

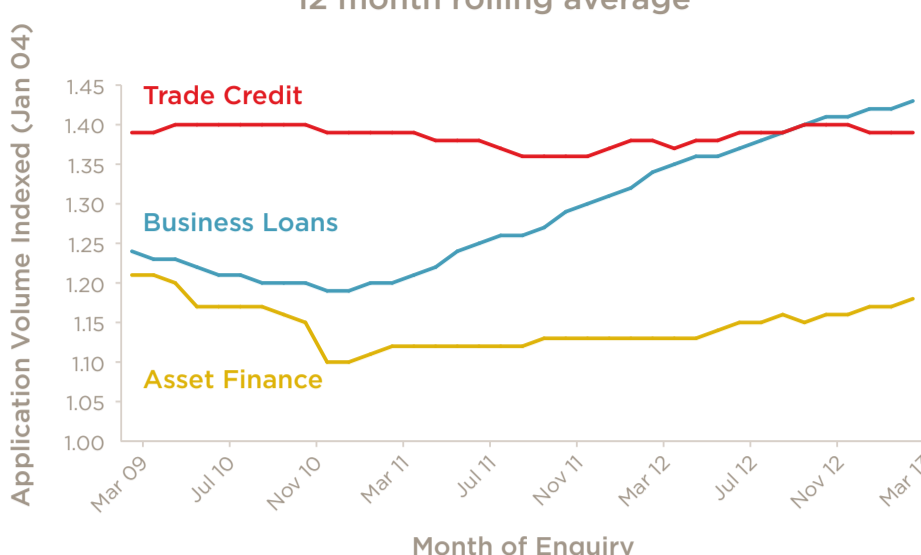
Veda's Quarterly Business Credit Demand Index

January - March 2013

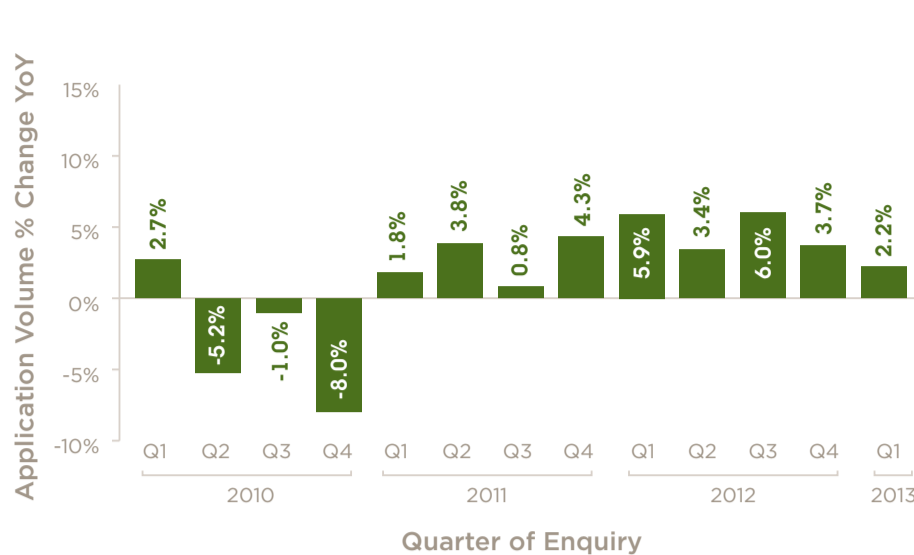
Australian businesses credit demand slows in Q1 across most market sectors and all states

Commercial Credit Demand Index by Type - March 2013

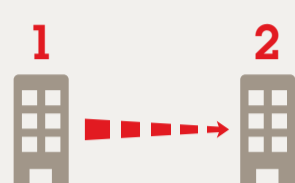
12 month rolling average



Commercial Credit Demand Index Quarterly YoY%



Business credit growth slows for second consecutive quarter
First time this has occurred since June 2010



Overall demand for business credit eases across all states, increasing just 2.2% year on year



Slowing credit demand highlights risk of GDP growth being less than 3% in 2013



Trade credit enquiries contract -2.5% year on year



veda
applied intelligence



2013

Veda revealed the results of its **business credit demand index** for the first calendar quarter of 2013.

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

MAR 2012

MAR 2013

The index showed **overall business credit demand growth** eased to **2.2%** year on year

Veda's business credit demand index



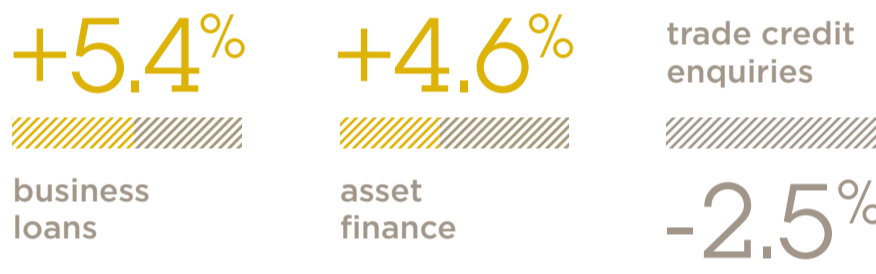
Veda's index has historically proven to be a good indicator of how the overall economy is travelling, with movements in the index being highly correlated with growth in real GDP, investment in machinery and equipment, and building construction. Given this historical relationship, Veda's latest business credit data appears to correlate with an expected annual GDP growth rate of about, or just under, 3%.

The growth rate of **business credit applications** has been **easing** since reaching a relatively strong rate of

6% in the September quarter of 2012.

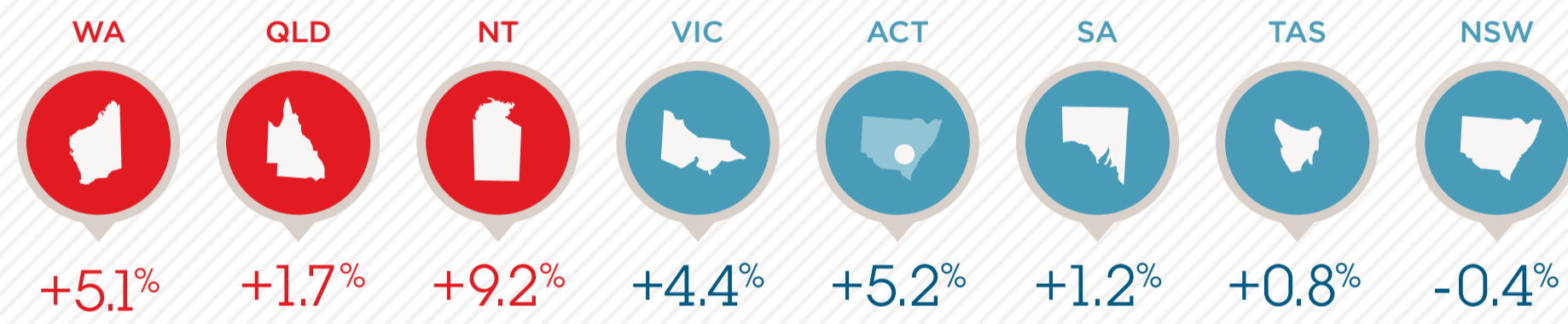


This easing in the quarterly growth rate has been seen across:



Growth in overall business credit applications eased in both mining and non-mining states.

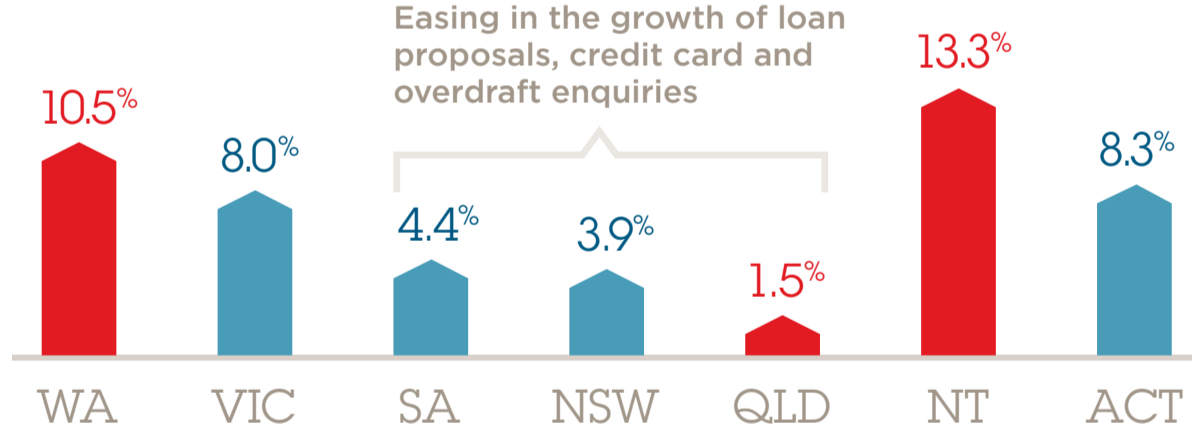
● Mining states
● Non-mining states



Business loan applications

Growth in business loan applications also eased year on year with an overall increase of

+5.4% across all states



Easing in the growth of loan proposals, credit card and overdraft enquiries

Trade credit applications



Overall trade credit applications contracted, falling

-2.5% year on year

- NSW **-6.7%**
- QLD **-3.3%**
- SA **-3.1%**
- TAS **-2.0%**

By state, the weakness in trade credit was most apparent in NSW, QLD, SA and TAS.

- VIC **+2.3%**
- NT **+1.4%**
- WA **+0.6%**
- ACT **+0.3%**

VIC and the NT recorded an increase while appetite for trade credit was flat in WA and ACT.

A red flag for Australia's economy is the easing of business credit growth across both the mining and non-mining states.

Growth in business credit applications across the **mining states** eased from



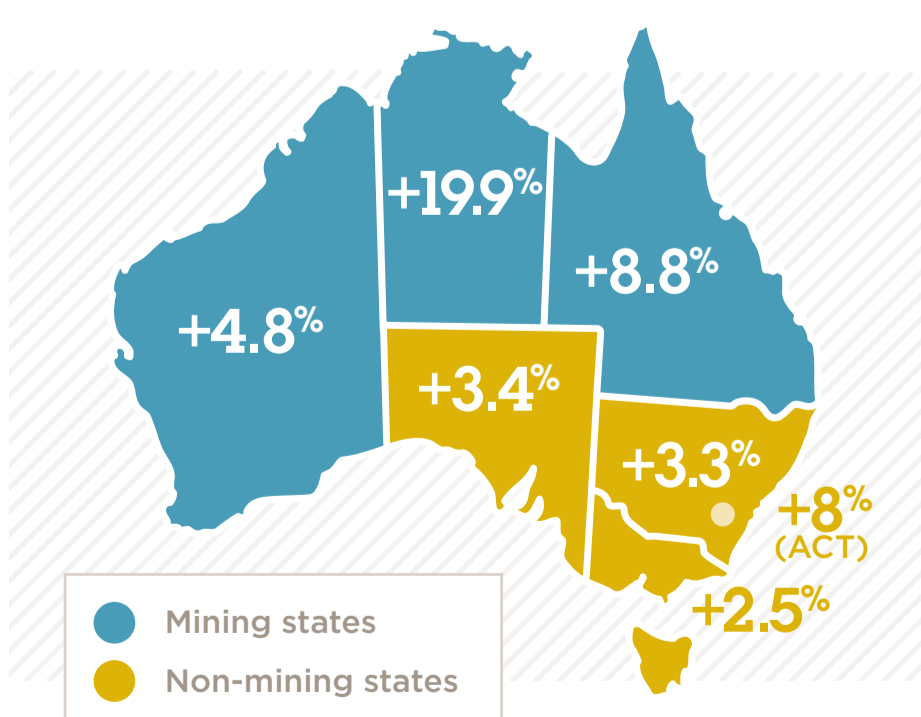
while growth across the **non-mining states** eased from



Asset finance applications

The pace of growth in **asset finance applications** picked up in the March quarter

but this growth is still weaker than six months ago, and the level of enquiries remain well below the pre-GFC peak.



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