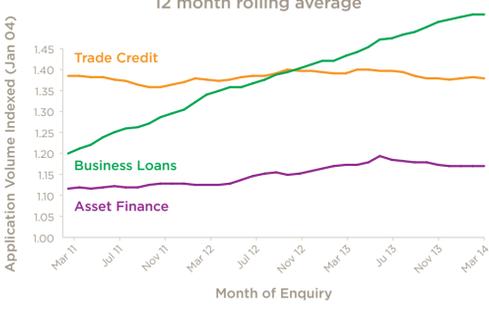


Veda's Quarterly Business Credit Demand Index

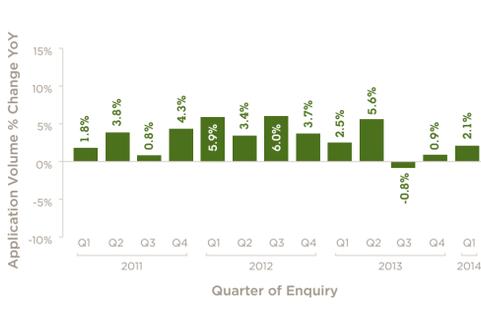
January - March 2014

Business Credit Demand lifts moderately by 2.1%, with Business Loan Demand fuelled by 18% growth in Commercial Mortgage Growth.

Commercial Credit Demand Index by Type - December 2013



Commercial Credit Demand Index Quarterly YoY



Moderate lift in Business Credit Demand to

+2.1%

for the March quarter (vs March quarter 2013),

but **mining states** showed **sustained weakness**.



Business loan applications grew by

+4.2%



for the March quarter (vs March quarter 2013).

Asset finance applications showed signs of recovery

-0.2%



for the March quarter (vs March quarter 2013).

Trade credit applications picked up to

+1.9%



for the March quarter (vs March quarter 2013).

veda
applied intelligence



2014

Veda revealed the results of its **Business Credit Demand Index** for the first calendar quarter of 2014,

which measures the **change in credit demand** for the March quarter compared to the same period in 2013.

MAR 2013

MAR 2014

Given the historical relationship between the Veda Business Credit Demand Index and growth in real GDP, Veda's latest business credit data indicates **growth in the Australian economy continuing to remain below trend in early 2014**, at a rate similar to the 2.8% recorded in the year to the December quarter of 2013.

Overall, the **Veda Quarterly Business Credit Demand Index** (business loans, trade credit and asset finance)

has reached its **highest level** this fiscal year,

+2.1% in March 2014;

compared to **0.9% growth** the previous quarter.

This increase in overall business credit applications over the past year is a reflection of rises in

+4.2%

business loan applications,

and

+1.9%

trade credit applications,

partially offset by a small decline in

-0.2%

asset finance applications.

Overall business credit applications across the **non-mining states** rose **+3.5%** in the March quarter.

Business credit applications have been weaker across the **mining states** (WA, QLD and NT),

with applications contracting at an annual rate of



in the March quarter.

WA was the only state where overall business credit applications fell over the year.

-6.8%

Business loan applications

Business loan applications grew by **+4.2%**

for the March quarter (vs March quarter 2013).



Activity in the property market has driven a surge in commercial mortgage applications,



contributing to a **4.2% growth** in overall business loan applications (mortgage applications, lending proposals, premium finance and credit cards).

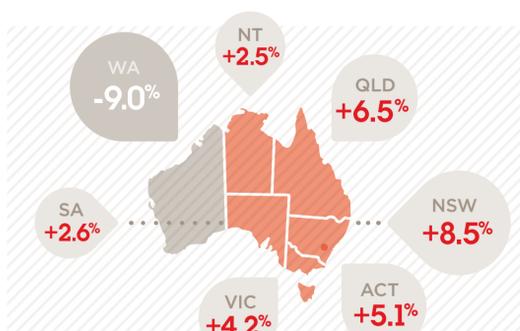


The quarter saw an

+18% rise

in commercial mortgage applications, as low interest rates drove significant demand in SME lending.

Reflecting the downturn in mining construction activity, WA experienced a sharp contraction in business loan applications, while other states performed strongly.



In terms of other industries, contractions were also experienced in **utilities** and **transport**.



Asset finance applications

Asset finance applications show signs of recovery,

with the rate of contraction slowing to

-0.2%

in the March quarter against **-3.1%** in the December quarter,



following significant falls between the June and September quarters in 2013 (+5.9% to -4.7%).

Within asset finance,



-6.7% hire purchase and



-7.4% personal loan applications

have been weak, while



+11.6% commercial rental and



+6.5% leasing applications

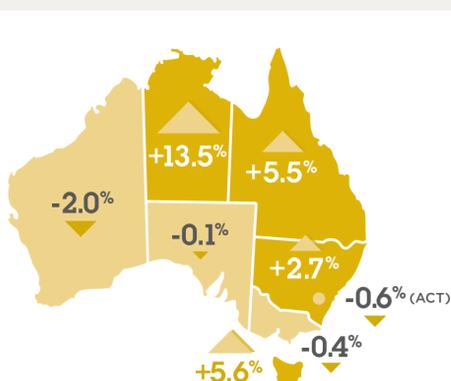
have shown positive growth over the past year.



Trade credit applications

Trade credit applications picked up to **+1.9%**

for the March quarter (vs March quarter 2013).



● Positive growth ● Negative growth

Trade credit applications growth over the year to March reflects strength in

+3.8%

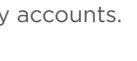
and

+23.5%

30 day accounts

7 day accounts.

Trade credit applications increased over the past year in the **mining industry**, as well as in the **utilities, wholesale trade, and retail trade** industries.



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