

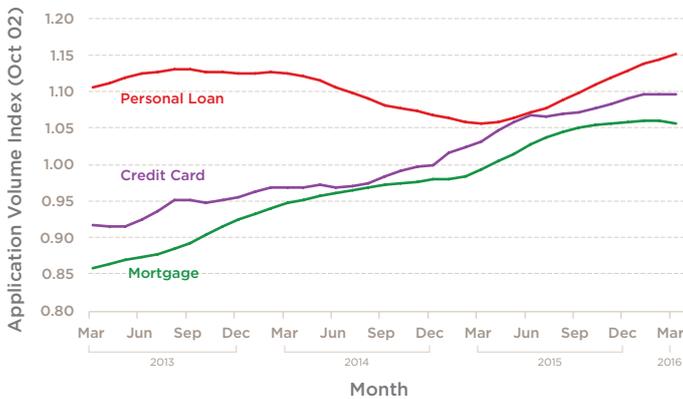
CONSUMER CREDIT DEMAND INDEX

VEDA QUARTERLY
January - March 2016

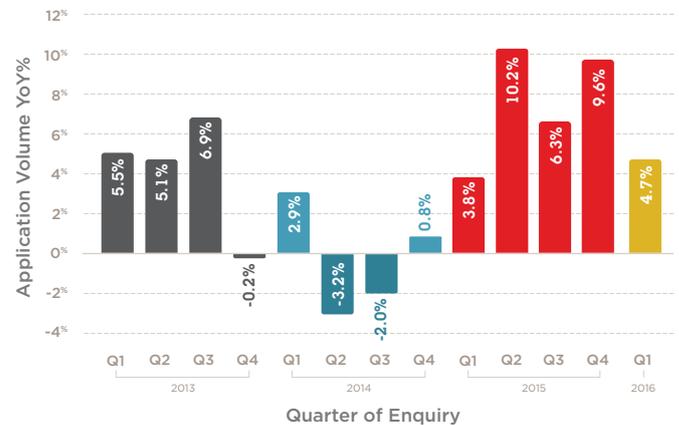


GROWTH IN CONSUMER CREDIT DEMAND SLOWS BUT REMAINS IN POSITIVE TERRITORY

Consumer Credit Applications 12 MONTH ROLLING AVERAGE



Consumer Credit Applications QUARTERLY YOY%



CDI

Overall consumer credit applications

up +4.7%

(VS MARCH QUARTER 2015).



Credit card applications

slow to +2.0%

(VS MARCH QUARTER 2015).



Personal loan applications

rise +7.6%

(VS MARCH QUARTER 2015).



Growth in mortgage applications

falls to -0.3%

(VS MARCH QUARTER 2015).



SYDNEY, AUSTRALIA: 8 APRIL 2016

Released today, the *Veda Quarterly Consumer Credit Demand Index*, measuring the volume of credit card and personal loan applications

showed a moderate lift of

+4.7%

IN CONSUMER CREDIT DEMAND IN THE MARCH QUARTER COMPARED WITH THE SAME PERIOD IN 2015.

The **softer growth** experienced was driven by easing growth rates for both credit card and personal loan applications.



Credit card applications

DOWN FROM

+7.3%

IN THE DECEMBER QUARTER TO

+2.0%

IN THE MARCH QUARTER



Personal loan applications

DOWN FROM

+11.9%

IN THE DECEMBER QUARTER TO

+7.6%

IN THE MARCH QUARTER



The *Veda Quarterly Consumer Credit Demand Index* provides an early indication of movements in consumer spending and retail sales.



Angus Luffman, General Manager of Consumer Risk, said that the **softer demand** for consumer credit in the March quarter indicated a **levelling-out of the market** after an extended period of strong growth.

“The **decrease in consumer credit demand** in the March quarter comes off the back of a period of high growth, and was largely a result of **softer auto loan applications**. Furthermore, the March quarter 2015 saw very strong credit card activity, which was not experienced this quarter. In the coming year, we may see a period of **slower growth** than has been achieved previously,”



“Following the Christmas period bounce, **retail spending** growth has **slowed** whilst remaining positive. Similarly, growth of **household goods retail sales** and **car sales** have both **decreased**, but are still sitting at a reasonable, positive rate of annual growth. This activity is consistent with the easing in the growth of personal loan applications.

Consumer sentiment remains relatively neutral, in a continuation of the trend we have seen over the past six months. This circumspect attitude of consumers is reinforced by the use of credit cards, where the trend of repayments exceeding transactions continues to build momentum,”

Angus Luffman

Veda's General Manager of Consumer Risk



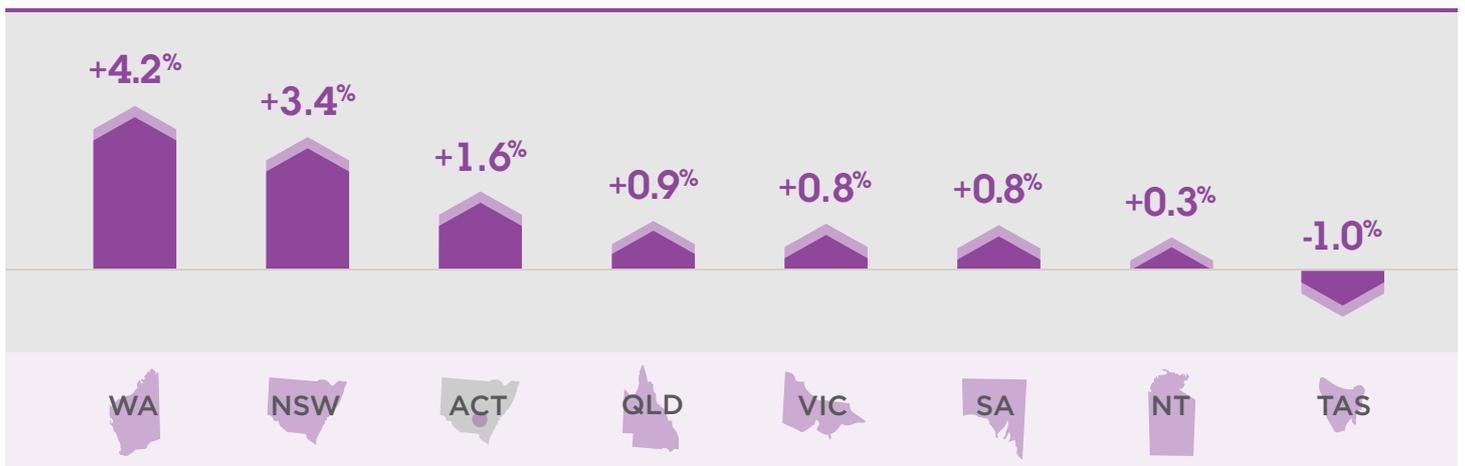
CREDIT CARD APPLICATION



Growth in credit card applications slowed sharply in all jurisdictions to

+2.0%

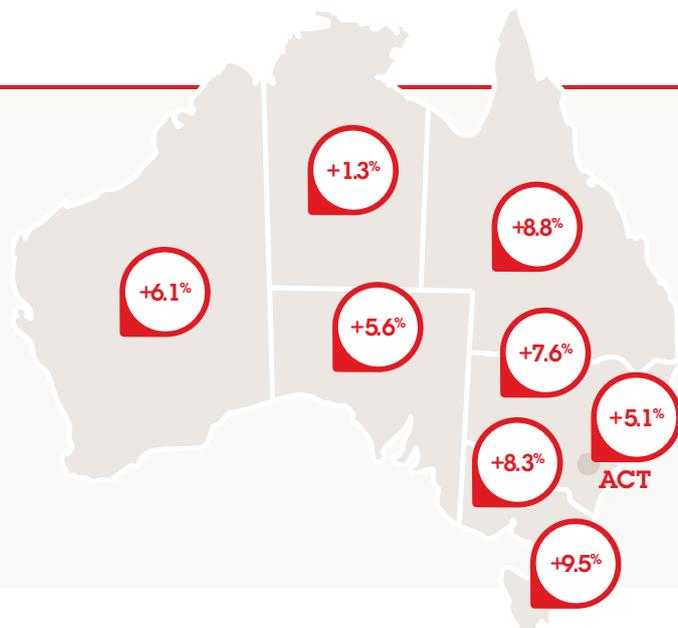
IN THE MARCH QUARTER, COMPARED TO MARCH 2015.



PERSONAL LOAN APPLICATIONS



Growth in personal loan applications also **slowed** in the March quarter.





MORTGAGE APPLICATIONS



Demand for mortgages **cooled** for the third consecutive quarter in the March quarter.

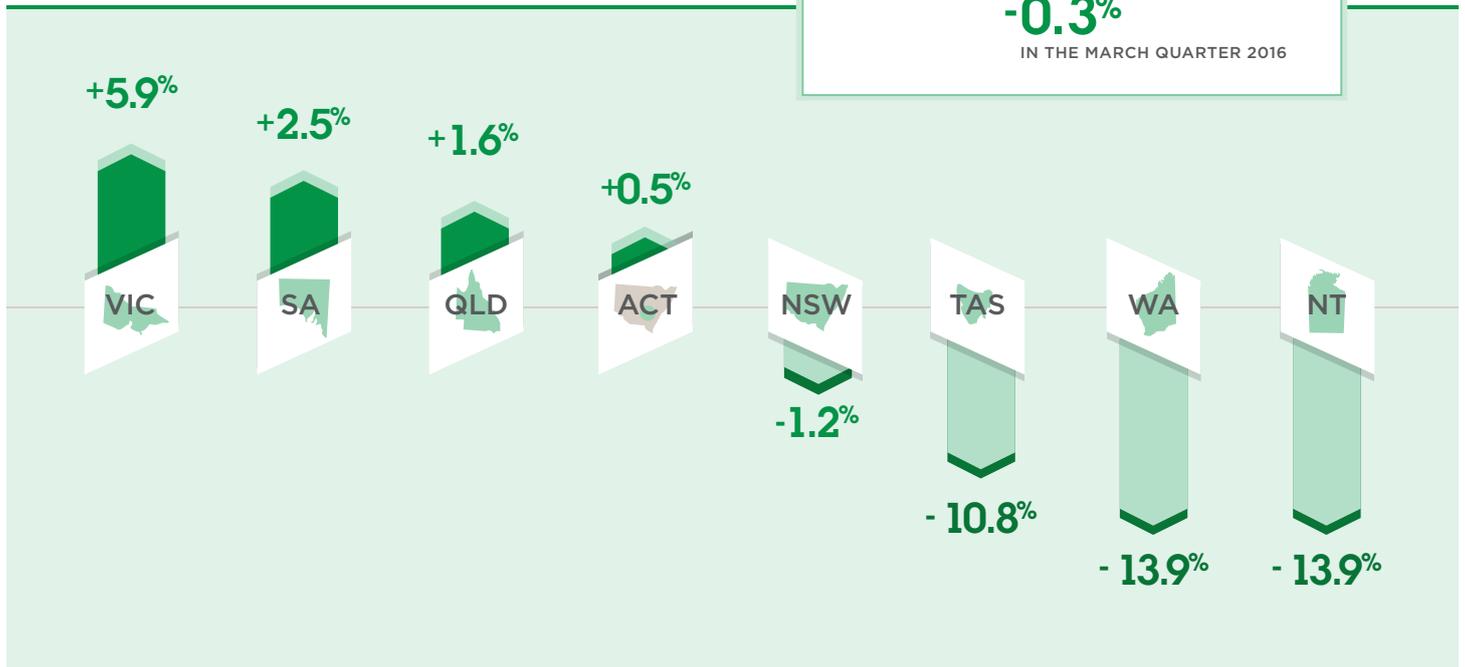
The annual rate of growth has now **slowed** from

+13.6%

IN THE JUNE QUARTER 2015, TO AN ANNUAL RATE OF DECLINE OF

-0.3%

IN THE MARCH QUARTER 2016



Historically, movements in Veda mortgage applications have tended to lead movements in house prices by around six to nine months, with mortgage applications a good indicator of home buyer demand, and an excellent indicator of housing turnover.

The **sharpest slowdown** in mortgage application growth was seen in **NSW**.

+21.7%

IN THE JUNE QUARTER 2015



-1.2%

IN THE MARCH QUARTER 2016

The **cooling demand for mortgages** is consistent with other recent indications of **cooling in the housing market**, including auction **clearance rates that are down** from last year's peaks in Sydney and Melbourne, and a **slowdown in house price growth**.



For more
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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.

www.veda.com.au

NOTE TO EDITORS The *Veda Quarterly Consumer Credit Demand Index* measures the volume of credit card and personal loan applications that go through the Veda Consumer Credit Bureau by financial services credit providers in Australia. Credit applications represent an intention by consumers to acquire credit and in turn spend; therefore the index is a lead indicator. This differs to other market measures published by the RBA which measure credit provided by financial institutions (i.e. balances outstanding).

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