

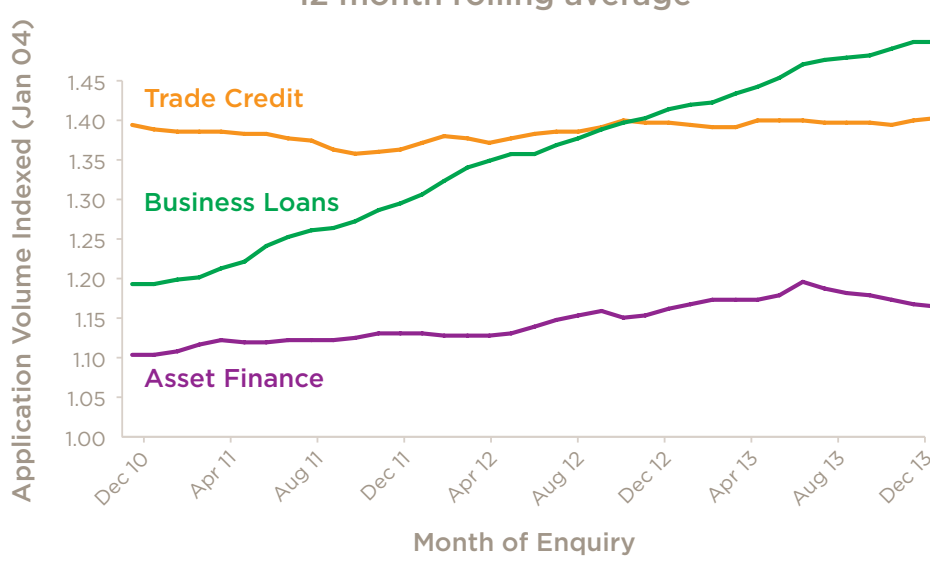
Veda's Quarterly Business Credit Demand Index

October - December 2013

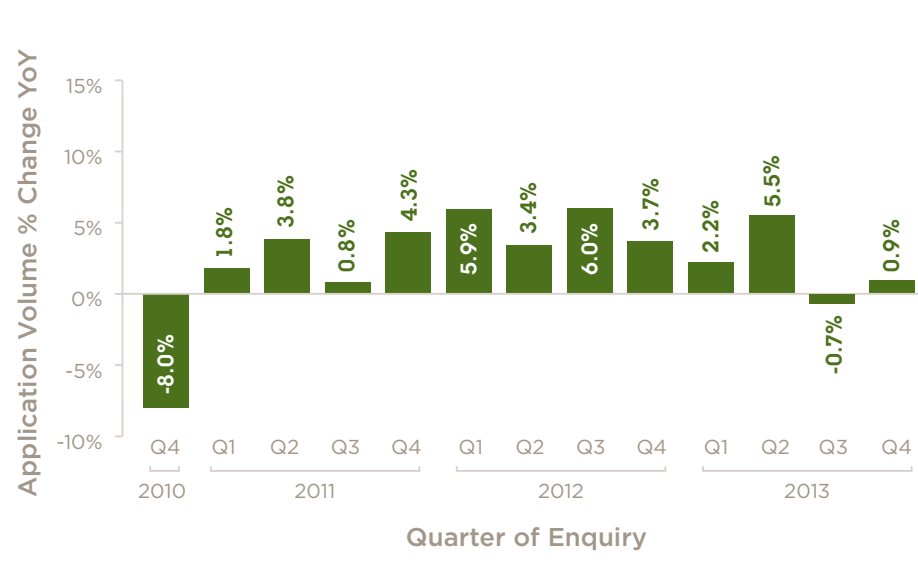
Flat growth for business credit in Q4 of 2013

Commercial Credit Demand Index by Type - December 2013

12 month rolling average



Commercial Credit Demand Index Quarterly YoY%



Overall business credit demand

rose by

+0.9% over the past year,

and increased marginally from

-0.7% in the September quarter.

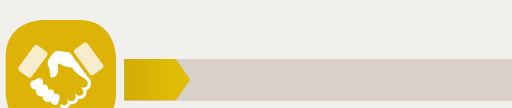
Business loans increased by

+5.2%



Trade credit increased slightly by

+1.2%



Asset finance enquiries fell by

-5.0%



veda
applied intelligence



2013

Veda revealed the results of its Business Credit Demand Index for the fourth calendar quarter of 2013,

which measures the change in credit demand for the December quarter compared to the same period in 2012.

DEC 2012

DEC 2013

GDP



Veda's Business Credit Demand Index has historically proven to be a good indicator of how the overall economy is travelling. Given the historical relationship between the Veda Business Credit Demand Index and growth in real GDP, Veda's latest business credit data would be consistent with the annual growth rate of real GDP running at around 2.5% per annum.

Growth in business credit enquiries across the non-mining states picked up slightly to

+1.7% in the December quarter, up from -0.1% in the previous quarter.



Business credit enquiries in the mining states of WA, QLD and NT were more subdued, demonstrating a contraction of

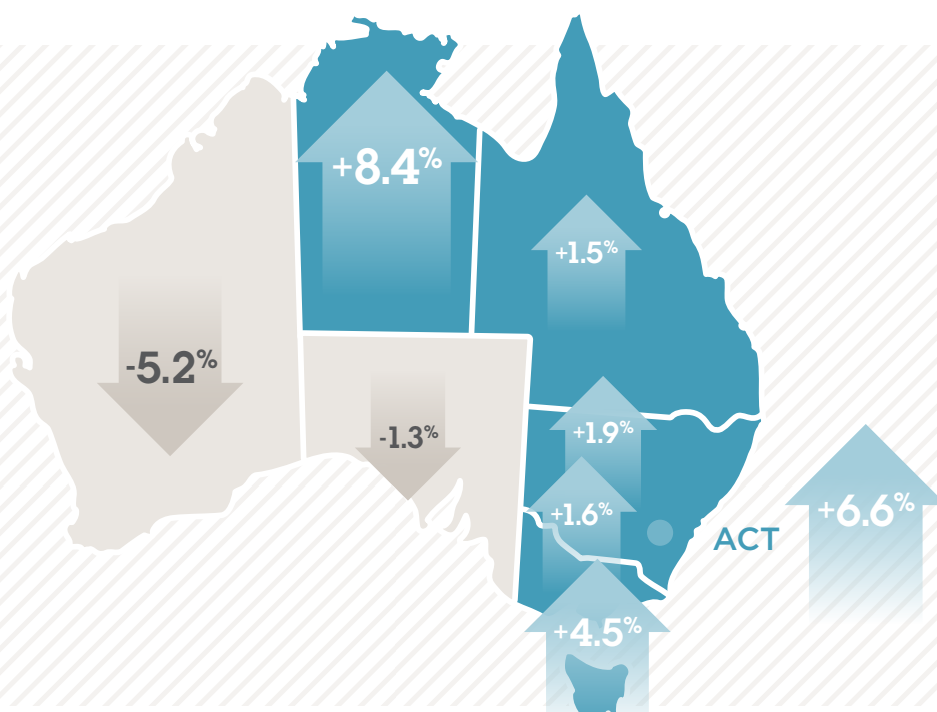
-0.6% in the December quarter, up from -2.1% in September.



Weakness in business credit is now clearly showing in WA, where business credit applications fell by -5.2% over the past year.

Overall business credit enquiries picked up slightly in the December quarter.

● Negative growth
● Positive growth

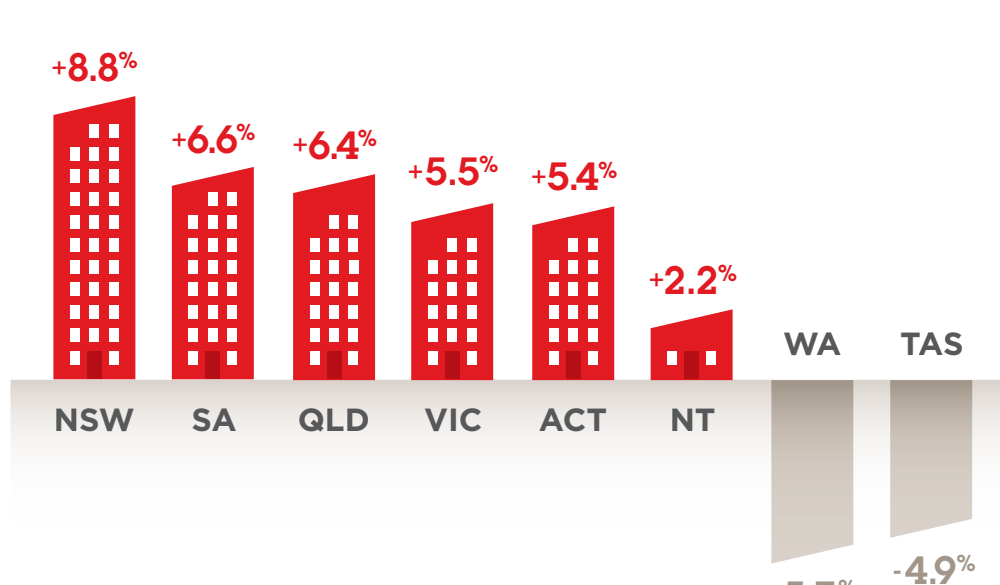


Business loan enquiries

Business loans increased by +5.2% in the December quarter



Growth in business loan enquiries in the December quarter



Within overall business loan enquiries,

+37%

commercial mortgage applications demonstrated strong growth due to low interest rates,

+5%

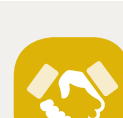
while moderate growth was seen for lending proposals and overdrafts and

-18%

demand for credit cards contracted.

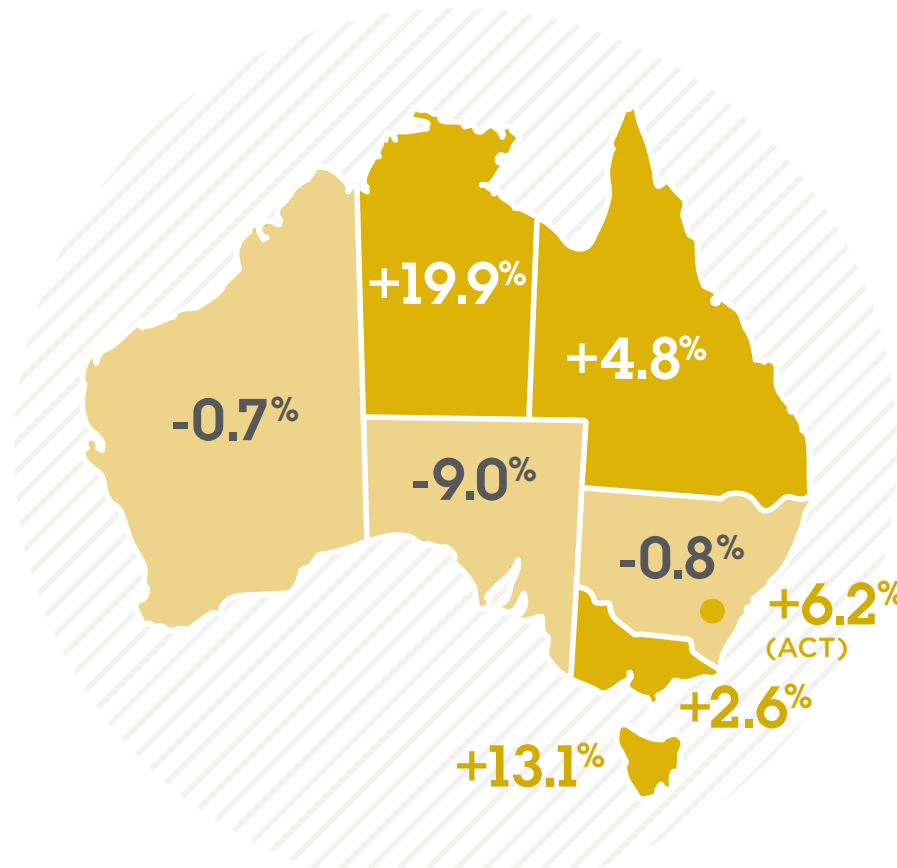
Trade credit enquiries

Trade credit increased slightly by +1.2% in the December quarter



Growth in trade credit enquiries remained relatively weak in the December quarter, but recorded a stronger performance compared to the September quarter.

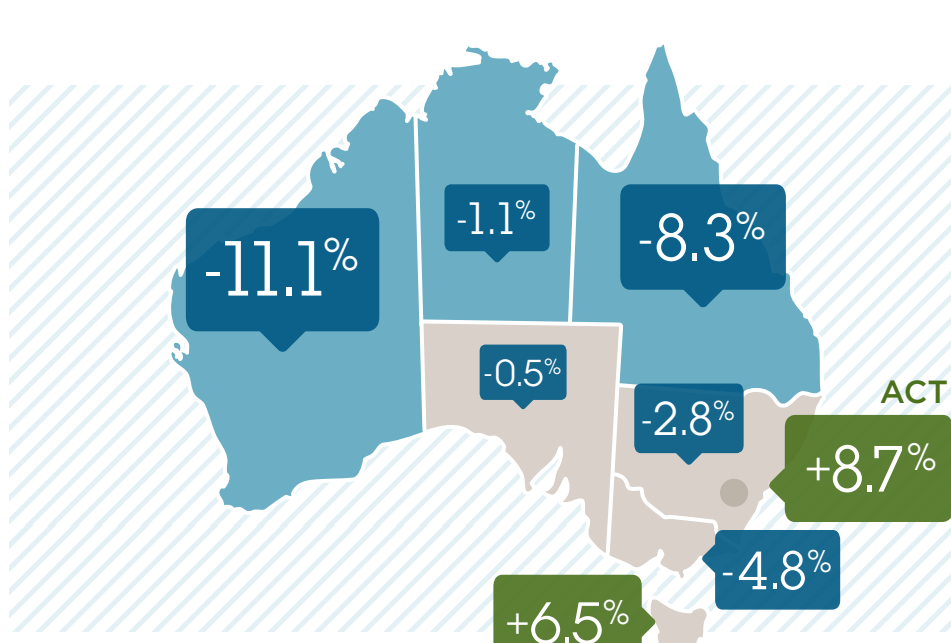
A fall in trade credit enquiries was recorded over the past year in the mining industry, as well as the agricultural, accommodation and food services industries.



● Positive growth ● Negative growth

Asset finance enquiries

Asset finance enquiries fell by -5.0% in the December quarter



Asset finance enquiries continued to be weak in the December quarter due to reduced demand in the mining states.

● Mining states ● Non-mining states

For more information please contact:

Philippa Hill at Veda

✉ Philippa.Hill@veda.com.au

📞 02 9278 7963

DISCLAIMER Purpose of Veda Indices releases: Veda Indices releases are intended as a contemporary contribution to data and commentary in relation to credit activity in the Australian economy. The information in this release does not constitute legal, accounting or other professional financial advice. The information may change and Veda does not guarantee its currency, accuracy or completeness, and you should rely on your own analysis and enquiries. Veda has relied on third party information in compiling the Indices and has not been able to independently verify the accuracy of that information. To the extent permitted by law, Veda specifically excludes all liability or responsibility for any loss or damage arising out of reliance on information in this release and the data in this report, including any consequential or indirect loss, loss of profit, loss of revenue or loss of business opportunity.

