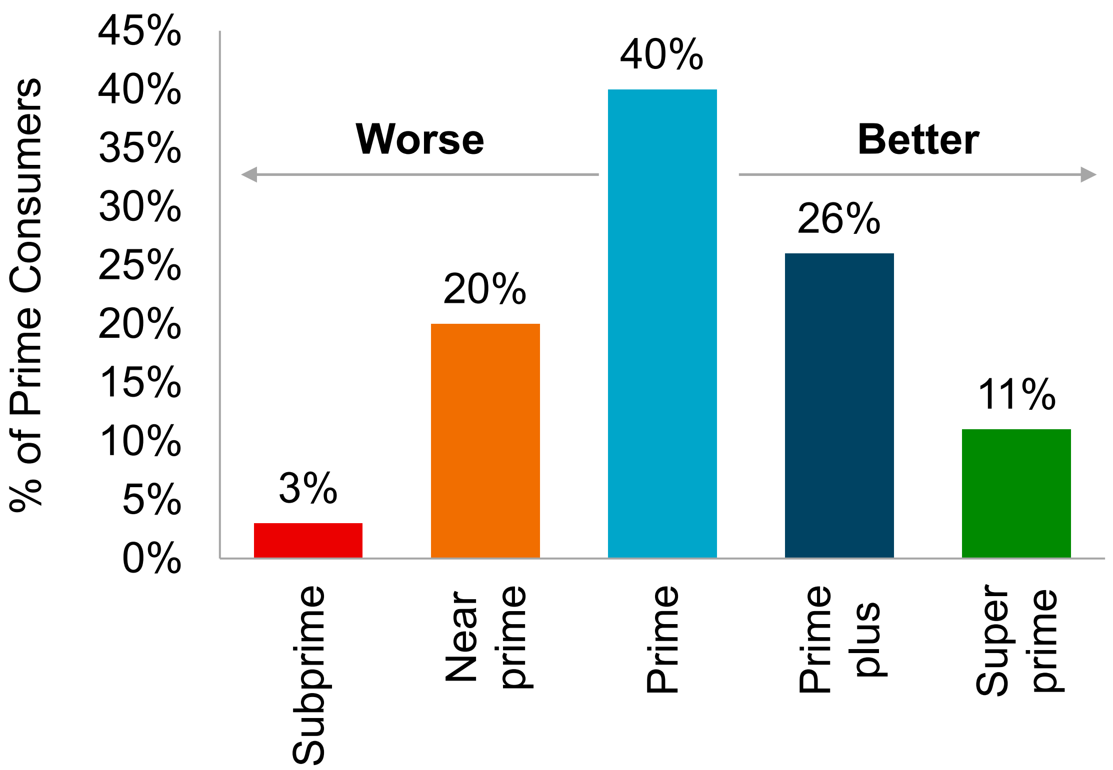
Risk tier Q1 2025	Worse *	Same	Better **
Super prime	13%	87%	N/A
Prime plus	21%	44%	35%
Prime	23%	40%	37%
Near prime	14%	58%	28%
Subprime	N/A	70% ↑	30% ↓

CreditVision® risk score: Subprime = 300-639; Near prime = 640-719; Prime = 720-759; Prime plus = 760-799; Super prime = 800+

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

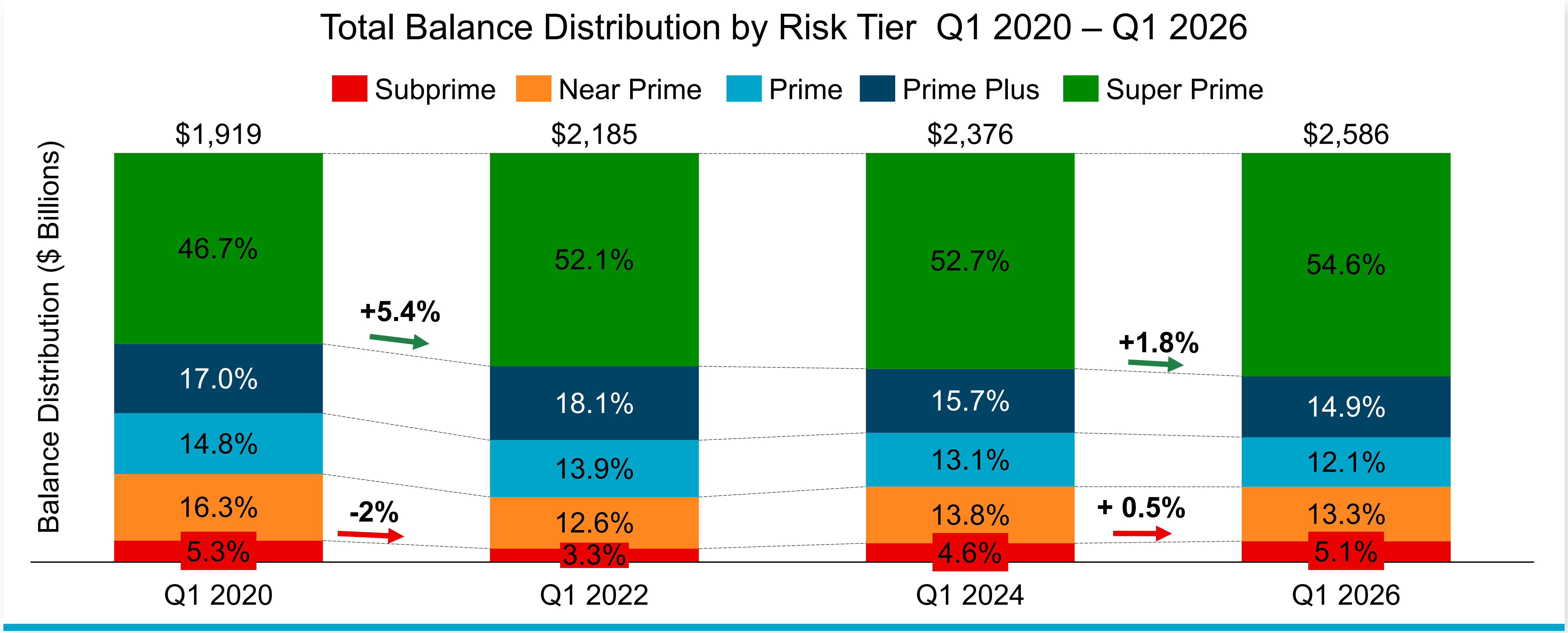
** Better refers to consumers whose scores improved one or more risk segments, for example from prime plus to super prime.

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



Source: TransUnion Canada Consumer Credit Database

Risk distribution reflects pandemic distortion followed by selective reversion, as super-prime grows and middle tiers thin



CreditVision® risk score: Subprime = 300-639; Near prime = 640-719;
Prime = 720-759; Prime plus = 760-799; Super prime = 800+

Source: TransUnion Canada Consumer Credit Database

Key Risks and Growth Opportunities in 2026

New credit lines are growing across tiers, with highest growth in personal loans for subprime

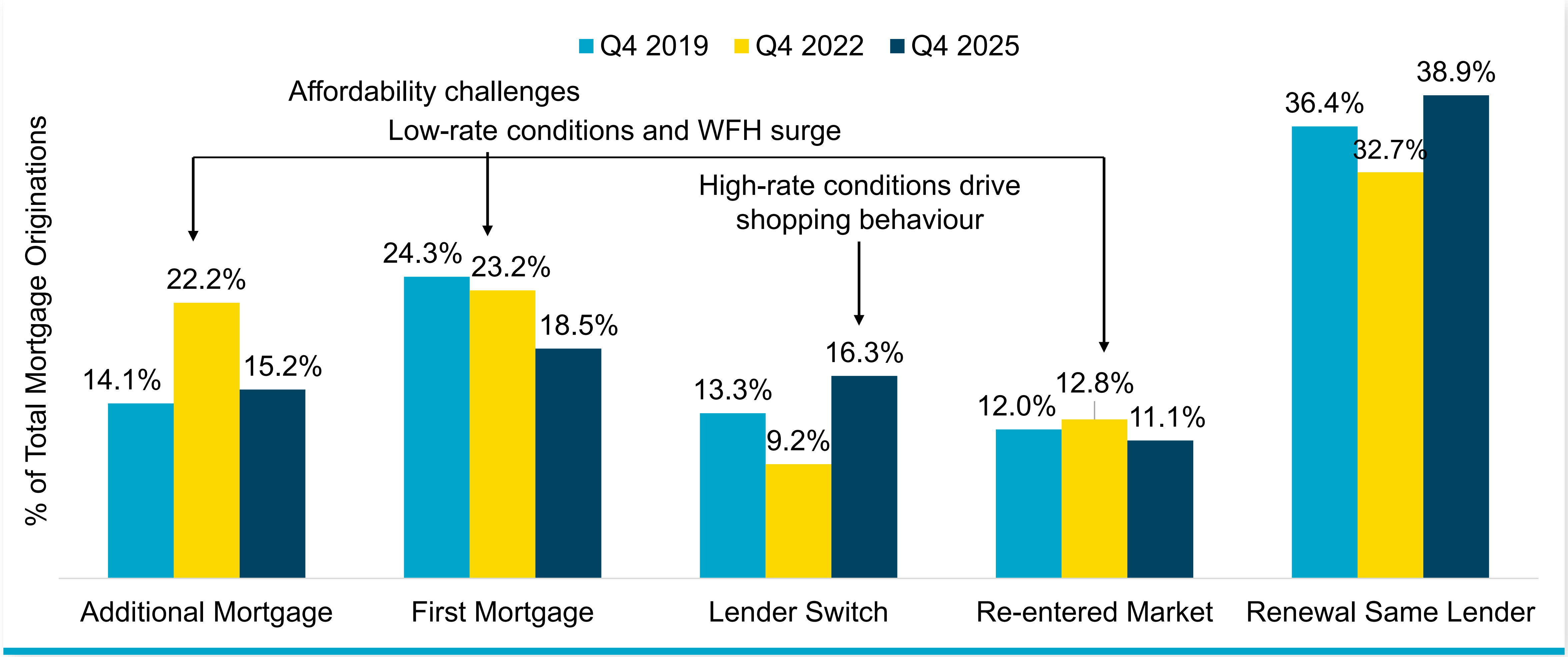
Average Credit Lines at Origination by Risk Tier: Q1 2020-Q1 2026

Credit Cards				Personal Loans			
Risk Tier	**Q1 2020**	**Growth %**	**Q1 2026**	**Risk Tier**	**Q1 2020**	**Growth %**	**Q1 2026**
Subprime	$1,548	+8.1%	$1,673	Subprime	$ 7,350	+32.5%	$9,738
Near Prime	$3,208	+13.7%	$3,647	Near Prime	$14,275	+16.4%	$16,618
Super Prime	$ 7,533	+44.6%	$10,893	Super Prime	$32,907	+15.6%	$38,034

CreditVision® risk score:
Subprime = 300-639; Near prime = 640-719; Prime = 720-759; Prime plus = 760-799; Super prime = 800+

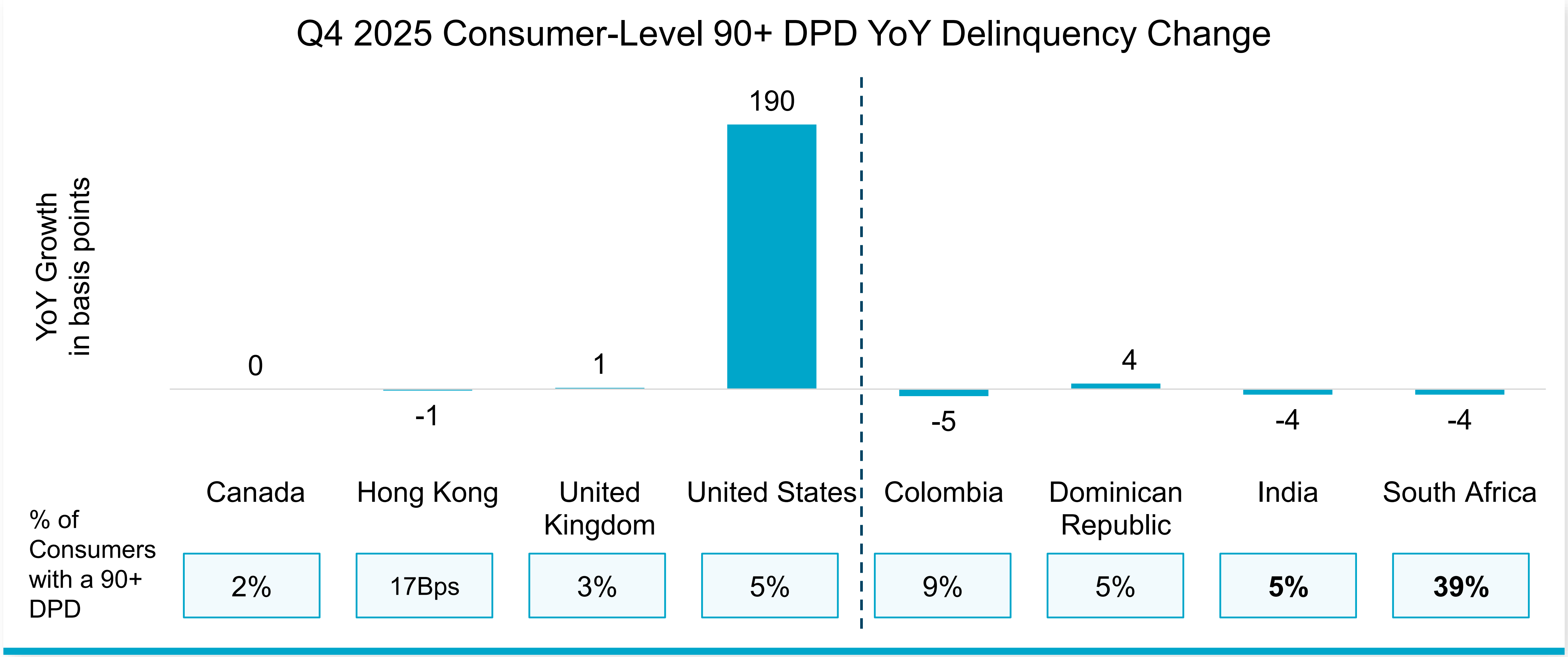
Source: TransUnion Canada Consumer Credit Database

Retention is becoming a critical growth lever as the mortgage market enters a low-churn, renewal-led phase

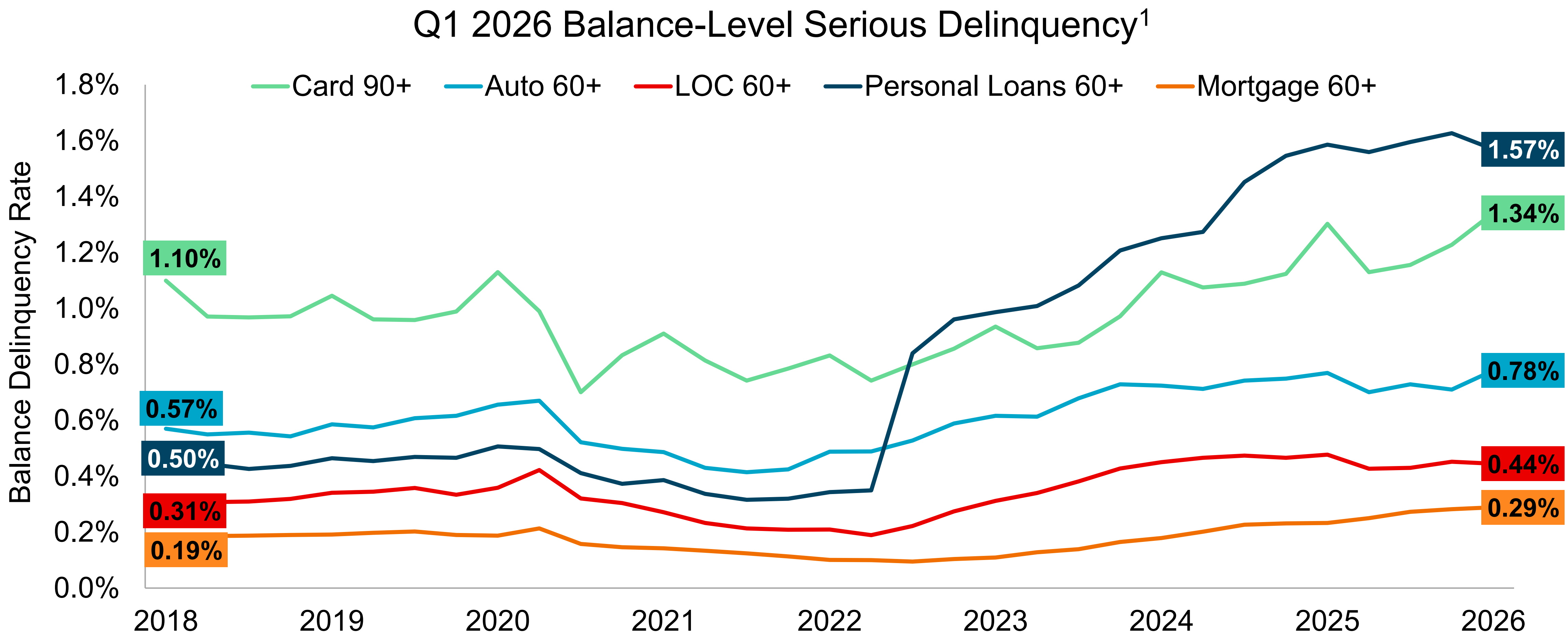


Source: TransUnion Canada Consumer Credit Database

Globally, credit performance is broadly stable, with isolated pockets of pressure

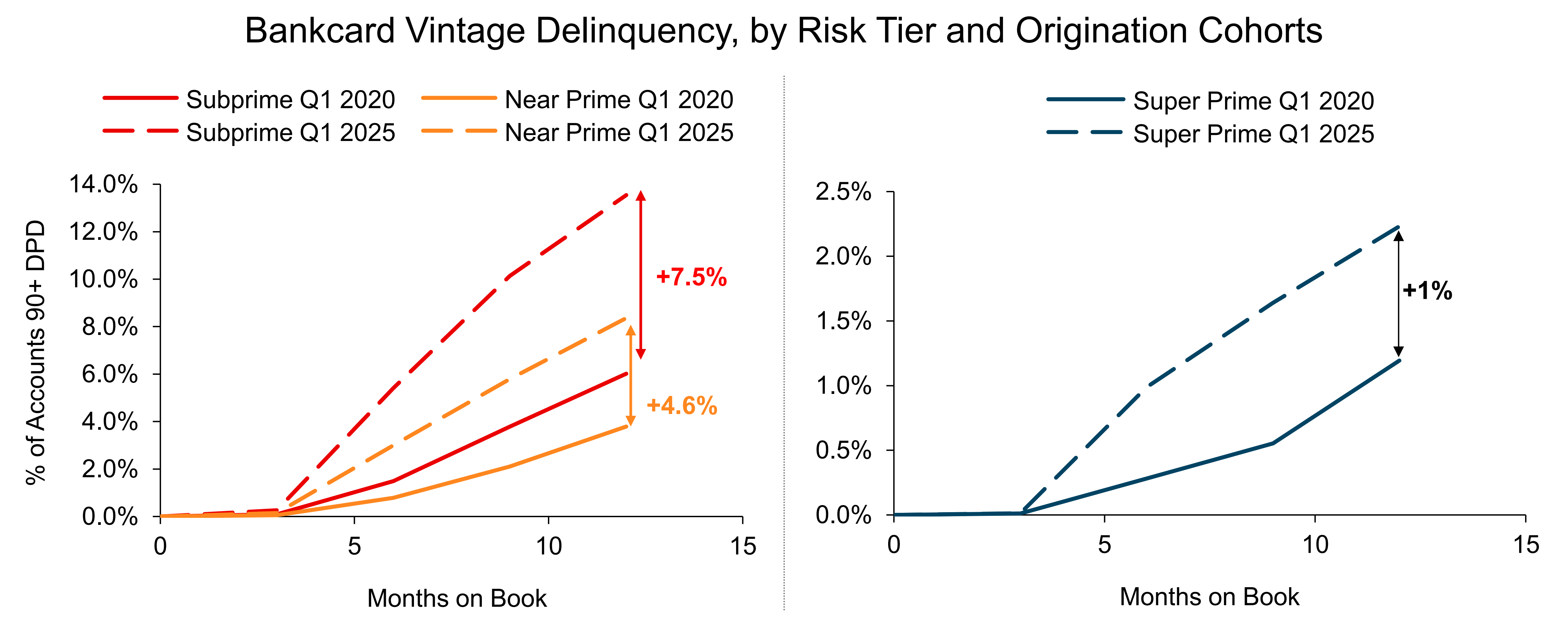


Balance delinquency normalization is underway, but long-term uplift in unsecured delinquency persists



1. Serious Delinquency is 90+ DPD for cards and 60+ DPD for all other products;
Source: TransUnion Canada Consumer Credit Database

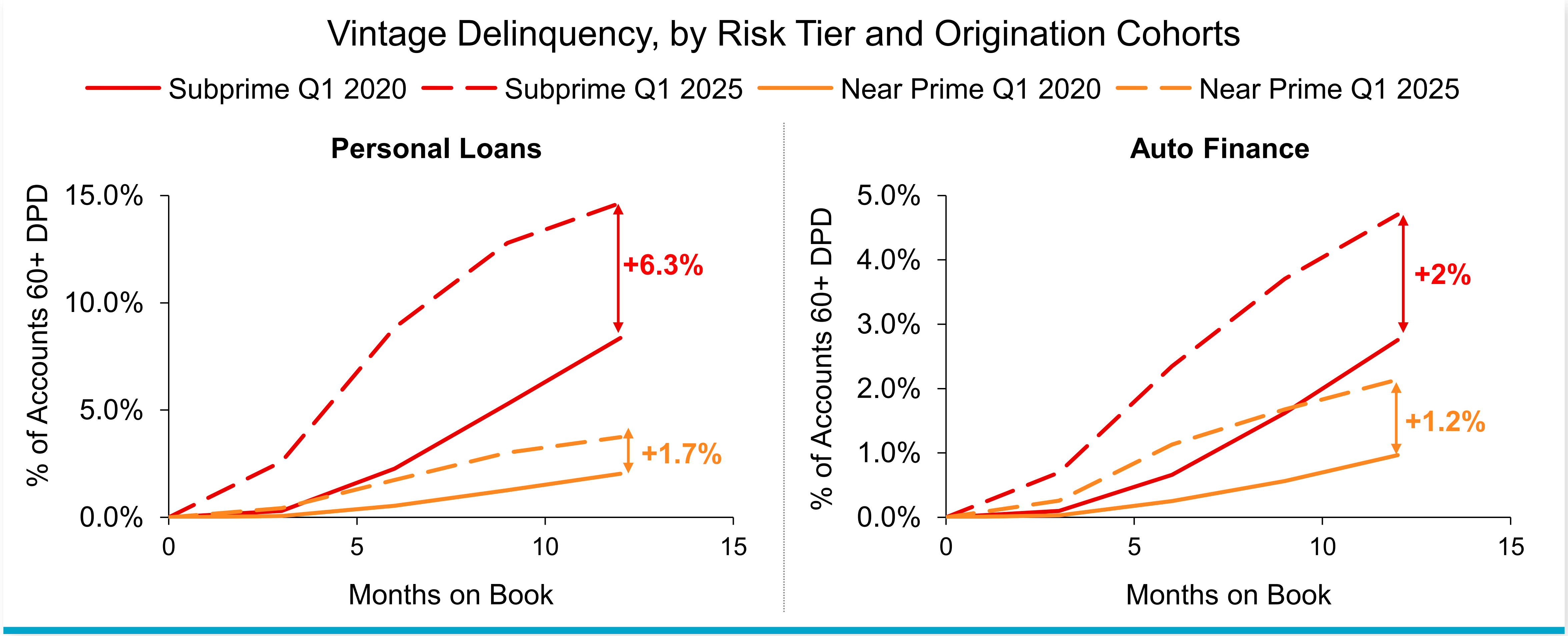
Recent bankcard vintages show elevated delinquency levels across all risk tiers, with highest deterioration for subprime



CreditVision® risk score:
Subprime = 300-639; Near prime = 640-719; Super prime = 800+

Source: TransUnion Canada Consumer Credit Database

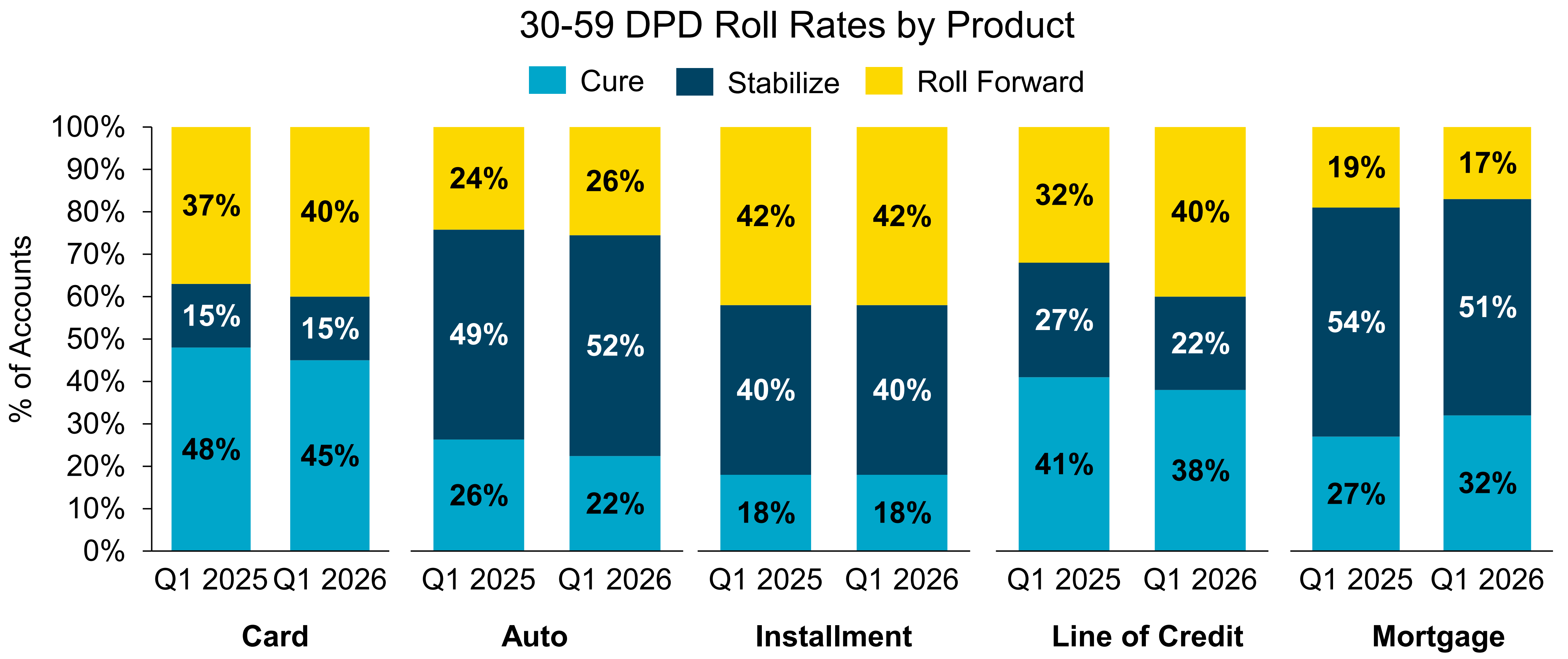
We see a similar rate of deterioration for recent below prime auto and personal loan vintages



CreditVision® risk score: Subprime = 300-639; Near prime = 640-719

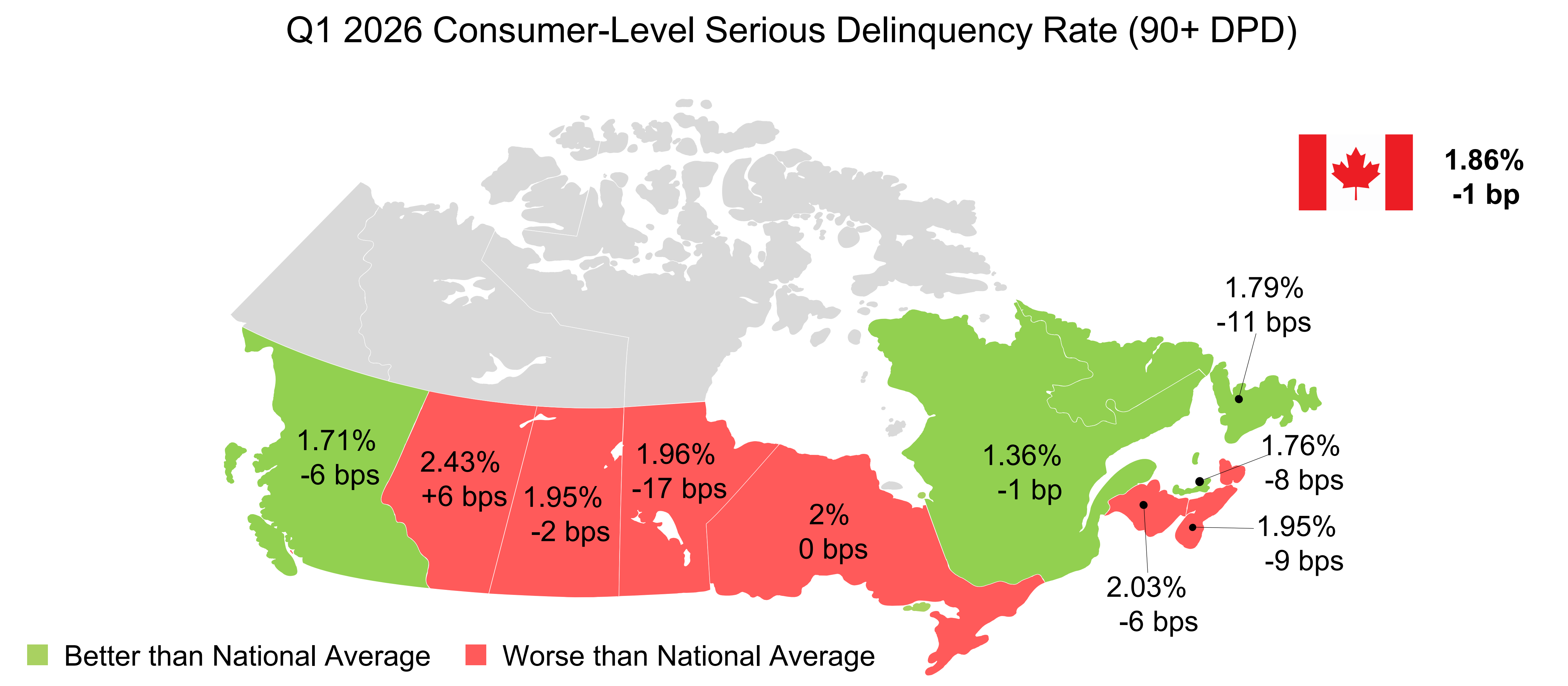
Source: TransUnion Canada Consumer Credit Database

Don't just manage risk—manage outcomes: use early warning to prevent roll-forward and preserve value



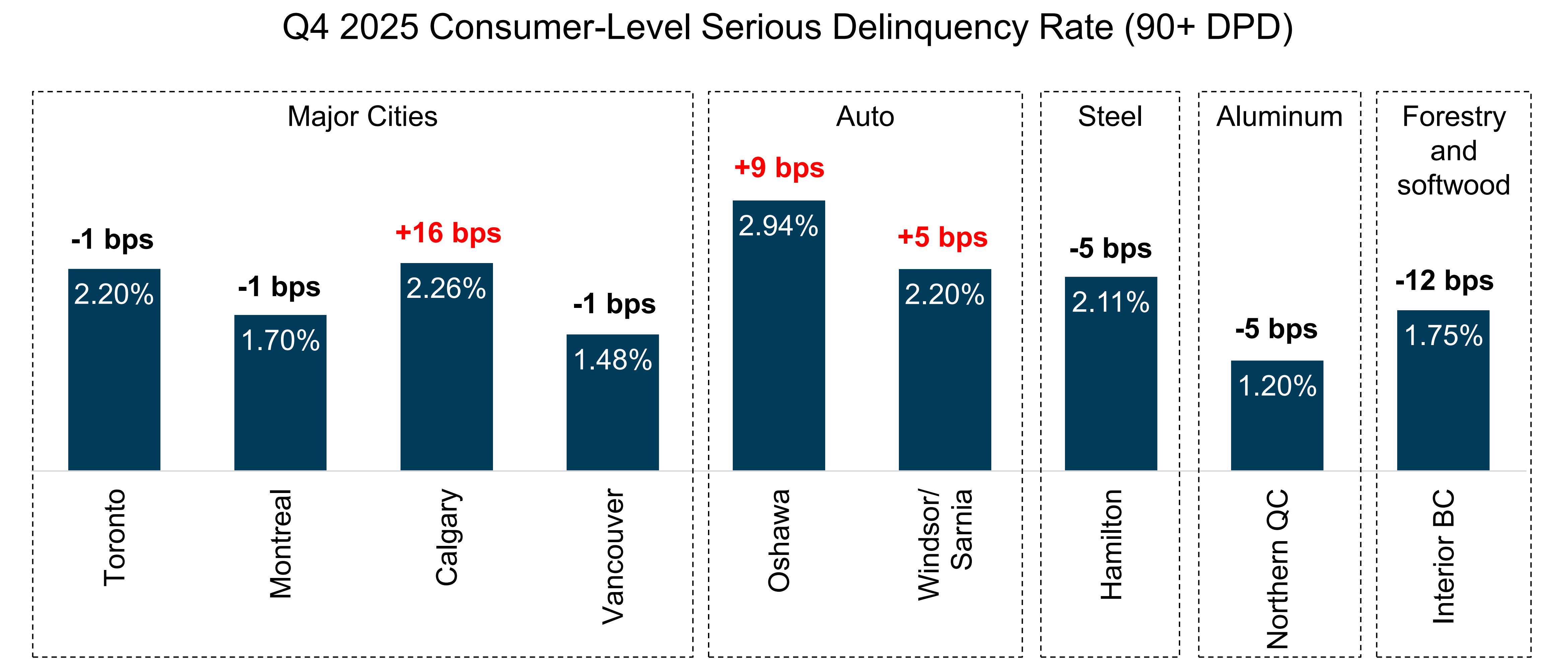
Source: TransUnion Canada Consumer Credit Database

Geographic dispersion matters—portfolio risk is increasingly regional



Source: TransUnion Canada Consumer Credit Database

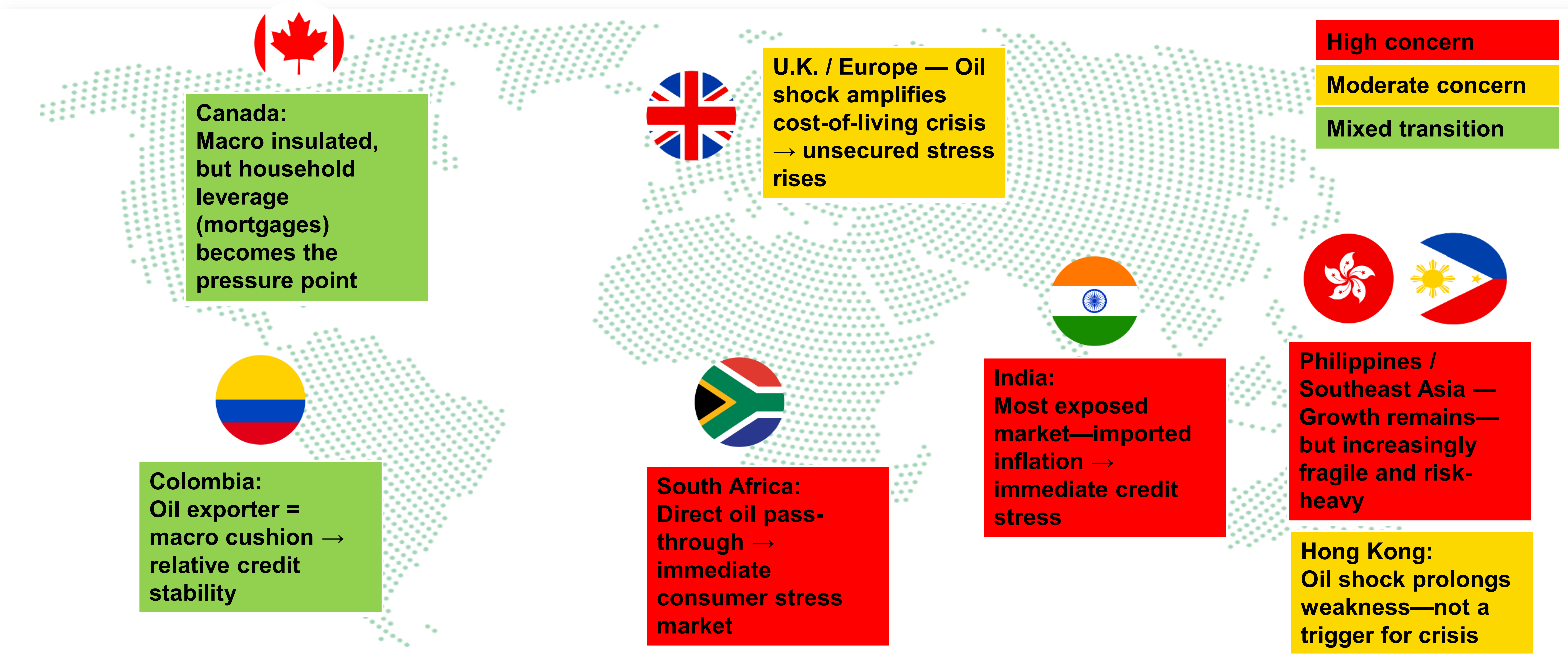
Localized stress emerging in auto-manufacturing hubs and select metros while other tariff-exposed regions remain resilient



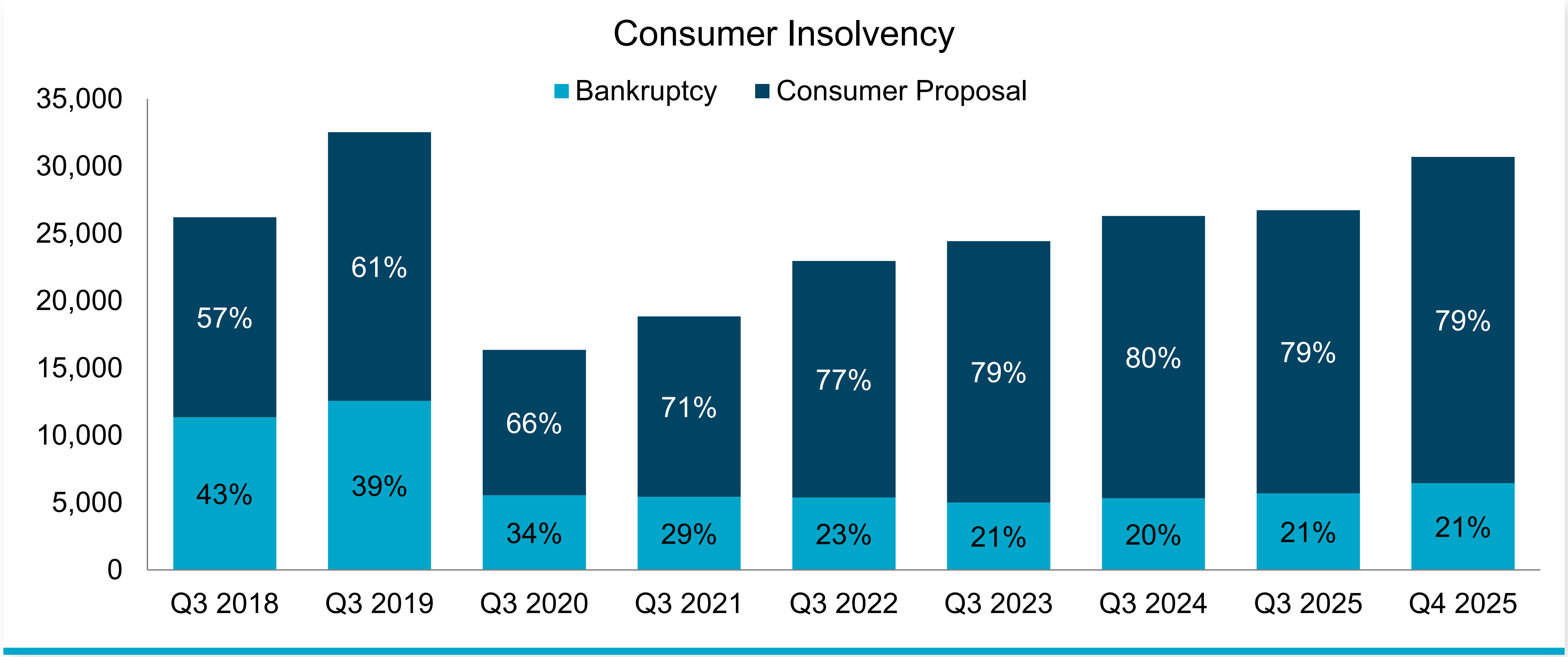
Cities selected for Northern Quebec: Saguenay, Sept-Îles, Baie-Comeau; For Interior BC: Prince George, Kelowna, Kamloops, Vernon, and Quesnel

Source: TransUnion Canada Consumer Credit Database

Oil shocks transmit unevenly—across markets the opportunity shifts from driving originations to enabling smarter decisions across the credit lifecycle

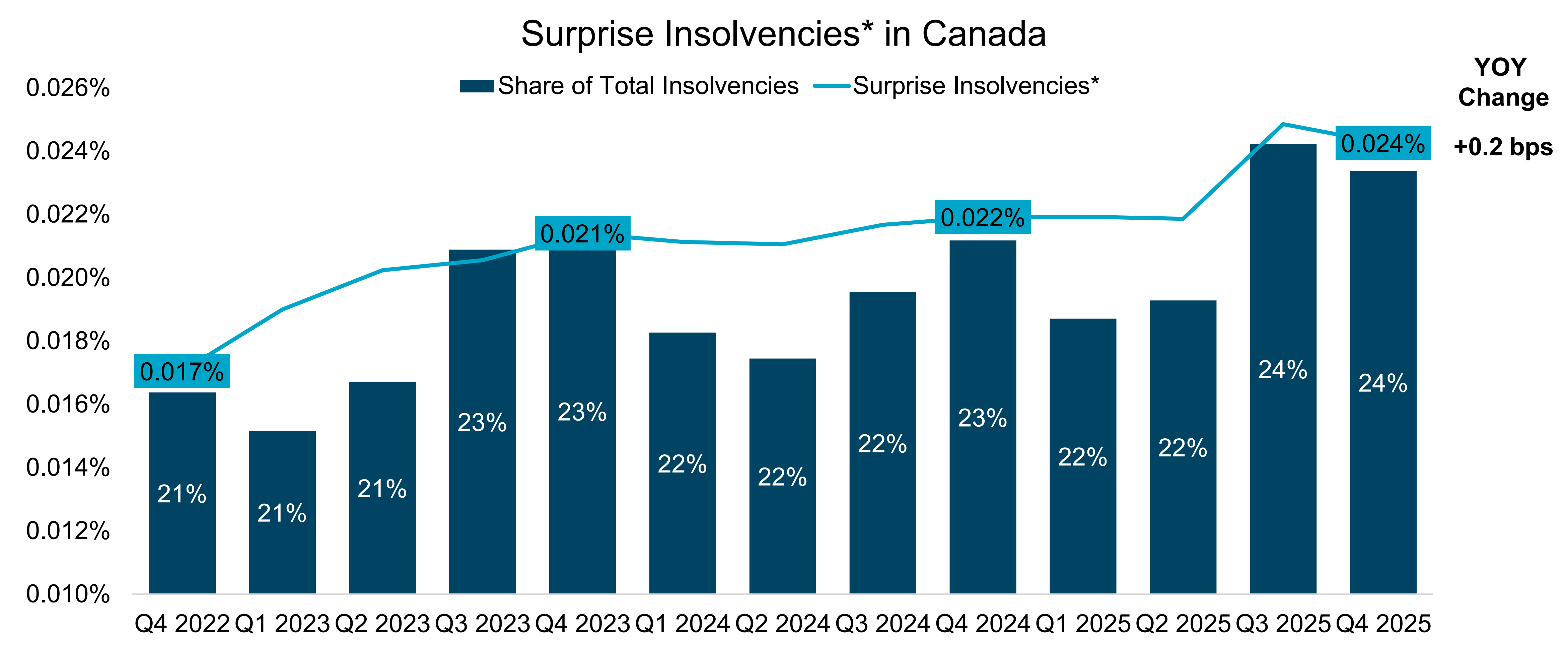


Insolvency rate has increased, yet the distribution of bankruptcies and proposals has remained consistent



Source: TransUnion Canada Consumer Credit Database

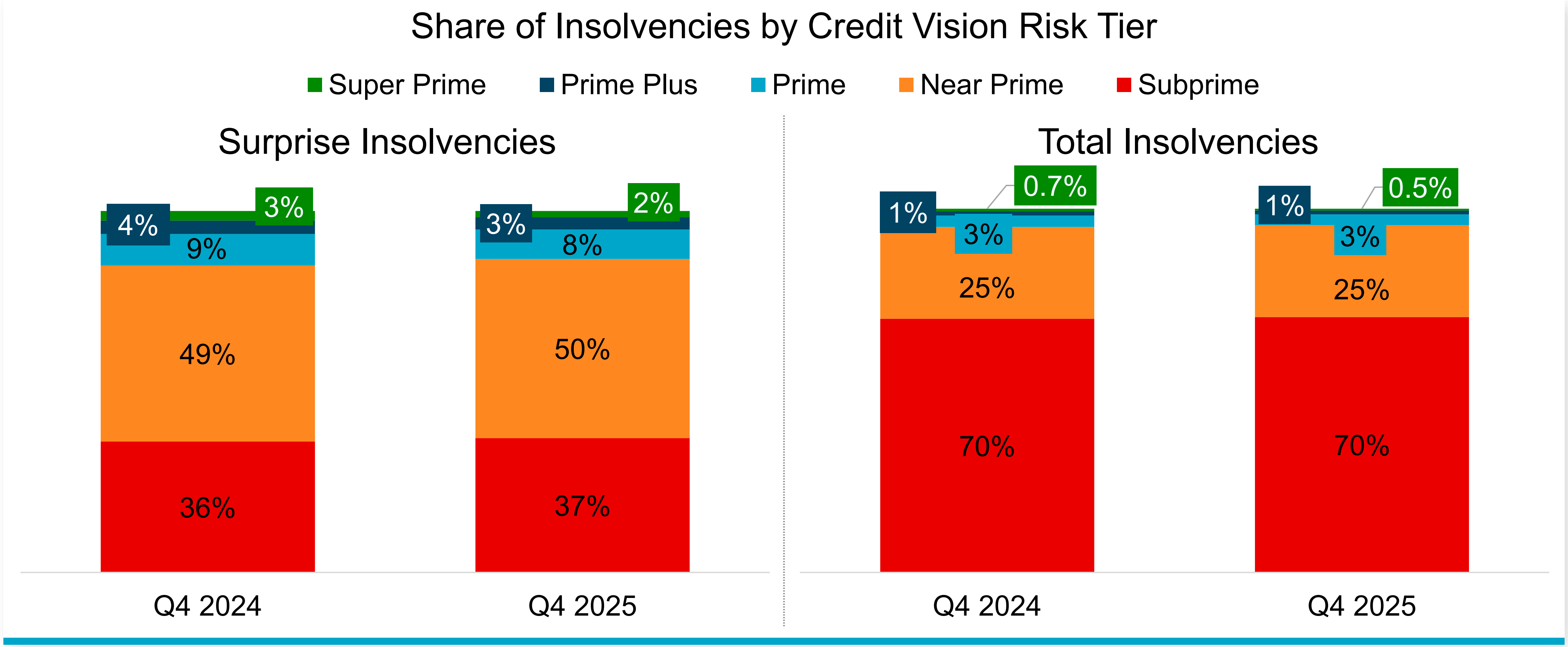
Rising surprise insolvencies highlight growing financial strain, though the change vs last year remains modest



*Bankruptcies and consumer proposals filed by consumers who never had a prior delinquency as a %age of total Canadian consumers

Source: TransUnion Canada Consumer Credit Database

Prime and above consumers make up 12% of surprise insolvencies but less than 5% of total insolvencies



CreditVision® risk tiers: Subprime (< 640); Near Prime (640 to < 720); Prime (720 to < 760); Prime Plus (760 to < 800); Super Prime (800+)
(Based on consumer scores right before filing for BK/CP)

Source: TransUnion Canada Consumer Credit Database

Five Imperatives to Balance Growth and Risk in a Fragmented Credit Cycle

1. Watch your risk mix – K Shaped growth can shrink margins at super prime and increase risk at subprime.
2. Balance responsible growth with proactive early warning signals of risk.
3. Help them out: pockets of risk & affordability debt stress remain. Enhance proactive hardship programs, flexible repayment.
4. Fraud remains pervasive and is hiding in your losses. Enhance early detection with friction-right strategies.
5. Pockets of growth remain – New and emerging borrower segments such as NTC, Gen Z, and gig workers are driving incremental demand.

5 things we suggest lenders get right through 2026 and into 2027

Thank You! Questions?