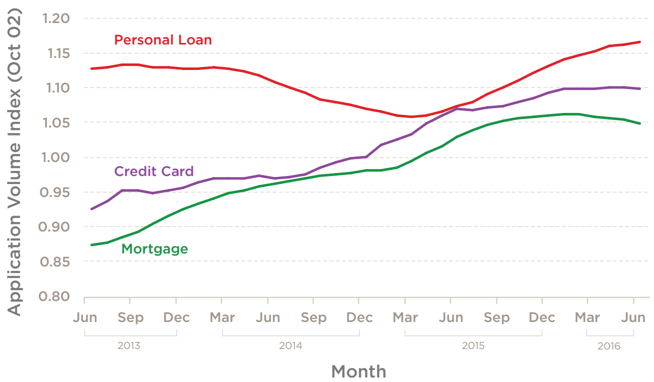
CONSUMER CREDIT DEMAND INDEX

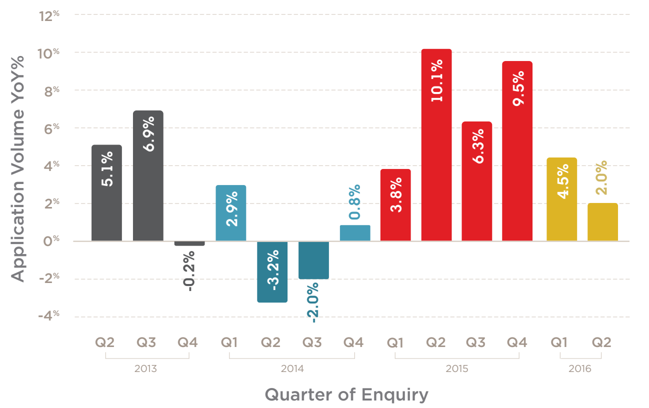
VEDA QUARTERLY
April – June 2016

CONSUMER CREDIT DEMAND MODERATE AS CREDIT CARD APPLICATIONS FALL

Consumer Credit Applications
12 MONTH ROLLING AVERAGE



Consumer Credit Applications
QUARTERLY YOY%



CDI

Overall consumer credit applications up +2.0%

Credit card applications decline -0.5%

Growth in **personal loan applications slows** to **+4.7%**

Mortgage applications show a **fall** of **-3.2%**

(VS JUNE QUARTER 2015)

SYDNEY, AUSTRALIA: THURSDAY, 14 JULY 2016

The ***Veda Quarterly Consumer Credit Demand Index,*** measuring the volume of credit card and personal loan applications **rose** at a moderate rate of **+2.0%** IN THE JUNE QUARTER, COMPARED WITH THE SAME PERIOD IN 2015.

Released today, the Index **softened further** in the June quarter, driven by the first fall in credit card applications since the March 2013 quarter.

Credit card applications

DECLINE OF
-0.5%
IN JUNE QUARTER, IN CONTRAST TO
+1.9%
IN THE MARCH QUARTER

Personal loan applications

SLOWED TO
+4.7%
IN JUNE QUARTER, DOWN FROM
+7.3%
IN THE PREVIOUS QUARTER

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

"The continuing slowdown in **residential property markets**, coupled with weak wages growth and subdued retail sales growth, had all contributed to the **continued slowdown** seen in the June Credit Demand Index — which measures demand for discretionary consumer credit."

"**The Credit Demand Index** has continued a trend of **softer growth** throughout the quarter, with the exception of **personal loan applications** specific to the auto market — **typically strong** in the June quarter — which demonstrated good year-on-year growth."

Angus Luffman
Veda's General Manager of Consumer Risk

"Turnover for **household goods**, which are often big-ticket items financed by credit, **slowed significantly** in recent months. The subdued outlook for the housing market, predicted by Veda's mortgage demand index, suggests that the **support provided by the housing market** for retail spending will also **decline**."

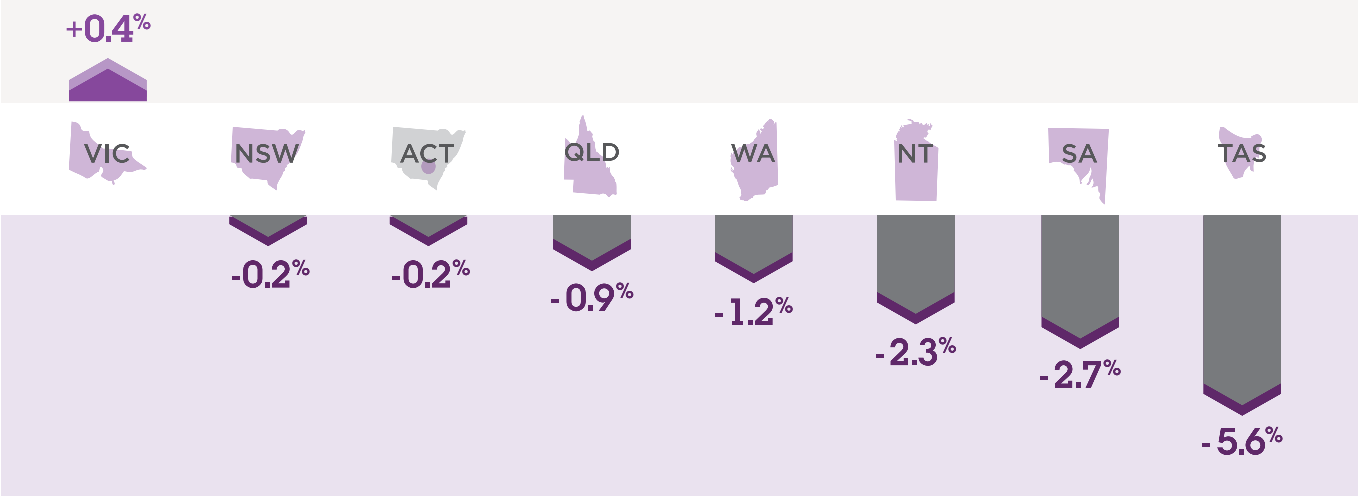
"Further, the latest RBA data on **credit cards** shows consumers are continuing to use their credit cards more as a payment tool, rather than a credit instrument beyond interest free periods. The average transaction size for credit cards, which peaked in late 2008, is now **back at levels not seen since 2004**."

"Meanwhile, the **average value of credit card repayments per account** continues to **exceed the average value of transactions** by an ever-widening margin. These statistics further indicate that the Australian consumer remains circumspect about taking on additional discretionary credit."

CREDIT CARD APPLICATIONS

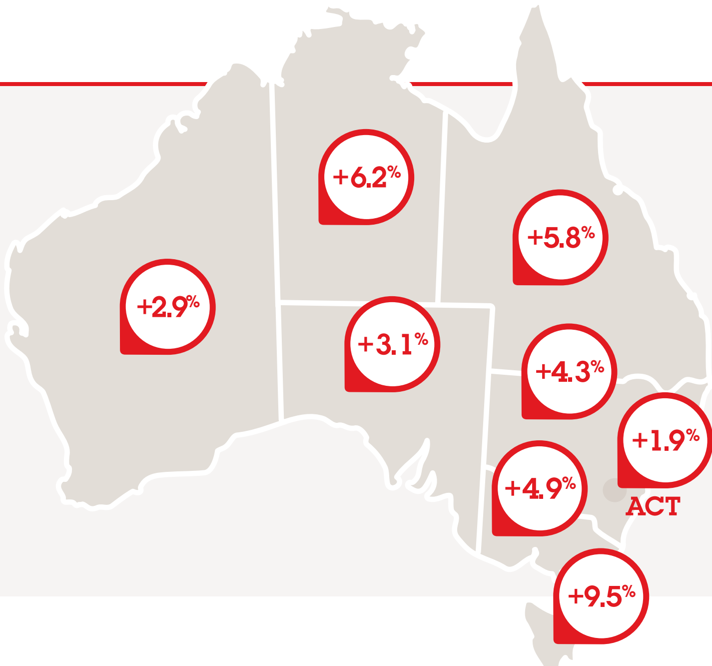
Credit card applications contributing to the index **fell** across the board

-0.5% IN THE JUNE QUARTER



PERSONAL LOAN APPLICATIONS

Growth in personal loan applications **eased** in the June quarter.



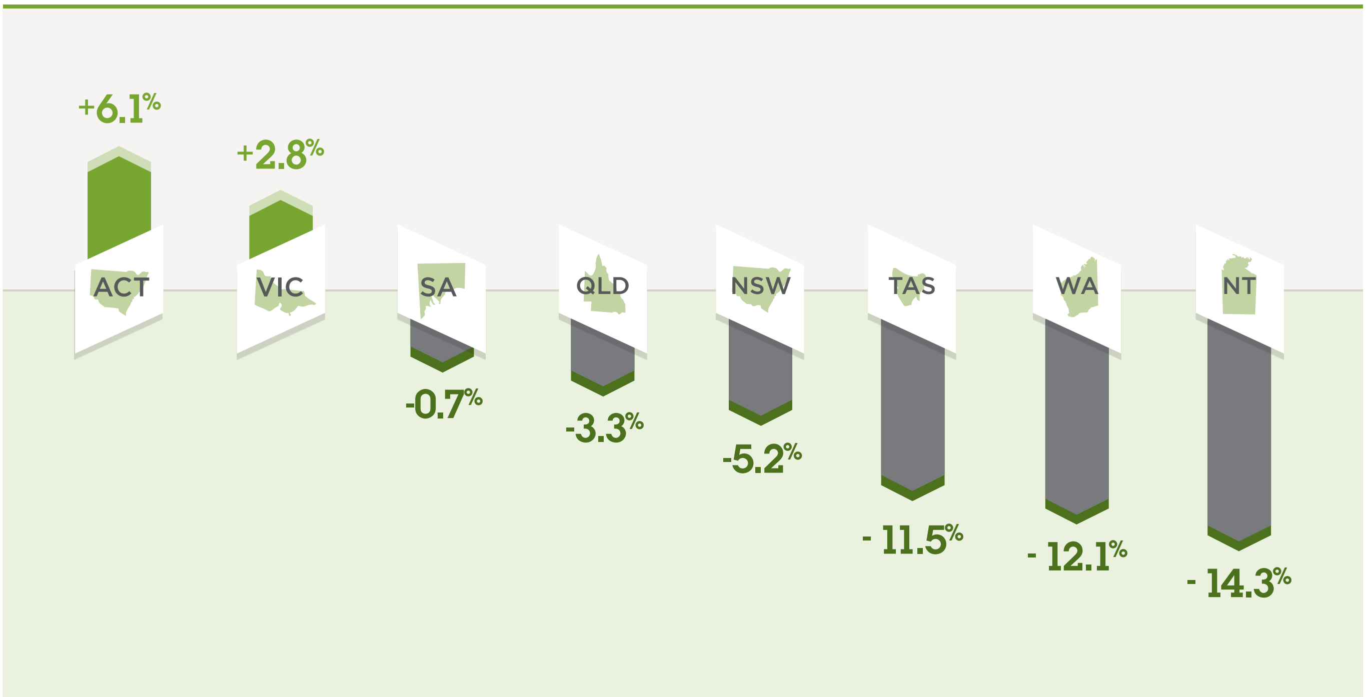
MORTGAGE APPLICATIONS

Demand for mortgages cooled again in the June quarter, experiencing a decline of

-3.2%
IN JUNE QUARTER 2016

This represents the fourth consecutive quarter of slowdown in mortgage applications, **down** from a high of

+13.6%
IN JUNE QUARTER OF 2015



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.

"Regulatory driven changes to investor mortgages, implemented in the middle of last year have contributed to the cooling of mortgage demand over the past 12 months. The **continuing weakness** being seen in **Veda's mortgage applications** data suggests the housing market will remain **subdued** for the foreseeable future."

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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