

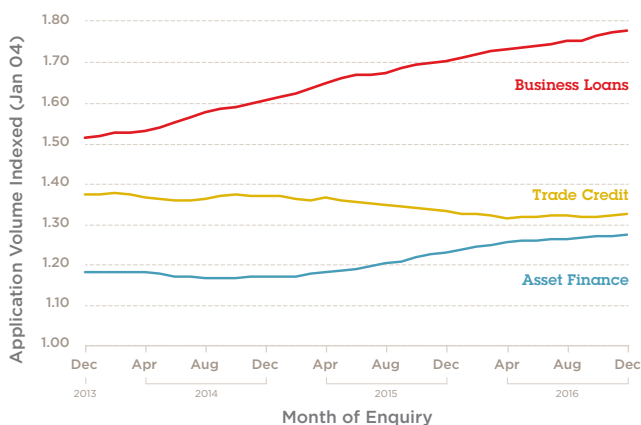
VEDA QUARTERLY BUSINESS CREDIT DEMAND INDEX

October – December 2016

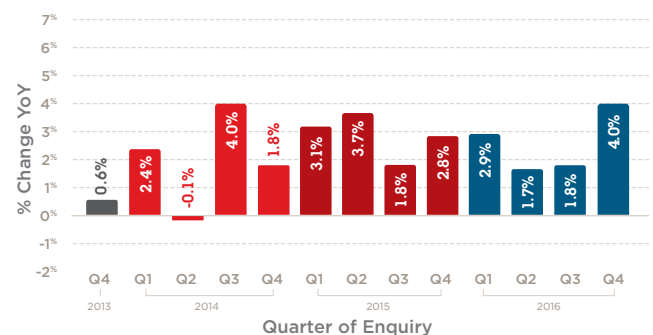


Positive outlook for business as credit demand climbs

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**

+4.0%



Growth in business loan applications **rose**

+5.7%



Growth in trade credit applications **rose**

+2.6%



Growth in asset finance also **rose**

+3.0%



(VS DECEMBER QUARTER 2015)

SYDNEY, AUSTRALIA:
TUESDAY, 24 JANUARY 2017

The **Veda Quarterly Business Credit Demand Index** – measuring applications for business loans, trade credit and asset finance – saw applications **rise** at an annual rate of

+4.0%

IN THE DECEMBER 2016 QUARTER.

This rate of growth in business credit demand was buoyed by a recovery in **asset finance**

+3.0%

and particularly by an increase in **business loan applications**

+5.7%

supported by the strength of **commercial mortgage applications**.





Neil Shilbury, Veda General Manager, Commercial and Property Products, said business credit demand in the December 2016 quarter had benefited from the recent **low interest rates** and the **lower Australian dollar**.

“Investment in property construction continues to be strong across a number of jurisdictions in Australia as **demand for property investment continues by local and foreign investors**, despite recent increases in commercial lending rates.

Since the end of the mining boom, there has been a significant lull in business investment. The rise in construction activity has gone some way to fill this gap, though **many businesses remain understandably cautious.**”



Neil Shilbury
Veda's General Manager, Commercial and Property Products

Mining jurisdictions

+1.1%



Non-mining jurisdictions

+5.3%

Although the rate of business credit application growth in **non-mining jurisdictions remained higher** than in the mining jurisdictions, **conditions in Queensland appear to be improving**, helped along by growth in tourism and construction.



Business loan applications were the strongest performer in the December quarter, continuing the growth seen in the previous quarter.

Once again, the increase was driven by

mortgage application growth,



+22.5%

which has now **returned to the strong annual growth rate** recorded in the June quarter of 2015.



Business credit applications

Growth in **overall business credit applications improved**

+4.0%

IN THE DECEMBER QUARTER

Victoria led the way. This was followed by the ACT, NSW, Tasmania and SA.

+6.8%
VIC

+6.1%
ACT

+4.4%
NSW

+3.6%
TAS

+3.3%
SA

+2.3%
QLD

-1.3%
WA

-1.0%
NT

The mining jurisdictions **continued to be more subdued**, with only Queensland experiencing positive growth. WA and the NT both showed **falls** in the December quarter.



The **Veda Business Credit Demand Index** has historically proven to be a lead indicator of how the overall economy is performing. The behaviour seen in the annual rate of growth in business credit applications, illustrated by Veda’s data, suggests **an improved economic outlook**.

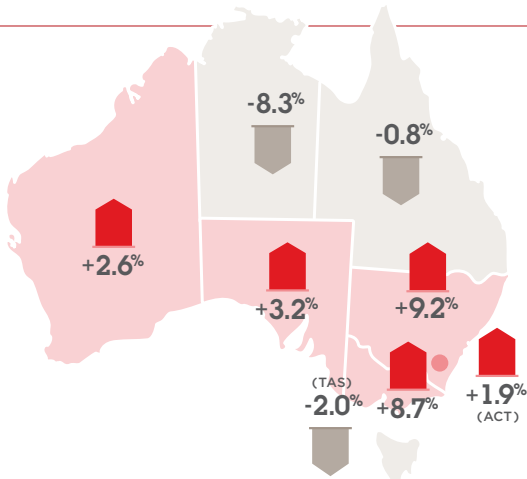
Business loan applications

Growth in **business loan applications** picked up

+5.7% IN THE DECEMBER QUARTER

NSW, Victoria, SA and the ACT all reported **solid growth** in business loan applications, although Tasmania experienced a **fall**.

Of the mining jurisdictions, WA was the **strongest performer** in the December quarter, while Queensland and the NT **declined**.



Within business loans, growth in lending proposals and mortgage applications were **up** in the December quarter:

Lending proposals

+7.7%

Mortgage applications

+22.5%

Trade credit applications

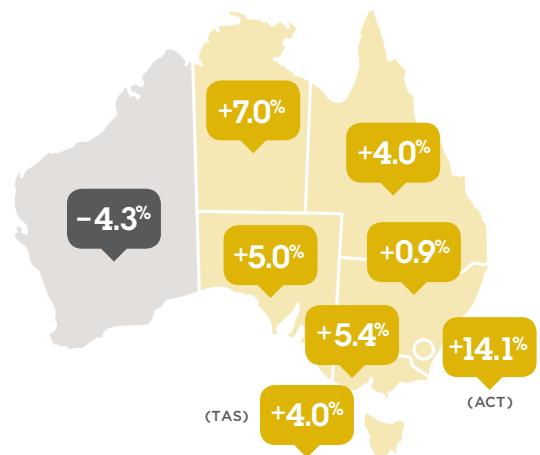
Trade credit applications recovered

+2.6% IN THE DECEMBER QUARTER

The **growth** in trade credit applications was strongest in the ACT, followed by the NT, Victoria, SA, Tasmania, Queensland and NSW. WA was the only jurisdiction to experience a **fall**.

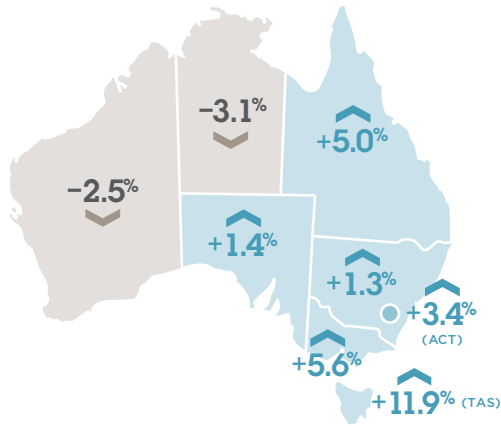
The **improvement** in trade credit applications **reflects a lift** in the main category of 30 day accounts, which has improved from an annual rate of decline of 0.7% in the September quarter of 2016.

+2.3%



 **Asset finance applications**


Growth in **asset finance applications** moved higher ➔ **+3.0%** IN THE DECEMBER QUARTER




Across the **non-mining jurisdictions**, growth in asset finance applications **remained positive** in Tasmania, Victoria, the ACT, NSW and SA.

In the **mining jurisdictions**, growth in asset finance applications was strongest in Queensland, but **fell** in WA and the NT.

There was some differing movement within asset finance account types.

Auto loans
+11.2% 

Leasing
+9.8% 

Bill of sale
+28.2% 

Hire purchase
fell sharply -16.4%

(VS DECEMBER QUARTER 2015)

For more information please contact:

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About Veda

Veda is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. From its core credit bureau business established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to consumers and specific industry segments.

Veda’s customers use data intelligence provided by Veda to make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies.

In February 2016, Equifax Inc., a global leader in information solutions, closed its acquisition of Veda. Equifax powers the financial future of individuals and organisations around the world, using its strength of unique trusted data, technology and innovative analytics. Together, Veda and Equifax offer their customers world-leading insights and knowledge to help them make informed decisions.

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