



# NZ credit data insights November 2020

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# Executive Summary

## Insight

- Consumer Credit demand continues to strengthen in all portfolios.
- Mortgage demand remains the strongest, and well up on pre-COVID levels
- Commercial credit demand, consistently back at 2019 levels
- Overall RHI Arrears remain well down on PRE-COVID levels.
- Credit card arrears have increased for the first time since May 2020.
- Mortgage payment deferrals down compared with the prior month, now less than 4% of total accounts.
- 96% of all accounts previously in mortgage deferral are up to date.

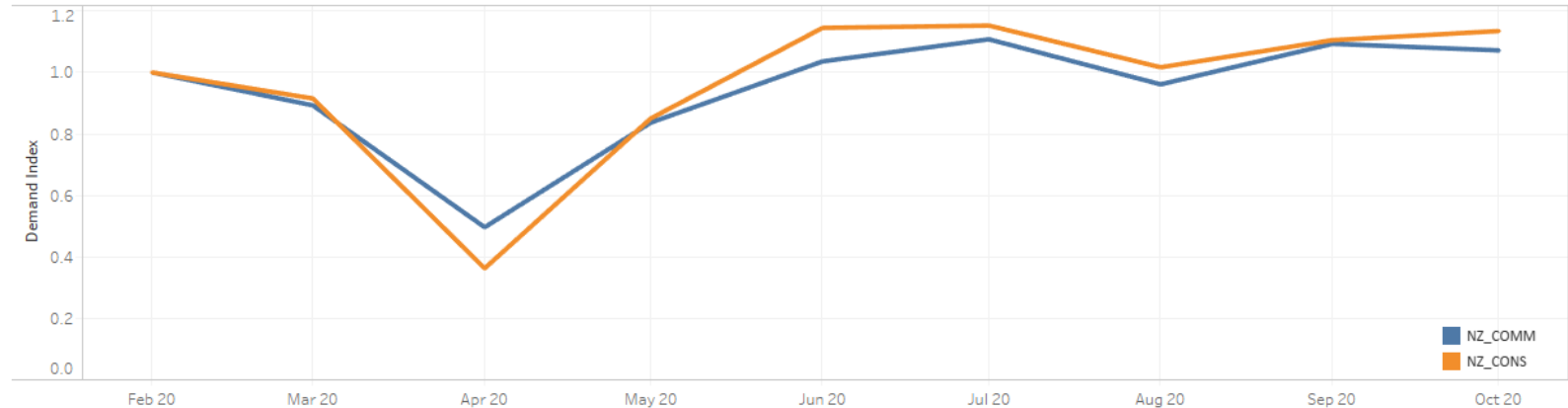
N.B. - the data contained in this report, relates to credit data reported up to end September 2020.

# NZ Consumer and Commercial Credit Demand

## Insight

- Consumer demand driven by mortgages, with Personal loan and Credit card volumes continuing their recovery.
- Commercial demand has decreased slightly compared with September, but continues to match 2019 levels. Strongest demand in utility and equipment finance

## NZ Consumer and Commercial Enquiries



	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20
NZ_COMM	1.00	0.89	0.50	0.84	1.04	1.11	0.96	1.09	1.07
NZ_CONS	1.00	0.92	0.36	0.85	1.15	1.15	1.02	1.11	1.13

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# Hardship & Arrears

## Insight

- Overall arrears remain stable at less than 5% of all retail credit accounts and well down on Pre-COVID
- 30+ DPD arrears have slightly increased, driven mainly by credit cards
- Small increase in Overall Hardship cases



# Mortgage Deferral Trends

## Insight

- Mortgage deferrals granted peaked in May '20
- Continued roll off of deferrals with very few new



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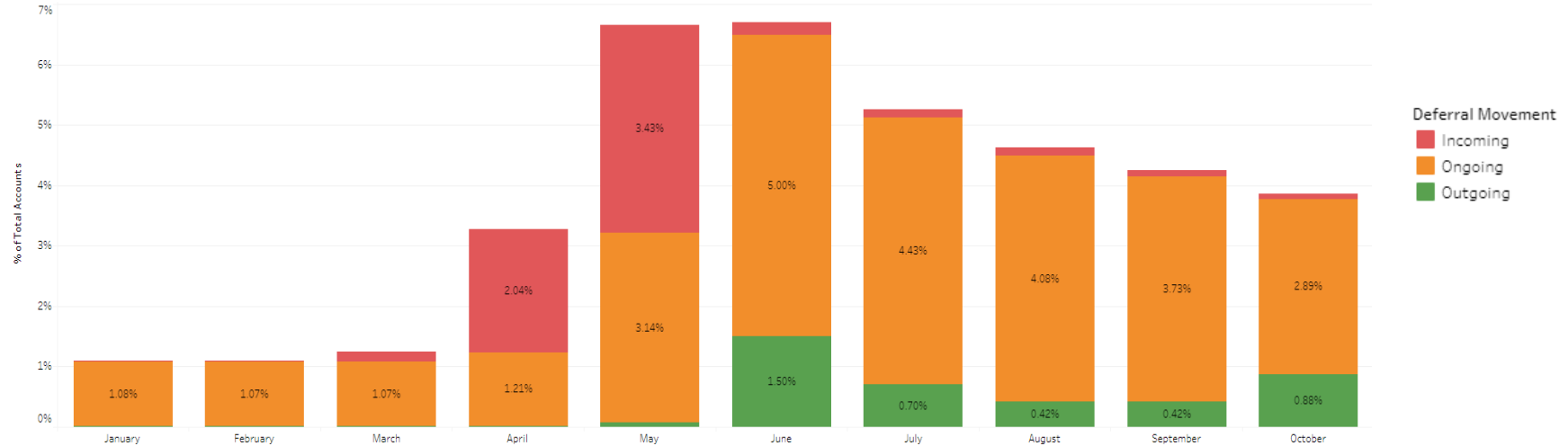
Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20
1.000	1.138	2.984	6.032	4.783	4.198	3.878	3.530	2.747

# Are Mortgage Accounts Transitioning from Deferral?

## Insight

- Deferred mortgage accounts peaked at nearly 7% of total accounts in May (ongoing + incoming), now at less than 4%
- October was the biggest deferral roll off number since May.
- New deferrals numbers continued to reduce in October.

Monthly Trend of Accounts in Deferral



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