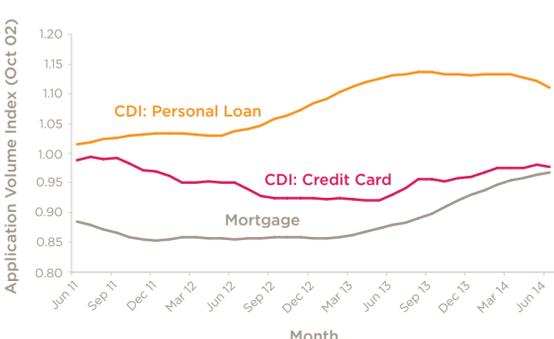


Consumer Credit Demand Index

APRIL - JUNE 2014

Credit Demand trends show a mixed picture Mortgage Demand continues to grow in eastern states

CONSUMER CREDIT APPLICATIONS 12 month rolling average



CONSUMER 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.

CDI

Overall consumer credit demand eased to **-3.0%** in the June quarter 2014 compared to the June quarter 2013.



Credit card applications up by only **+1.6%** in the June quarter 2014 compared to the June quarter 2013.



Personal loan applications fell to **-7.1%** in the June quarter 2014 compared to the June quarter 2013.



Growth in mortgage demand solid, but eases to **+6.1%** in the June quarter 2014 compared to the June quarter 2013.



The *Veda Quarterly Consumer Credit Demand Index*, which measures the volume of credit card and personal loan applications that go through the Veda Consumer Credit Bureau

eased to an annual rate of **-3.0%** in the June quarter.

The downturn in the June quarter

was driven by a sharp fall in **personal loan applications**



as well as a moderation in growth of **credit card applications**.



The significant slowdown in consumer credit demand follows a

2 year growth cycle

which saw the **strongest consumer credit demand** since June 2008 recorded during the **March 2014 quarter**.



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

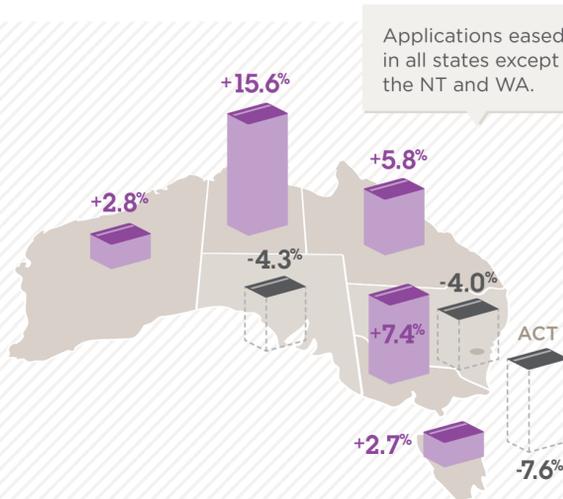
CREDIT CARD APPLICATIONS

Growth in **credit card applications** eased to **+1.6%** in the **June quarter**

down from **+6.1%** in the **March 2014 quarter**.

RBA data has also shown that **growth in the number of credit card accounts** fell to just **+0.6%** over the year to April 2014, the lowest growth on record.

Growth in total credit card outstanding balances rose by **+0.9%** over the same period, increasing slightly since mid-2013.



Applications eased in all states except the NT and WA.

PERSONAL LOAN APPLICATIONS

Nationally, **personal loan applications** fell sharply to

-7.1%

during the **June quarter**, down from a rise of

+0.3%

recorded in the **March 2014 quarter**.

Applications declined across all states.

WA

-10.6%

ACT

-10.3%

NT

-8.7%

VIC

-8.0%

QLD

-7.3%

TAS

-6.3%

SA

-6.1%

NSW

-5.0%

MORTGAGE DEMAND

Mortgage demand was **solid** during the **June 2014 quarter**, easing to

+6.1%

according to Veda mortgage application data.

Mortgage applications are not part of the Consumer Credit Demand Index, but are a good lead indicator of future activity in home buyer demand and housing turnover.

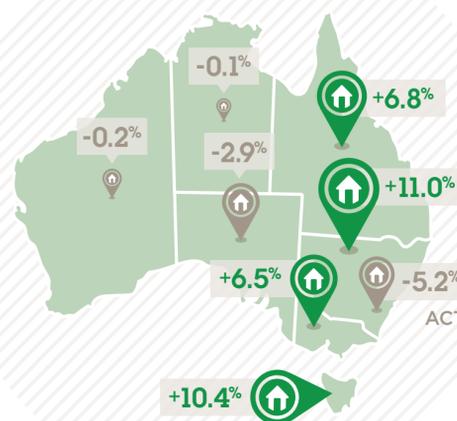
Historically, movements in Veda mortgage demand have tended to lead movements in house prices by around six to nine months.



After substantive growth that peaked around the new calendar year, **mortgage demand continues to grow in the eastern states**, but has come off the highs reached late last year.



All states saw an easing in the growth rate of mortgage demand in the June quarter.



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