

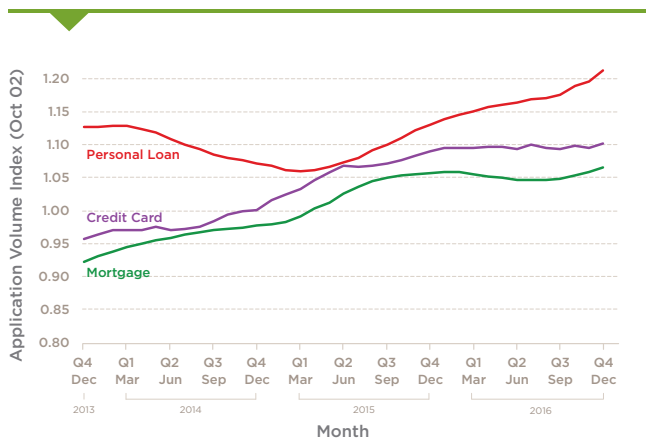
CONSUMER CREDIT DEMAND INDEX

VEDA QUARTERLY
October - December 2016

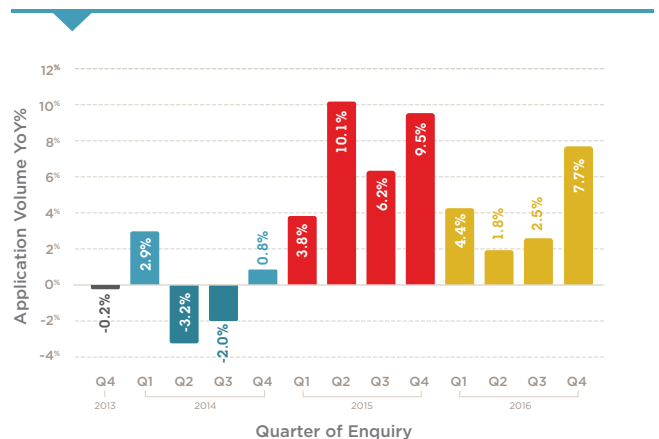


CONSUMER CREDIT DEMAND STRENGTHENS AS PERSONAL LOAN APPLICATIONS SURGE

Consumer Credit Applications
12 MONTH ROLLING AVERAGE



Consumer Credit Applications
QUARTERLY YOY%



CDI

Overall consumer credit applications are up **+7.7%**



Credit card applications rose **+3.0%**



Increase in personal loan applications grew **+12.4%**



Mortgage applications rose **+6.6%**



(VS DECEMBER QUARTER 2015)

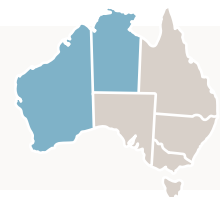
SYDNEY, AUSTRALIA: TUESDAY, 31 JANUARY 2017

The *Veda Quarterly Consumer Credit Demand Index*, measuring the volume of credit card and personal loan applications, saw applications **rise** at a rate of

+7.7%

IN THE DECEMBER QUARTER, COMPARED WITH THE SAME PERIOD IN 2015.

Growth in the Index was **stronger than expected** in the December quarter, even in geographies currently experiencing economic downturns, such as Western Australia and the Northern Territory.





Released today by Veda, Australia and New Zealand’s leading provider of consumer and commercial data and insights and a wholly-owned subsidiary of Equifax, the **Veda Quarterly Consumer Credit Demand Index** also provides a timely indication of movements in consumer spending and retail sales for 2017.



The strong results were driven largely by activity in **personal loan applications**, with growth predominantly coming from **products offered by new entrants in the personal lending space**, beyond traditional credit card and auto finance markets.

Angus Luffman, Veda’s General Manager of Consumer Risk, said that the **pick-up in growth** of the December Index could be considered a **positive sign for revived consumer borrowing and spending**, in spite of relatively subdued consumer sentiment, new car sales and retail sales growth.



The data from Veda’s December Index showed the **same increase in personal loan activity** that is illustrated in recent credit data from the Australian Bureau of Statistics (ABS), which saw **personal finance commitments**

 **grow** by  **+7.3%** IN NOVEMBER.

“These divergent movements suggest that **consumers are being circumspect** about taking on additional credit. Instead, they are **taking advantage of the increased product options** on offer to meet their needs.”



At the same time, the total debt outstanding on other personal credit, excluding housing, has **consistently fallen** since the start of 2016,

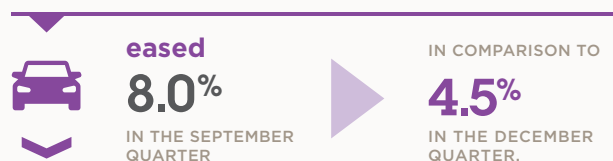
 **down** by  **-1.2%** FOR THE YEAR TO NOVEMBER.



Angus Luffman
Veda’s General Manager of Consumer Risk

Despite the significant pick-up in personal loan applications, the **growth in applications for auto loans eased** from 8.0% in the September quarter to 4.5% in the December quarter.

Auto loans applications





CREDIT CARD APPLICATIONS



Credit card applications showed **positive growth**

+3.0%

IN THE DECEMBER QUARTER.

By geography, the strongest **growth** in credit card applications was seen in Victoria, followed by the NT, Queensland, NSW, SA and the ACT.

+6.3%



VIC

+4.0%



NT

+2.8%



QLD

+2.6%



NSW

+1.8%



SA

+1.5%



ACT

-1.4%



TAS

-2.2%



WA

Tasmania and WA both saw a **fall** in credit card applications.

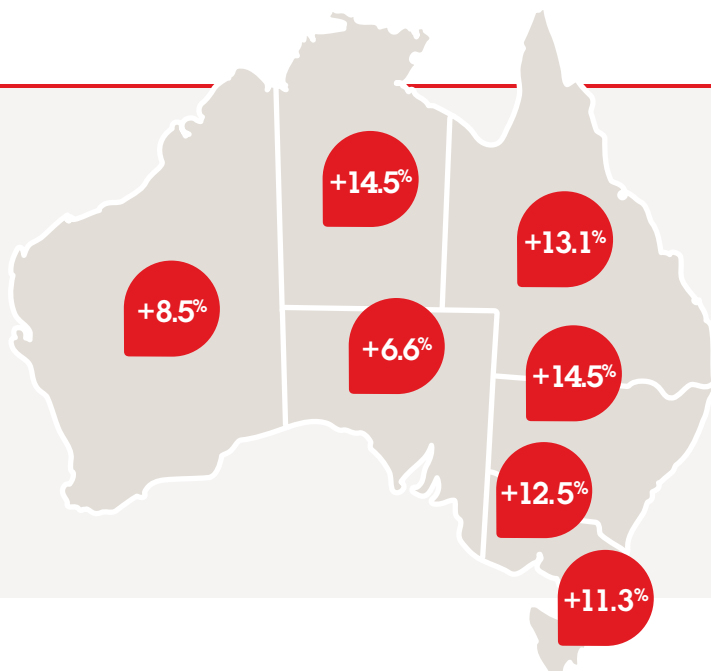


PERSONAL LOAN APPLICATIONS



+12.4%

There was a significant **pick-up in the growth** of personal loan applications in all geographies in the December quarter.





MORTGAGE APPLICATIONS



Demand for mortgages rebounded strongly

+6.6%

IN THE DECEMBER QUARTER.

The annual rate of growth in mortgage applications



strengthened from

+0.9%

IN SEPTEMBER QUARTER OF 2016

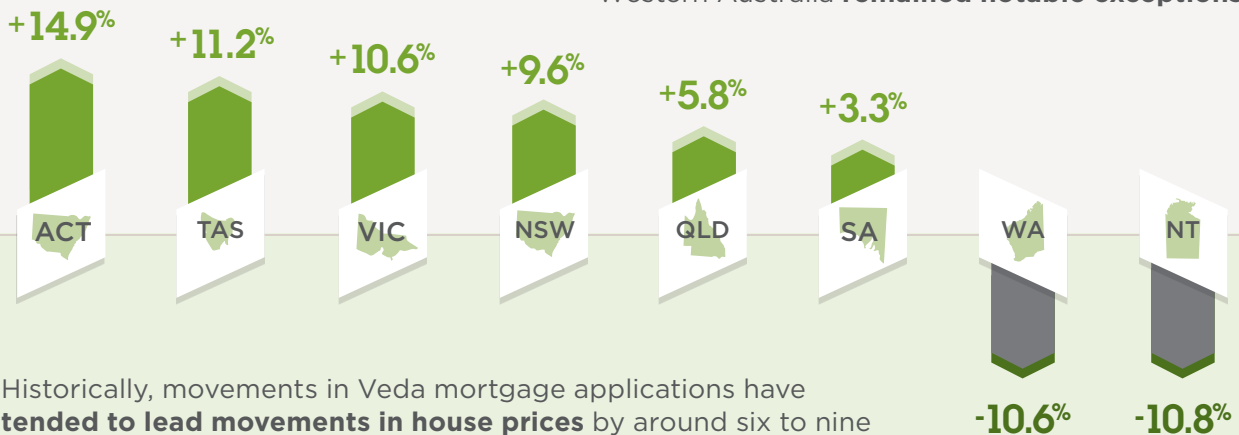


TO AN ANNUAL RATE OF

growth of +6.6%

IN THE DECEMBER QUARTER OF 2016.

Stronger mortgage applications were seen in most geographies, particularly NSW, Victoria, Tasmania and the ACT, although the Northern Territory and Western Australia **remained notable exceptions.**



Historically, movements in Veda mortgage applications have **tended to lead movements in house prices** by around six to nine months, with mortgage applications a good indicator of home buyer demand, and an excellent indicator of housing turnover.



“In the December quarter, Veda’s data showed older demographics **growing once again** in relative **mortgage application** demand, which **supports the rise in investor mortgage activity**. The younger demographic volumes have **remained static** despite the rest of the market growing.”

“Similarly, ABS data revealed a **step increase in the value of loans to investors**, and a **simultaneous fall in the value of new housing finance** commitments to owner occupiers in November.

Considered together, the Veda and ABS findings illustrate the **difficulties younger home owners and first home buyers continue to face.**”



Angus Luffman

Veda’s General Manager of Consumer Risk

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About Veda

Veda is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. From its core credit bureau business established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to consumers and specific industry segments.

Veda's customers use data intelligence provided by Veda to make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies.

In February 2016, Equifax Inc., a global leader in information solutions, closed its acquisition of Veda. Equifax powers the financial future of individuals and organisations around the world, using its strength of unique trusted data, technology and innovative analytics. Together, Veda and Equifax offer their customers world-leading insights and knowledge to help them make informed decisions.

www.veda.com.au

NOTE TO EDITORS The *Veda Quarterly Consumer Credit Demand Index* measures the volume of credit card and personal loan applications that go through the Veda Consumer Credit Bureau by financial services credit providers in Australia. Credit applications represent an intention by consumers to acquire credit and in turn spend; therefore, the index is a lead indicator. This differs to other market measures published by the RBA which measure credit provided by financial institutions (i.e. balances outstanding).

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