



March Credit Indicator



Credit conditions had been stabilising, but global uncertainty re-emerges

The most up-to-date credit insights available in New Zealand

Global volatility has added another layer of uncertainty to the economic outlook, particularly through energy markets – an uncertainty acknowledged by the Reserve Bank of New Zealand’s governor Dr Anna Breman in a speech last week.

Although these developments are too recent to be fully reflected in the latest credit data, they are a reminder external shocks can impact household and business costs.

With that context in mind, our latest data shows New Zealand’s credit environment has been stabilising in recent months.

Consumer credit demand has softened in recent weeks, but remains above last year’s levels, while new household lending has lifted strongly. At the same time, overall arrears have improved, reflecting improved financial resilience for many households compared with a year ago.

There are encouraging signs in mortgage performance in particular. Mortgage arrears held steady in February and remain well below year-ago levels, supported by lower interest rates easing repayment pressure for many borrowers.

New lending also remains elevated, with refinancing and stronger personal lending activity continuing to support volumes.

That said, the picture is still mixed beneath the headline improvement. While overall arrears have moved lower, the number of consumers now 90+ days past due has risen, showing financial stress is still affecting some households. Pressure also remains more pronounced across personal loans and Buy Now Pay Later.

On the business side, demand is more subdued overall, although the picture varies significantly by sector. Hospitality remains the most vulnerable industry, while early signs of improvement are emerging in construction and retail trade.

Agriculture, financial services, legal, accounting, and veterinary services continue to perform well, while new business activity is increasingly concentrated in service-based sectors such as software development, labour supply, and specialised retail.

Company liquidations also remain elevated, and Inland Revenue activity continues to influence the insolvency picture, even as business credit defaults ease. Together, these trends point to an economy that is improving, but still uneven across sectors and households.

Overall, the latest data points to a stabilising environment. However, with pockets of household pressure still evident and global cost risks back in focus, it remains important for households and businesses under strain to seek trusted financial advice early.

Monika Lacey
Chief Operating Officer
Centrix

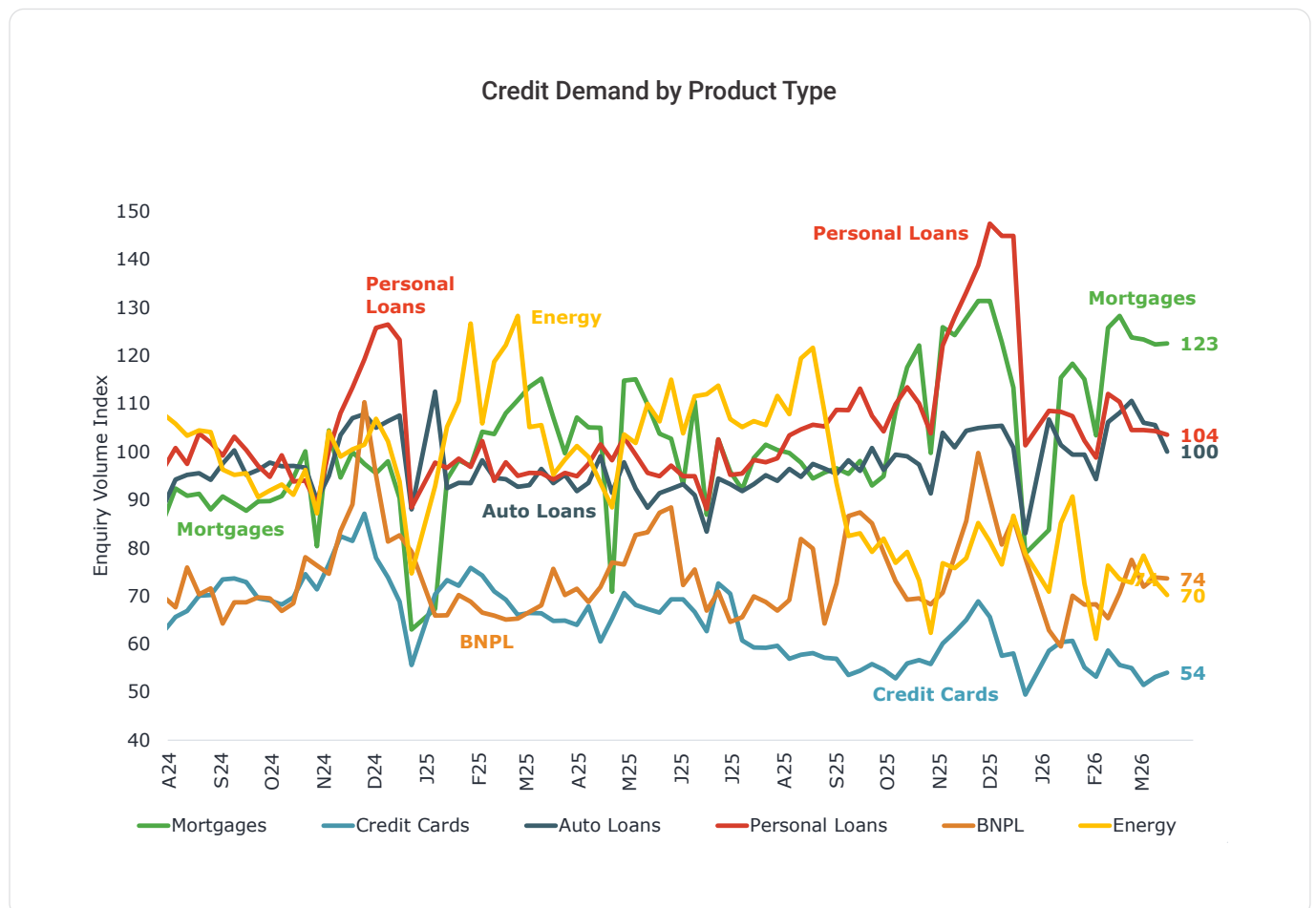


Consumer demand remains above last year, but has eased

Consumer credit demand has softened in recent weeks, but remains up 5.2% year-on-year.

Personal loan enquiries continue to show strong growth, up 13.0%, while mortgage enquiries remain 15.1% above last year despite easing in recent weeks. Auto loan demand is also up 8.7%.

In contrast, credit card demand is down 19.1% and retail energy enquiries are down 29.2%, while Buy Now Pay Later demand is broadly stable, up 3.8%.



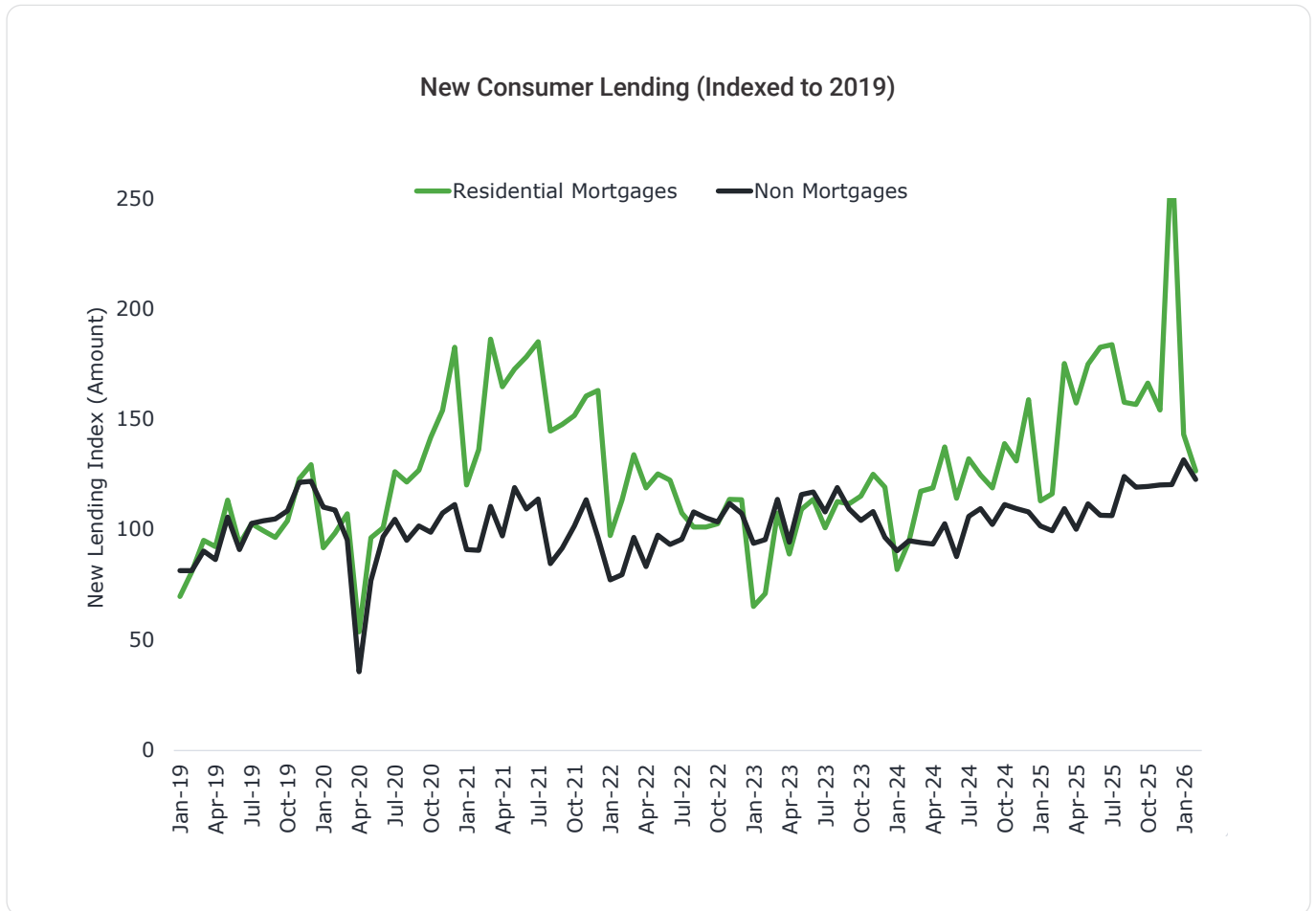
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New lending remains strong, supported by refinancing and personal lending

New household lending continued to lift in the February quarter, with overall lending up 38.2% year-on-year.

Approved mortgage lending rose 40.1% compared with the same period last year, reflecting the record level of refinancing activity seen in December. New non-mortgage lending was also up 15.4% year-on-year, driven largely by unsecured personal loans and stronger auto finance activity.

The latest data also shows conversion rates for mortgages, personal loans, and auto lending have continued to improve.

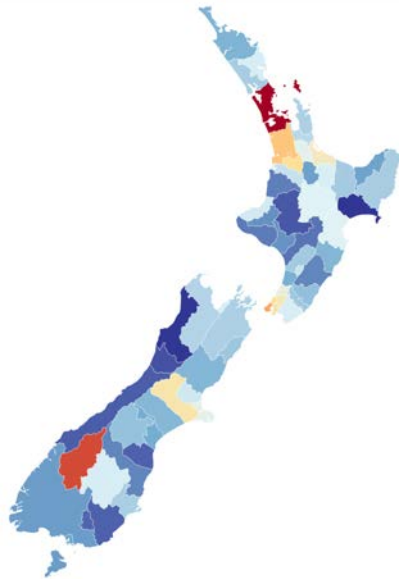


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Average mortgage sizes remain highest in Auckland

Auckland continues to have the highest average mortgage in the country at \$715,000, compared with the national average of \$532,000. Queenstown-Lakes District has the highest average mortgage value in the South Island at \$658,000, up 9.0% over the past year.

There are now 9 districts across the country with average mortgage values above \$500,000, while Kaikōura recorded the largest annual increase, rising 11.4% to \$371,000.



Rank	Island	Territory Authority	Average Value of Mortgage	Annual Change
1	North Island	Auckland	\$715,811	2.1%
2	South Island	Queenstown-Lakes District	\$658,456	9.0%
3	North Island	Wellington City	\$575,628	1.7%
4	North Island	Hamilton City	\$548,673	3.9%
5	North Island	Waikato District	\$548,258	3.6%
6	North Island	Porirua City	\$528,497	2.3%
7	North Island	Tauranga City	\$526,197	5.1%
8	North Island	Waipa District	\$519,074	4.7%
9	South Island	Selwyn District	\$500,633	5.4%
10	North Island	Lower Hutt City	\$498,728	2.9%

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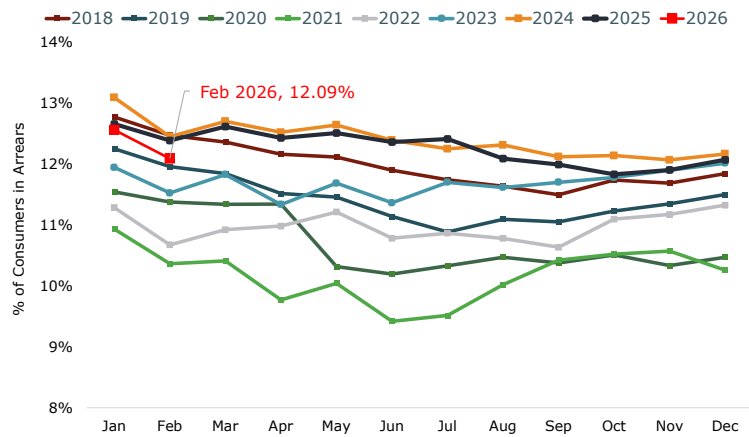
Arrears improve overall, although deeper stress remains

Consumer arrears fell to 12.09% of the credit-active population in February, down from 12.56% in January and 2.4% lower than a year ago.

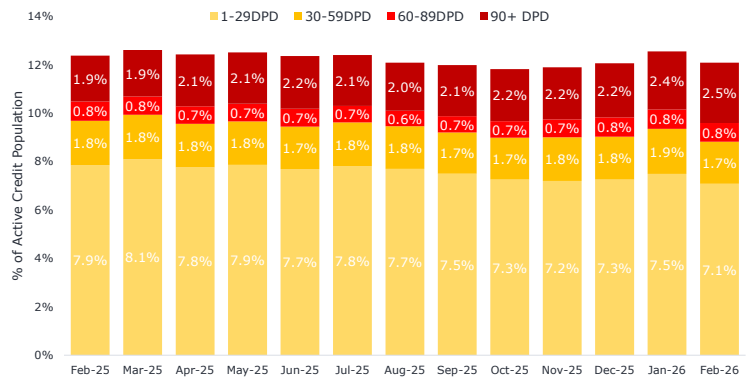
The number of people behind on payments declined to 473,000, down 18,000 from the prior month. This reflects improved financial resilience among many households compared with a year ago.

However, 97,000 consumers are now 90+ days in arrears, the highest level since July 2023, showing some households remain under sustained financial pressure.

Consumer Arrears Trends

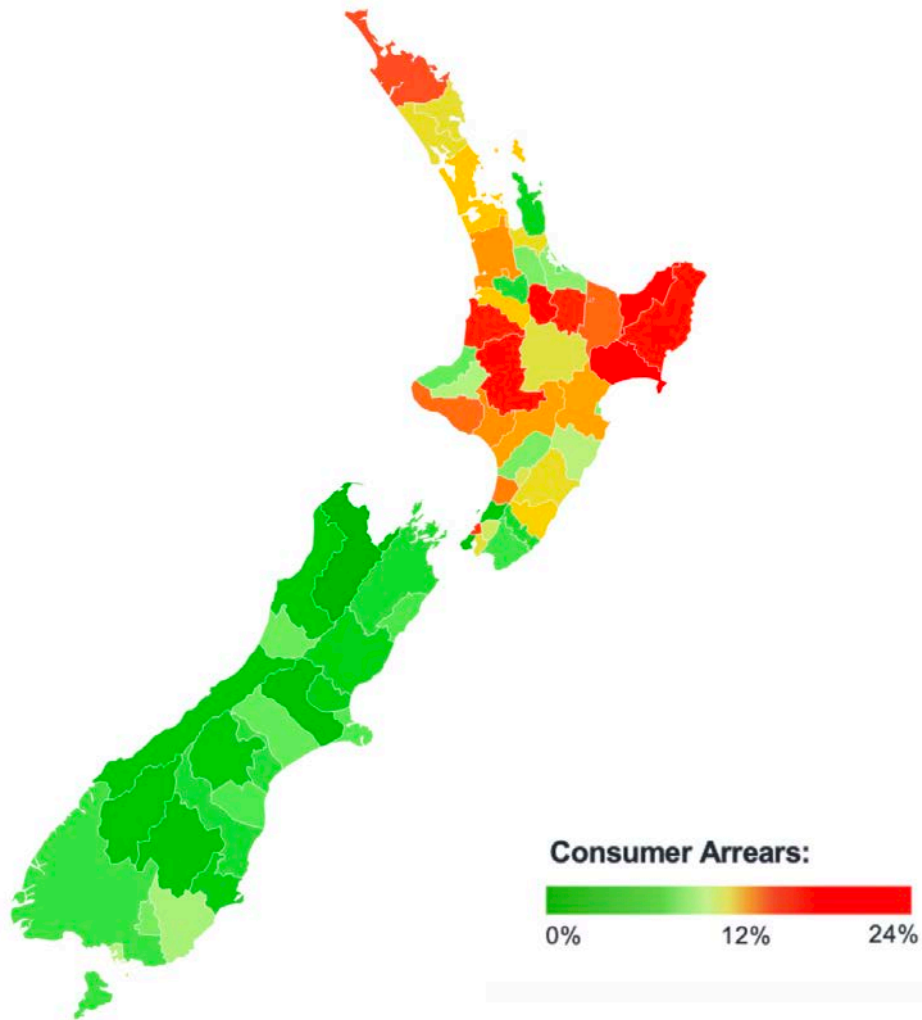


Consumer Arrears Trends by Days Past Due



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Arrears remain divided between North and South



Lowest Arrears Areas	
District	Arrears %
1 Tasman District	7.95%
2 Nelson City	8.47%
3 Wellington City	8.78%
4 Selwyn District	8.86%
5 Central Otago District	9.00%
6 Queenstown-Lakes District	9.08%
7 Westland District	9.34%
8 Buller District	9.46%
9 Kapiti Coast District	9.47%
10 Mackenzie District	9.57%

Highest Arrears Areas	
District	Arrears %
1 Wairoa District	18.49%
2 Kawerau District	17.88%
3 Opotiki District	16.97%
4 South Waikato District	16.65%
5 Ruapehu District	16.40%
6 Gisborne District	16.39%
7 Waitomo District	16.17%
8 Rotorua District	16.06%
9 Porirua City	15.56%
10 Far North District	15.00%

Mortgage arrears hold steady, while auto and credit card arrears improve

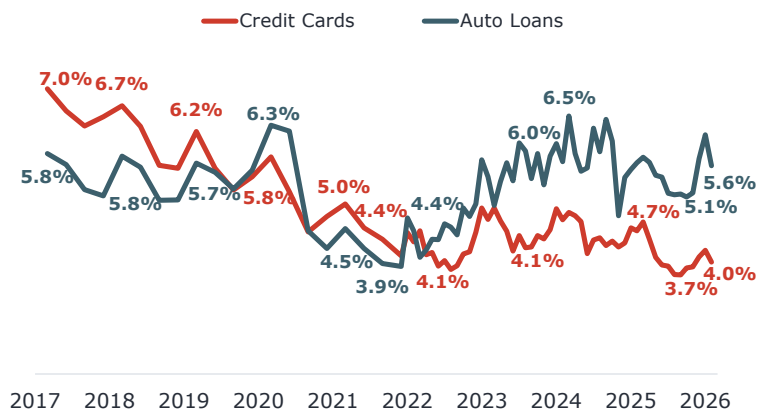
Mortgage arrears held steady at 1.42% in February, with 22,700 home loans reported as past due. This is an 8% improvement on a year ago, supported by lower interest rates easing repayment pressure for borrowers.

Auto loan arrears improved to 5.6% in February, while credit card arrears also improved to 4.0% and are now 12% lower than a year ago.

Home Loan Arrears



Credit Card & Auto Loan Arrears



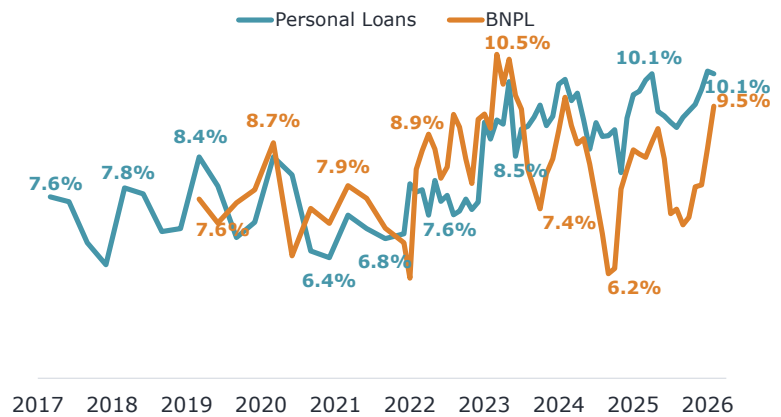
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Unsecured lending remains the main pressure point

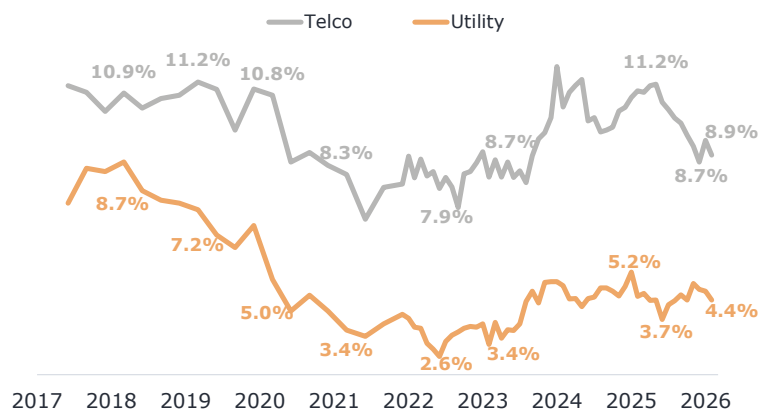
Personal loan arrears improved slightly to 10.1% in February, but remain up 4% year-on-year. Buy Now Pay Later arrears rose to 9.5%, marking a fifth consecutive monthly increase.

Retail energy arrears fell to 4.4%, down 3% year-on-year, while telco and communications arrears improved to 8.9%, well below the 10.9% recorded a year ago. Seasonally adjusted mortgage delinquencies also continued to improve, with 90+ day arrears down 11% year-on-year.

Personal Loan & BNPL Arrears



Telco & Utility Arrears

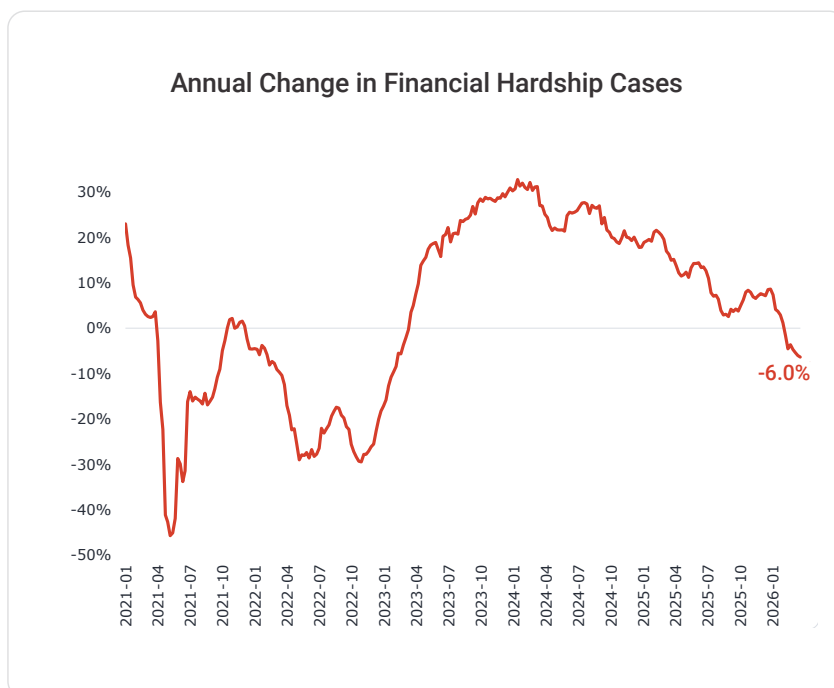
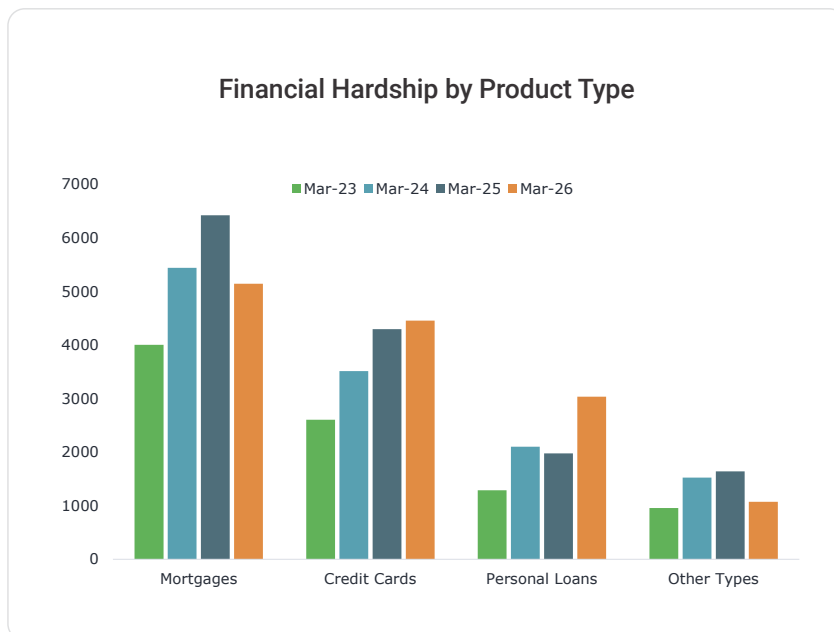


Personal loan arrears improved slightly to 10.1% in February, but remain up 4% year-on-year.

Financial hardship eases overall, but personal loan hardship remains elevated

There are now more than 13,700 accounts reported in financial hardship, down around 500 from the prior month and 6.0% lower than a year ago.

Mortgage hardship remains the largest category, making up 38% of all hardship cases, followed by credit cards at 32%. Personal loan hardship is up 54% year-on-year and now accounts for 22% of all hardship cases.



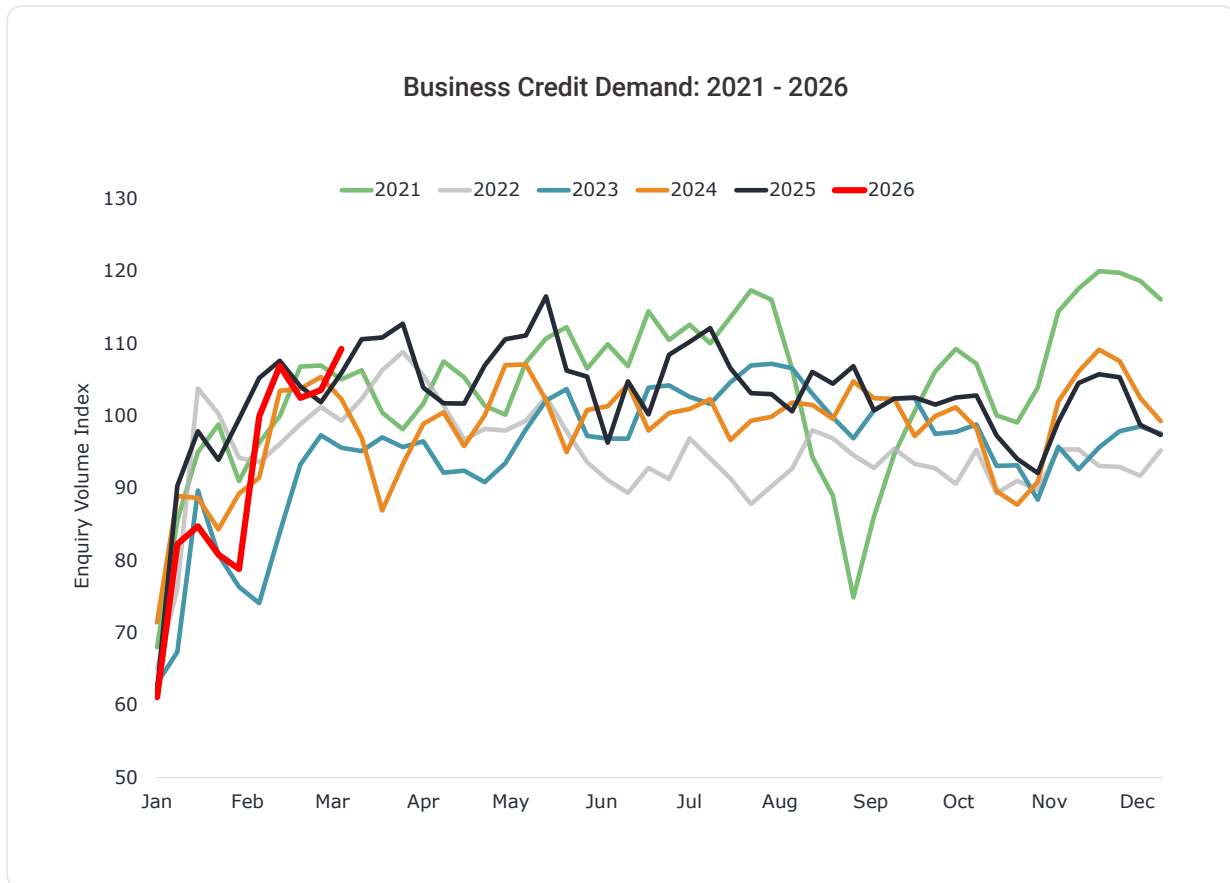
There are now more than 13,700 accounts reported in financial hardship, down around 500 from the prior month and 6.0% lower than a year ago.

Business demand remains subdued

Business credit demand is down 2% year-on-year, although conditions remain uneven across sectors. Hospitality continues to lead demand, up 29% over the past 12 months, while agriculture is up 10% and arts and recreation is up 8%.

The average credit score for new business applications has increased to 741, up from 739 in January, while new business registrations are up 11% year-on-year on a rolling 12-month basis.

New business growth is increasingly concentrated in service-based sectors such as software development, labour supply, and specialised retail, while internet services and computer maintenance continue to decline.



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Industry Sector insights








Sector	Δ Credit Demand	Δ Credit Defaults	Avg Credit Score	Δ Company Liquidations	Liquidation Rating
 Construction	-14%	-23%	757 ↑	+9%	2.3X
 Hospitality	+29%	-9%	728 ↓	+45%	3.1X
 Retail Trade	+7%	-14%	763 ↑	+32%	1.2X
 Transport	-5%	-26%	726 ↑	+6%	2.3X
 Property / Rental	-2%	+7%	807 ↓	+12%	0.8X
 Manufacturing	-13%	-26%	780 ↑	-1%	1.5X
 Agriculture	+10%	-27%	795 ↑	-8%	0.6X
All Sectors	-2%	-18%	784 ↑	+14%	1.0X

Table above shows 'year-on-year' comparisons using 12 month rolling averages.

The Liquidation rating is the proportion of liquidations divided by the proportion of businesses in a given sector.

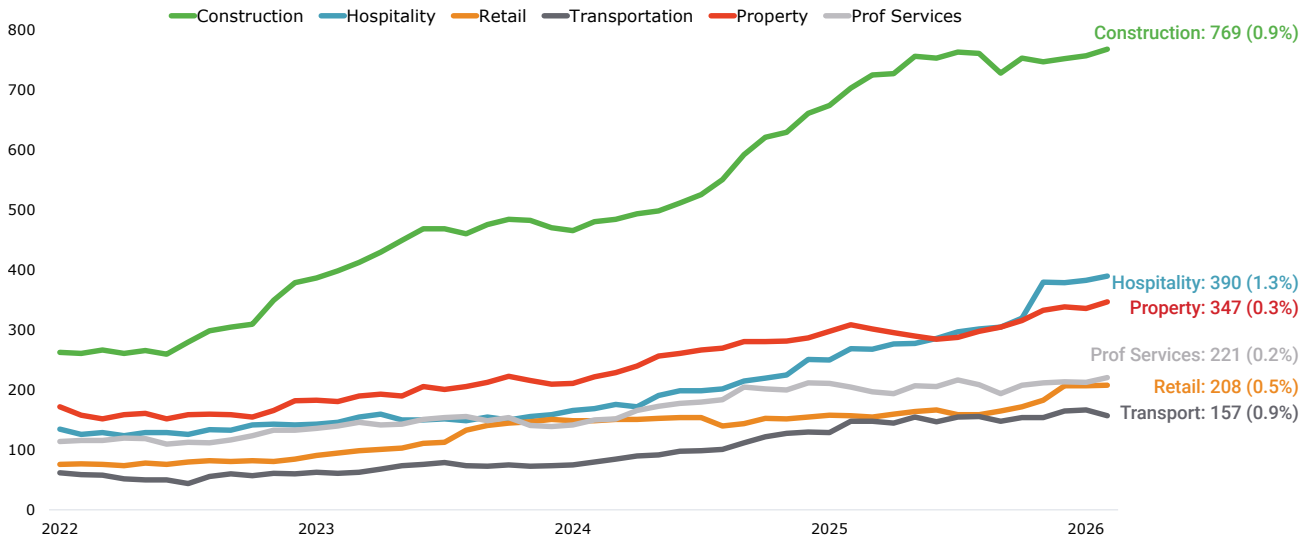
Liquidations remain elevated

Company liquidations rose to 2,994 on a rolling 12-month basis, up 14% year-on-year. February recorded 308 company liquidations and 313 insolvencies, making it the highest February total for liquidations since 2009.

Construction remains the leading industry for company liquidations, with 769 firms liquidated over the past year (0.9% of the construction sector), followed by hospitality with 390 (1.3% of the hospitality sector).

Reporting Month	Dec-2025	Jan-2026	Feb-2026
Total number of company insolvencies	313	121	313
Number of companies placed into liquidation	302	115	308
Number of company receiverships	9	6	5
Number of voluntary administrations	2	0	1
Top Industry Sectors	Construction (23%)	Construction (23%)	Construction (30%)
	Retail Trade (13%)	Property (12%)	Hospitality (14%)
	Hospitality (11%)	Hospitality (12%)	Property (13%)
	Property (11%)	Manufacturing (7%)	Prof Services (8%)
	Prof Services (7%)	Retail Trade (6%)	Transport (6%)
	Other Services (6%)	Transport (5%)	Manufacturing (5%)

Annual Company Liquidation Volumes

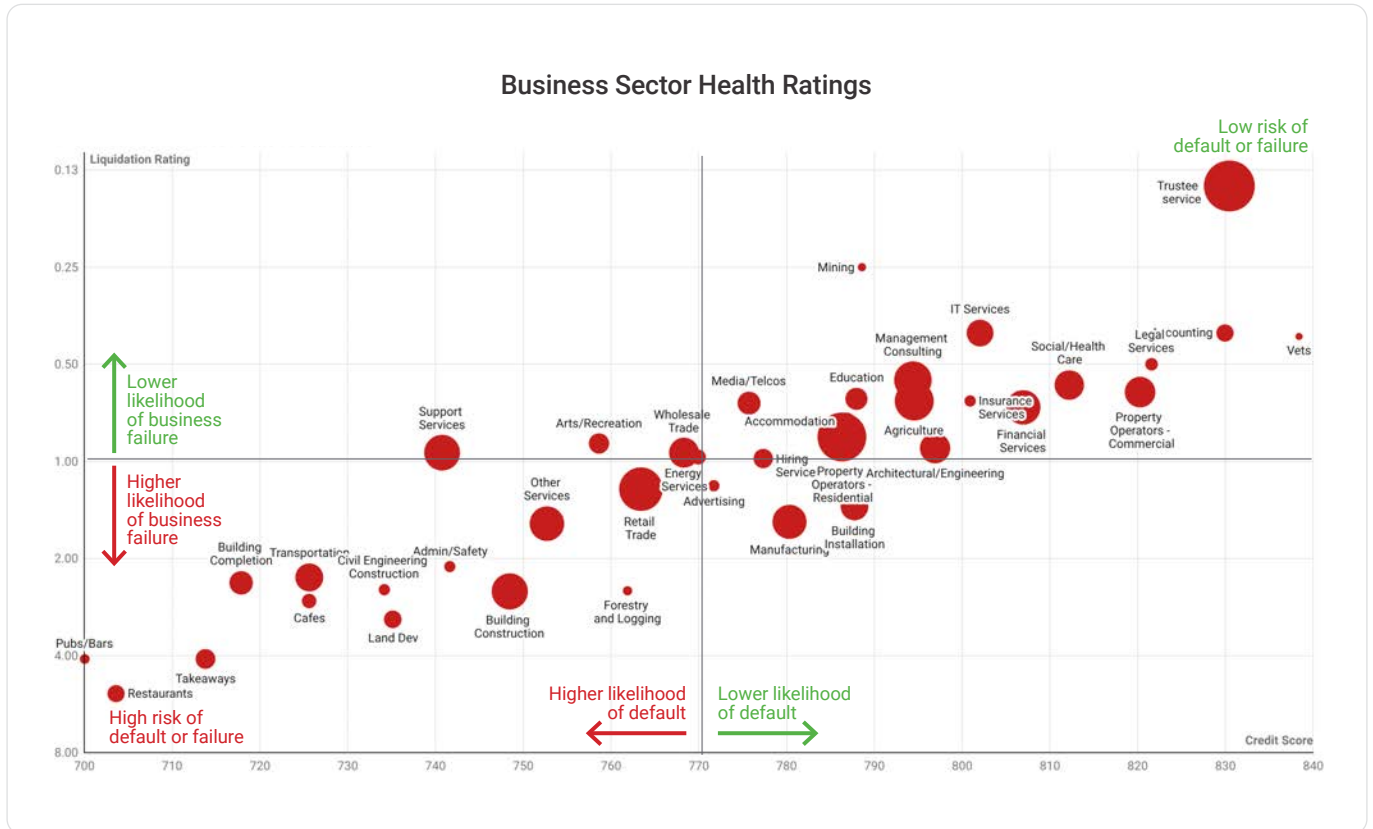


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Signs of improvement emerge in selected sectors

While liquidation levels remain elevated overall, trends are improving across 7 of the 19 industry sectors, notably agriculture, wholesale trade, and manufacturing. Business credit defaults are also down 18% year-on-year.

Agriculture remains one of the stronger-performing sectors, with credit demand up 10%, defaults down 27%, liquidations down 8%, and an average credit score of 795.



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Manufacturing easing into recovery

New Zealand has nearly 26,000 registered manufacturing companies, with liquidations in the sector remaining stable year-on-year - 159 companies entering liquidation, slightly down from 160 the previous year.

Manufacturing is showing clear signs of recovery alongside the broader economy, led by machinery and equipment manufacturers where rapidly improving credit scores signal stronger financial health and growing confidence.

Industry Classification Description	Registered Companies		Key Credit Indicators (YoY Change)				
	#	%	Δ Credit Demand	Δ Defaults	Credit Score	Δ Company Liquidations	Liquidation Rating
Manufacturing	25,815	3.5%	-13%	-26%	780	-1%	1.5X
Basic Chemical and Chemical Product Manufacturing	1,403	0.2%	-7%	-56%	757	-67%	1.8X
Beverage and Tobacco Product Manufacturing	1,623	0.2%	-2%	-7%	780	43%	4.6X
Fabricated Metal Product Manufacturing	2,070	0.3%	-11%	11%	776	11%	2.4X
Food Product Manufacturing	4,329	0.6%	7%	-44%	753	-17%	1.0X
Furniture and Other Manufacturing	2,989	0.4%	-39%	5%	796	13%	2.2X
Machinery and Equipment Manufacturing	5,578	0.8%	-24%	-37%	781	-38%	0.1X
Non-Metallic Mineral Product Manufacturing	761	0.1%	0%	70%	776	-50%	0.0X
Polymer Product and Rubber Product Manufacturing	557	0.1%	11%	-54%	789	33%	1.8X
Printing	1,556	0.2%	-11%	-25%	794	125%	0.2X
Textile, Leather, Clothing and Footwear Manufacturing	1,330	0.2%	52%	-41%	792	-30%	1.7X
Transport Equipment Manufacturing	1,424	0.2%	3%	-28%	790	-10%	1.4X
Wood Product Manufacturing	1,186	0.2%	-11%	-56%	795	300%	0.0X

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Last updated March 2026.

This report contains the most up-to-date credit insights currently available in New Zealand - specifically, March credit activity and February arrears (reported in March).

Centrix data

Centrix provides the most up-to-date credit insights available in NZ and holds the richest dataset of payment credit information available in New Zealand. Our extensive and unique credit information comprises of comprehensive credit information, utility data and supporting credit risk information aggregated from a wide range of sources.

Specifically our data comes from:

- 95 registered banks, finance companies, utility companies, telcos, and other business contributors to Comprehensive Credit Reporting (CCR), providing payment behaviour data. Major bank contributors include ANZ, ASB, BNZ, Westpac, Kiwibank, TSB Bank, and The Co-Operative Bank.
- Credit enquiries, when businesses or individuals apply for finance – indicative of real time credit demand.
- Monthly snapshots of arrears trends and exposure (open accounts and credit limits).
- Fintech providers such as Buy Now Pay Later (BNPL) etc.
- Payment history on more than 95% of individuals and most credit active businesses within New Zealand.
- Credit defaults loaded by collections agencies and credit providers.
- Company tax debts loaded by Inland Revenue.

Glossary of Terms:

- Credit demand - real time - a leading indicator of consumer and business confidence.
 - Consumer - applies to individuals that apply for finance, telco, broadband, power, tenancy, and utility accounts.
 - Business - applies to businesses that apply for credit terms with any goods and services providers including finance.
- Payment arrears - a one month lag indicator – data contributors typically report the payment status of their customers the month after the payment is due.
- Defaults - a lag indicator - a default will be listed on a credit file where a payment over \$125 is overdue by at least 30 days and the credit provider has tried to recover the money.

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