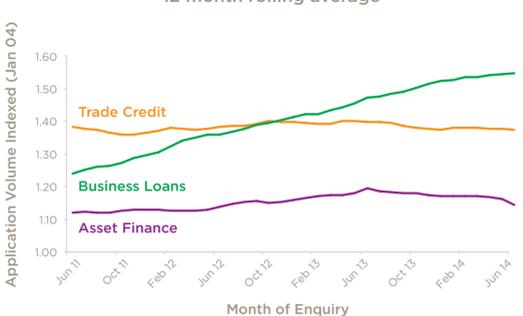


# Veda Quarterly Business Credit Demand Index

April - June 2014

Moderate Rise in Business Credit Demand, following spike in Q4 2013

## 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.

Overall, business credit demand remained flat with an increase of

**+0.5%**

for the June quarter 2014 (vs. June quarter 2013).

Decline in asset finance



following peak in June quarter 2013.

Growth in business loan applications



particularly across Australia's eastern seaboard states for the June quarter 2014.



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

expanded **+0.5%**

in the June quarter 2014.

This increase is reflected in a drop in **asset finance**

**-4.9%**

offset by a small increase in **trade credit applications**

**+0.3%**

and a rise in **business loans**

**+4.9%**

Overall, business credit applications declined across the mining states but grew in the non-mining states during the year to the June quarter.



The **mining states** (WA, QLD and NT) experienced an easing in business credit demand.



**-0.9%**

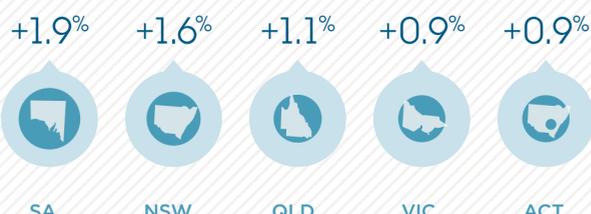
Business credit applications in the **non-mining states** grew at an annual rate of

**+1.2%** in the June quarter

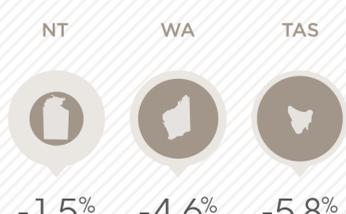
deteriorating from an annual growth rate of

**+3.5%** recorded in the March quarter 2014.

## The best performing states were



## Falls were recorded in



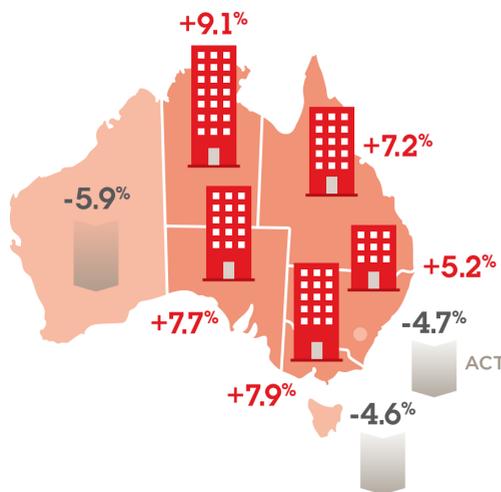
## Business loan applications

Despite an easing nationally of **business loan applications** to

**+4.9%**



stronger growth was seen in the eastern states.



## Within business loans

The strength recorded earlier in the year for **commercial mortgage applications** eased

**+3.3%**

and applications for **lending proposals**

**+13.6%**

and **overdrafts** lifted strongly.

**+31.2%**

## Trade credit applications

Trade credit applications

**+0.3%**



softened in the June quarter.

Falls in trade credit applications were reported in VIC followed by the NT. TAS and WA were flat. Growth was seen in NSW, QLD, SA and the ACT.



Trade credit applications increased during the year in the **mining industry**

but fell in the **utilities, and construction industries.**

## Asset finance applications

**Asset finance** softened in the June quarter.

**-4.9%**



after showing signs of recovery in the March quarter (-0.3%).

Within **asset finance**, hire purchase, leasing and personal loan applications contracted.

**-10.7%**



**hire purchase**

**-9.9%**



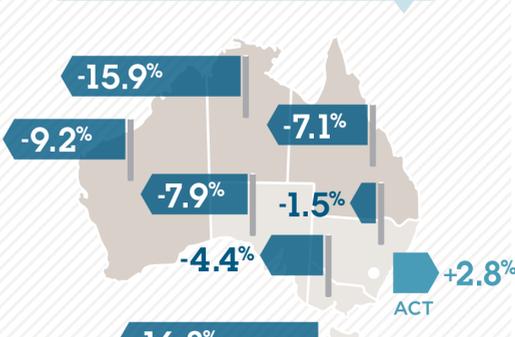
**leasing**

**-1.6%**



**personal loan applications**

The **mining states** continued to show a decline in asset finance applications.



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



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