

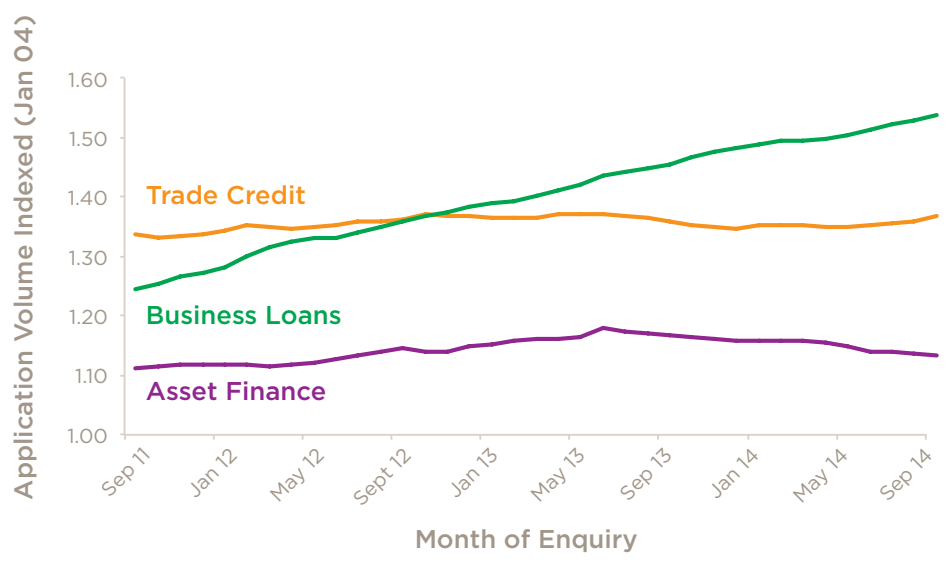
Veda Quarterly Business Credit Demand Index

July - September 2014

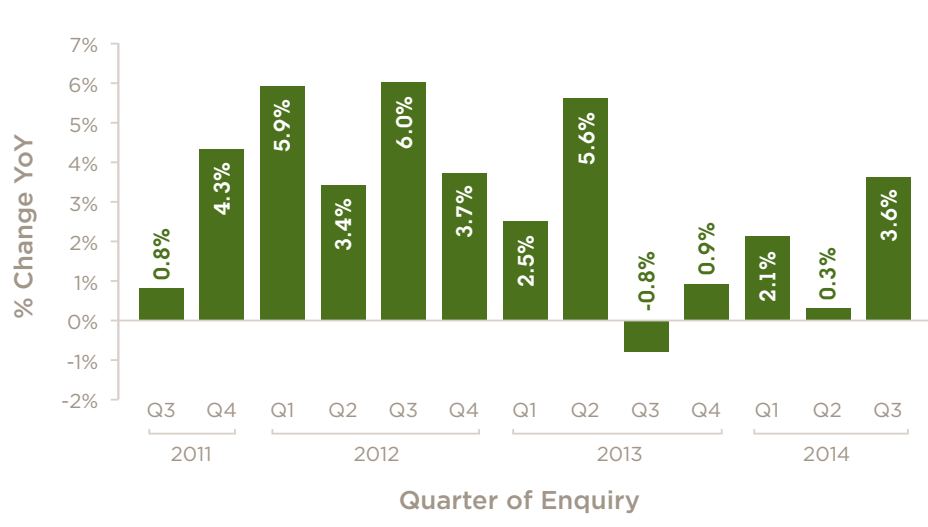
Appetite for business credit lifts in Q1 2014, led by non-mining sectors

Commercial Credit Demand Index by Type

12 month rolling average



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 **+3.6%**

for the September quarter 2014 (vs September quarter 2013)

Growth in business loan and trade credit applications

particularly in non-mining sectors in September quarter



Decline in asset finance

-2.7%

although rate of contraction eased (vs September 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 **+3.6%** in the September quarter

indicating a positive outlook for business.

veda
applied intelligence

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

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

+6.7%

and **trade credit applications**

+4.9%

partially offset by a modest slide in **asset finance applications**

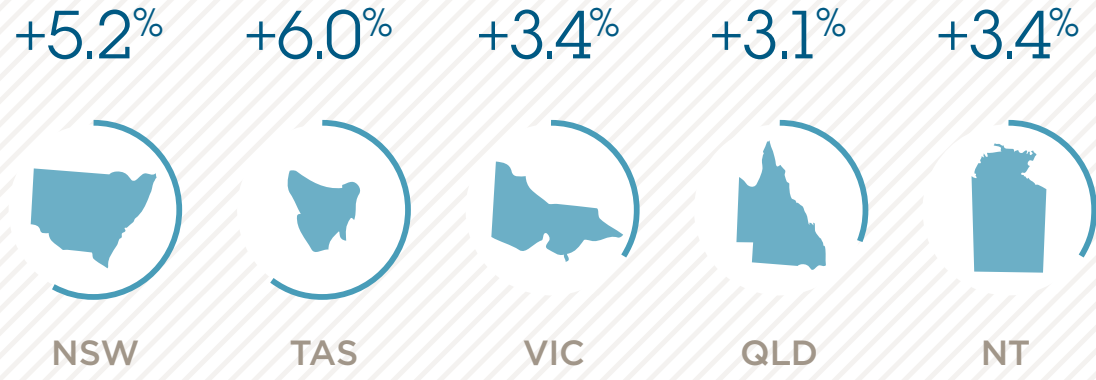
-2.7%

Overall business credit applications picked up in all states and territories in the September quarter with an overall increase of

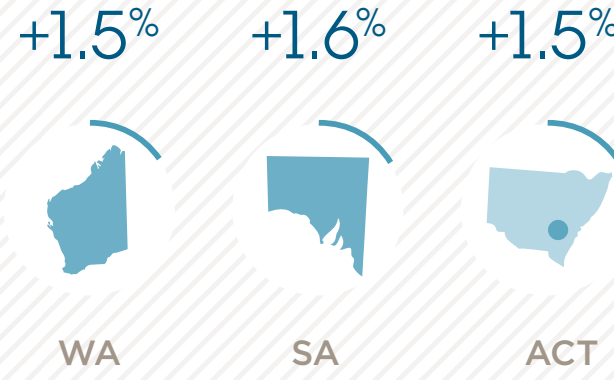
+3.6%



The best performing states were



Comparatively weaker demand was seen in



The state most exposed to the mining industry downturn, **WA**, showed a **marked improvement** compared to the previous four quarters.



On the eastern seaboard, **NSW** has benefited from **low interest rates** with **housing construction** picking up.



Business loan applications

Business loan applications continued to show solid improvement

+6.7%



Within business loans

Commercial mortgage applications eased substantially **+6.4%**

from peak growth rates of almost 40% in late 2013.

Applications were solid for

+11.1%
lending proposals

+21.5%
credit cards

+17.8%
overdrafts

Trade credit applications

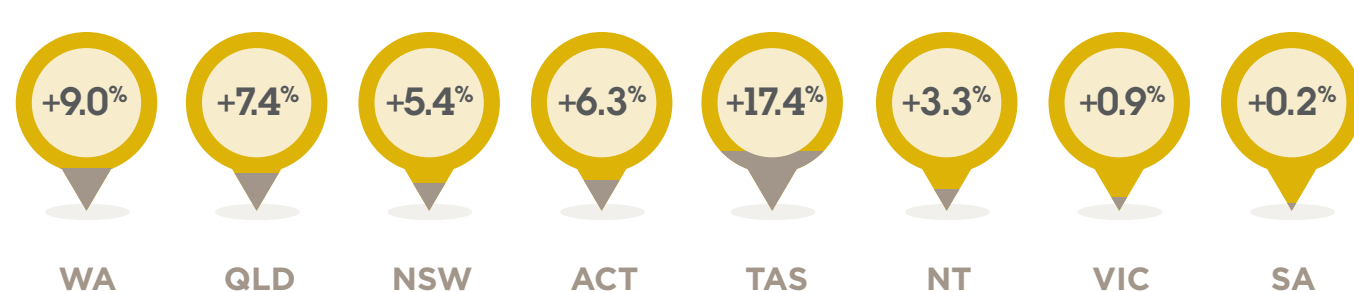
Trade credit applications

also picked up strongly in the September quarter

+4.9%



Solid growth in trade credit applications was seen in WA, Queensland, NSW, the ACT, Tasmania and the NT, while Victoria and SA experienced modest growth.



Mining states have outpaced non-mining states in trade credit demand, with the strongest growth we have seen since mid-2010.



Asset finance applications

Asset finance applications softened in the September quarter

-2.7%



although the rate of contraction has eased since the June quarter (-4.9%)

NSW and Victoria were the only states to see an increase in applications.

+0.7%



+0.5%



Within asset finance, commercial rental and leasing showed **positive growth**

+5.8%
commercial rental

+1.5%
leasing

The rate of contraction in **hire purchase applications** eased **-1.5%**

Personal loan (autofinance) applications were down **-10.1%**

For more information please contact:

Philippa Hill at Veda

Philippa.Hill@veda.com.au

02 9278 7963

DISCLAIMER Purpose of Veda Indices releases: Veda Indices releases are intended as a contemporary contribution to data and commentary in relation to credit activity in the Australian economy. The information in this release does not constitute legal, accounting or other professional financial advice. The information may change and Veda does not guarantee its currency, accuracy or completeness, and you should rely on your own analysis and applications. Veda has relied on third party information in compiling the Indices and has not been able to independently verify the accuracy of that information. To the extent permitted by law, Veda specifically excludes all liability or responsibility for any loss or damage arising out of reliance on information in this release and the data in this report, including any consequential or indirect loss, loss of profit, loss of revenue or loss of business opportunity.