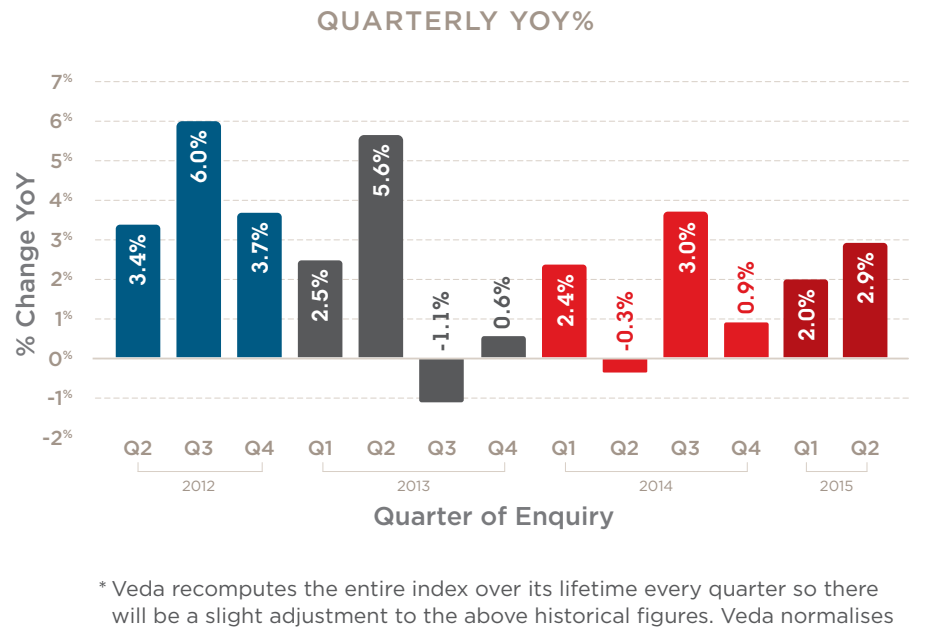
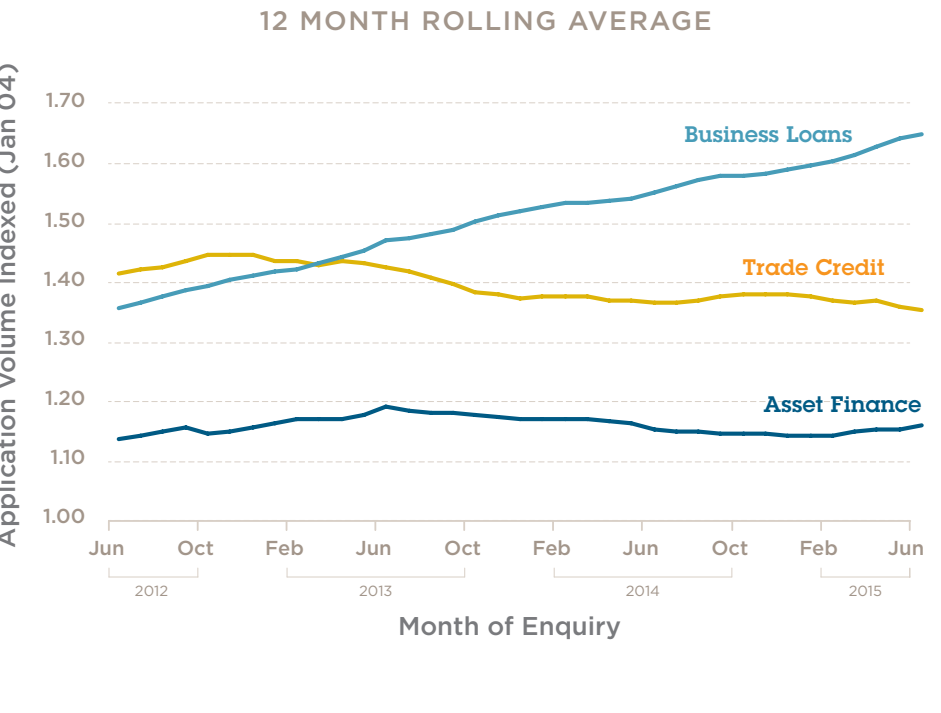


VEDA QUARTERLY BUSINESS CREDIT DEMAND INDEX

April - June 2015



Business credit demand shows signs of improvement



* 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

+2.9%

(VS JUNE QUARTER 2014)

Growth came from:

business loans **+8.2%**

asset finance applications **+3.8%**

&

Trade credit declined

-3.6%

(VS JUNE QUARTER 2014)

Upward spike in **asset finance** & **trade credit applications** in June for items under \$20,000 shows early signs of SMEs responding to **Federal Budget tax incentives**.

SYDNEY, AUSTRALIA: 23 JULY 2015

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

rose at an **annual rate of +2.9%**

JUNE 2015 QUARTER.

+8.2%

This increase reflected significant rises in **business loan applications**

+3.8%

and **asset finance applications**

-3.6%

offset by a decline in **trade credit applications**.

veda The **Veda Business Credit Demand Index** has historically proven to be a lead indicator of how the overall economy is performing. Overall the June quarter saw an **increase in momentum** from the March quarter.

"The Reserve Bank's cuts to interest rates in February and May along with a well received Federal Budget have helped business confidence. Veda's data indicates a **moderate pick up in credit demand by business**, which is an encouraging sign given that growth in the Australian economy remains below trend."

+2.9%

Moses Samaha
Veda's General Manager
Commercial/Property Information Solutions

The pace of growth in **overall business credit applications increased again**.

JUNE 2015 QUARTER.

+5.6%

NSW

+4.8%

TAS

+3.9%

ACT

+3.4%

VIC

+1.5%

SA

Mining regions apart from Queensland saw decline.

+1.4%

QLD

-7.2%

NT

-2.3%

WA

Business loan applications

Business loan applications rose **+8.2%** IN THE JUNE QUARTER.

State/Territory	Growth
NSW	+10.0%
ACT	+9.3%
VIC	+12.2%
SA	+3.0%
WA	+7.3%
NT	+6.2%
QLD	+3.2%
TAS	+1.8%
Other	-2.5%

"There has been a **noticeable increase** in market driven activities by the banks and an increased share of credit activity by businesses in the construction sector."

Moses Samaha
Veda's General Manager
Commercial/Property Information Solutions

The growth in **business loans applications** was driven by growth in

business mortgage applications **+21.3%**

credit card applications **+18.9%**

It appears businesses are responding to a sustained period of **low interest rates** which makes property investment an attractive option.

Trade credit applications

Trade credit applications fell **-3.6%** IN THE JUNE QUARTER.

State/Territory	Decline
NSW	-13.4%
ACT	-1.6%
VIC	-5.8%
SA	-2.3%
WA	-6.8%
NT	-4.5%
QLD	-3.2%
TAS	-1.6%
Other	-2.3%

The easing in the growth of **trade credit applications** was largely driven by weakness in the main category of 30 day accounts (-3.0%).

Asset finance applications

Asset finance applications picked up **+3.8%** IN THE JUNE QUARTER.

This represents an **improvement in the rate of growth** for **asset finance applications** from 2.2% in the March quarter.

State/Territory	Growth
NSW	+7.1%
ACT	+3.1%
VIC	+5.5%
SA	+0.4%
WA	-2.0%
NT	-3.2%
QLD	-0.8%
TAS	-2.7%
Other	-2.0%

Changes to accelerated depreciation rules for small businesses in **May's Federal Budget** have provided an **additional incentive for small businesses to purchase assets** such as motor vehicles and other capital equipment.

The improvement in **asset finance applications** was largely driven by **stronger demand in NSW and Victoria**. The changes were not able to reinvigorate asset finance demand in Queensland, WA and NT where **asset finance applications declined** in the year to June.

"It appears small business owners have responded to the accelerated depreciation available for assets under \$20,000 announced in the May Federal Budget. **Growth in asset finance applications** in the June quarter for items under \$20,000 **was double** that of items greater than \$20,000."

"The stimulus effect can also be seen in trade credit. While overall **trade credit contracted**, there was a **noticeable increase in applications for trade credit** on amounts of less than \$20,000."

Moses Samaha
Veda's General Manager
Commercial/Property Information Solutions

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About Veda

Veda (ASX:VED) 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 specific industry segments.

Veda is built on the largest, most comprehensive and current data source in Australia and New Zealand with information on around 20 million credit active people and 5.7 million commercial entities. The breadth and depth of our data, and the knowledge it delivers help customers take a proactive and informed approach in making decisions.

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.

www.veda.com.au

NOTE TO EDITORS The *Veda Quarterly Business Credit Demand Index* measures the volume of credit applications that go through the Veda Commercial Bureau by credit providers such as financial institutions and major corporations in Australia. Based on this it is a good measure of intentions to acquire credit by businesses. This differs to other market measures published by the RBA/ABS, which measure new and cumulative dollar amounts that are actually approved by financial institutions.

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