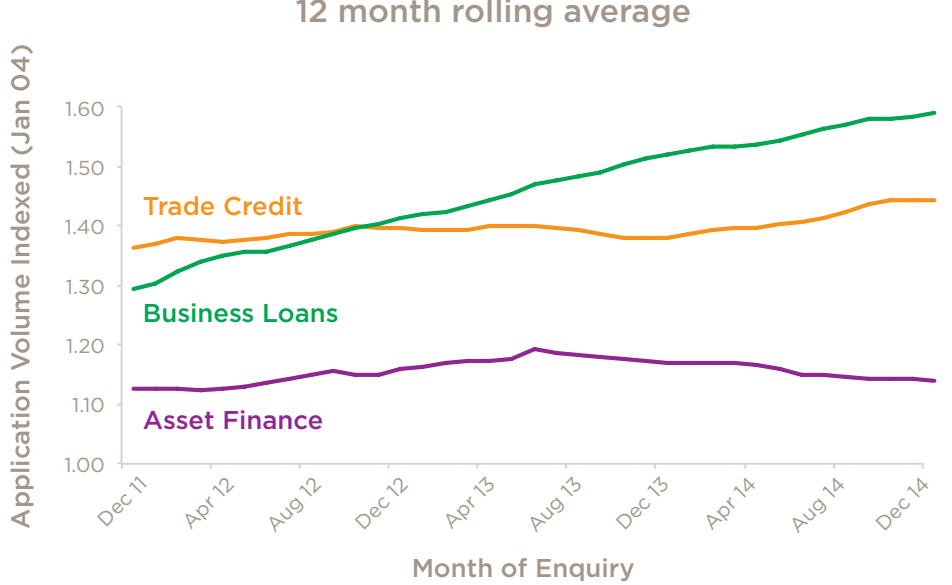


Veda Quarterly Business Credit Demand Index

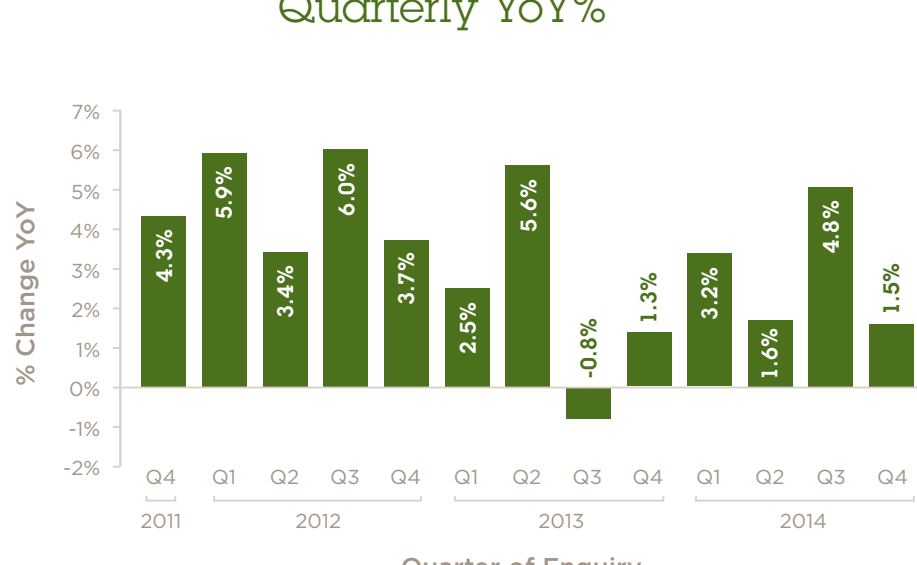
October - December 2014

Business credit demand levels out, with a modest rise in December qtr 2014

Commercial Credit Demand Index by Type



Commercial Credit Demand Index Quarterly YoY%



*Veda recomputes the entire index over its lifetime every quarter so there will be a slight adjustment to the above historical figures. Veda normalises the data for a like-for-like comparison.

Overall business credit applications rose

+1.5%

for the December quarter 2014 (vs December quarter 2013)

Modest growth in

+2.9% business loans

and **+1.8%** trade credit

although the rate of growth eased

Asset finance declined slightly

-1.1%

(vs December quarter 2013)

The Veda Quarterly Business Credit Demand Index, measuring applications for business loans, trade credit and asset finance,

rose at an annual rate of

+1.5%

in the December 2014 quarter.

+2.9%

This increase is reflected in modest rises in **business loan applications**

+1.8%

and **trade credit applications**

-1.1%

partially offset by a slight fall in **asset finance applications.**

The moderate increase in overall business credit applications in the December quarter



shows an **easing in the rate of growth** from the September quarter

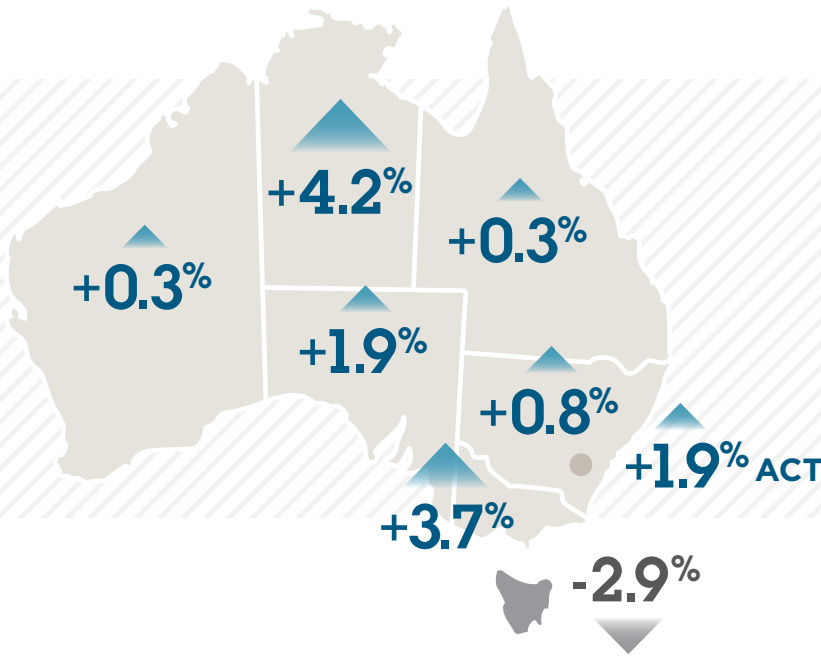
but is in line with the **12 month trend.**



The Veda Business Credit Demand Index has historically proven to be a lead indicator of how the overall economy is performing.



The pace of growth in overall business credit applications eased in all states in the December quarter.



Business loan applications

Business loan applications continued to grow in the December quarter

+2.9%

although the rate of growth slowed from the prior quarter.

+9.9%



ACT

+8.5%



NT

+5.9%



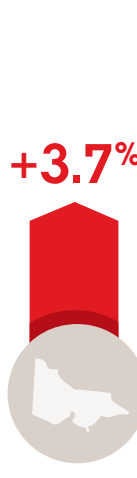
SA

+4.8%



QLD

+3.7%



VIC

+2.7%



NSW

+1.0%



TAS

-4.7%



WA

WA recorded a falling number of business loan applications for the fifth consecutive quarter in December.

Within business loans, the easing rate of applications was seen across all major account categories.

Commercial mortgage applications

+2.0%

continued to ease substantially from peak growth rates of almost 40% recorded in late 2013.

Applications remain solid for

+6.6%

lending proposals

+12.8%

credit cards

+4.2%

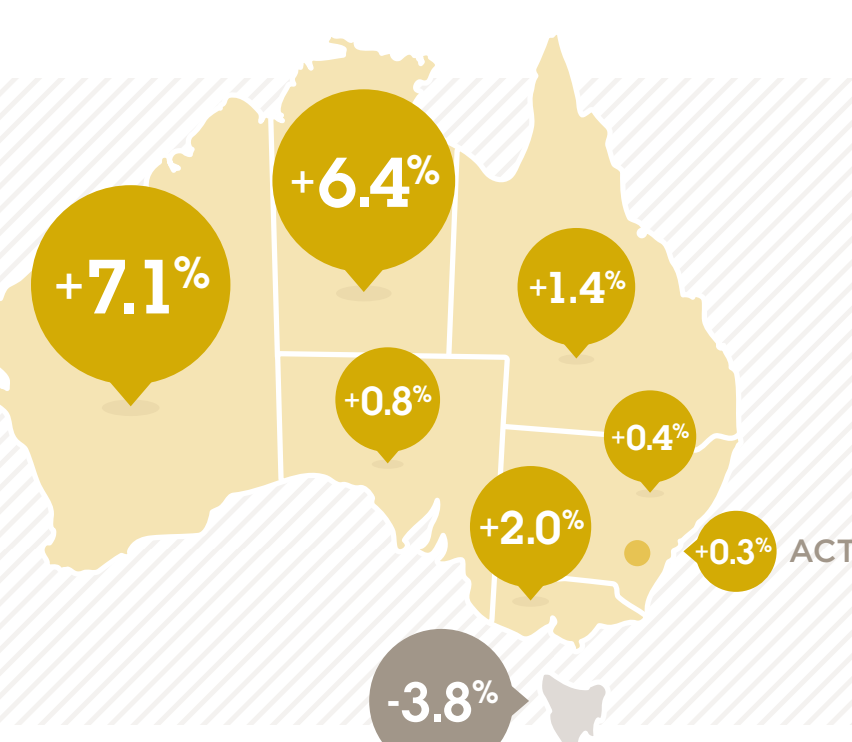
overdrafts

despite slowing in the December quarter.

Trade credit applications

Trade credit applications grew in the December quarter

+1.8%



Despite the overall slowdown in trade credit applications from the previous quarter,

it is encouraging to see the transitional trend in the mining states, from a construction cycle to an operational one.



Asset finance applications

Asset finance applications softened again in the December quarter

-1.1%



Asset finance applications continued to fall in most states

with Victoria the only state in which asset finance applications recorded an increase.

+5.8%

The largest contractions appeared in

-8.2%

NT

-7.5%

TAS

-7.5%

ACT

Within asset finance, the rate of contraction continued to ease in applications for

-6.5%

personal loans

-1.4%

hire purchase

Positive growth in applications was seen in

+9.7%

commercial rental

+2.8%

leasing

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