
EQUIFAX
Market Pulse
Q2 2026 Business Insights
August 20, 2026 | 1PM AEST

Executive Summary

- Subdued Credit Demand
- Sectoral Divergences
- Multi Speed Market (Large / SME)
- Overall Business Resilience
- Some Emerging Signs of Stress
- Growing Tax Defaults
- Insolvencies & Business Exits
- Sectorial Deep Dive:
    - Construction
    - Hospitality
    - Retail
    - Logistics
    - Professional Services

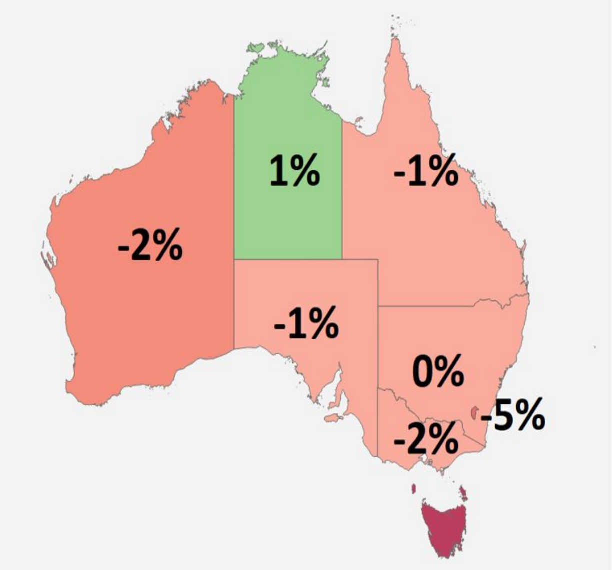
Commercial Demand

The quarter saw a further deterioration in the overall number of commercial credit enquiries, noting some variability across different credit products, business types, industry sectors and regions, with an overall increase in the dollar ($) amount of credit sought.

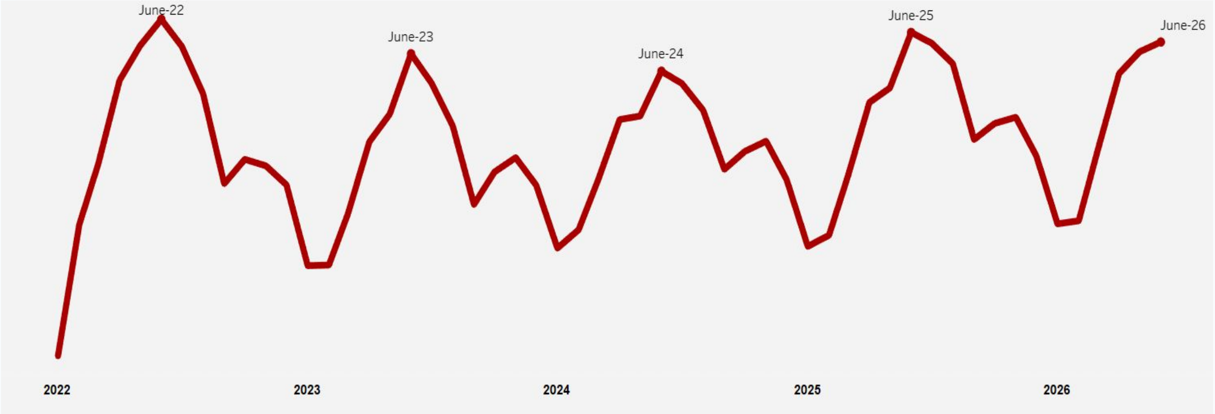
Overall Demand Change

▼ -1.3% vs 25Q2

Commercial Credit Demand (26Q2 vs. 25Q2)



Indexed Commercial Demand (2022-present)



Confidence near all time lows: Uncertainty from the Middle East conflict & Federal budget have resulted in the deterioration of business confidence & impacted business conditions (below historical averages).

Softening overall demand: Slightly steeper contractions in **VIC and WA (-2%)** contrasted with **flatter results in NSW and QLD** highlighting some minor regional variances in credit appetite.

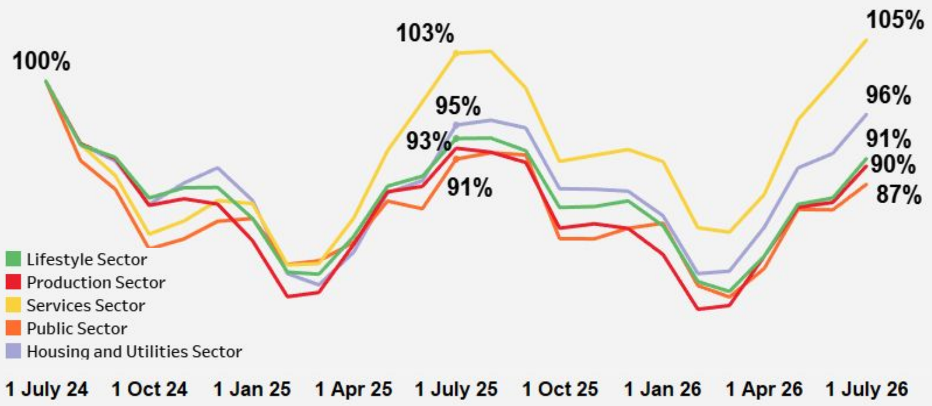
Rising average enquiry amounts: Loan sizes were **13% up on 26Q1**, continuing the rising month on month trend since February 2026. Average Loan size rose 7 to 8% MoM between April, May and June 2026.

* July Roy Morgan Business Confidence - https://www.roymorgan.com/findings/10296-roy-morgan-business-confidence-july-2026

Industry Sectors

Tightening economic conditions (property prices, rising fuel costs, inflation, rates etc) weighing on consumer discretionary spend, slowing demand growth in Production (-0.5%) and Lifestyle (-0.2%) sectors, while Services and Housing sectors showed more resilience.

Indexed Commercial Credit Demand (by industry sector)



Commercial Credit Demand (26Q2 vs 25Q2)

The Services sector has seen demand growth over the past two years, while credit appetite across other sectors is trending towards prior year levels.

Demand growth in the lifestyle and production has slowed following changes in macroeconomic conditions. Market appetite is impacted by a number of factors, including property prices, rates, fuel costs & inflation.

SMEs & Large Enterprises

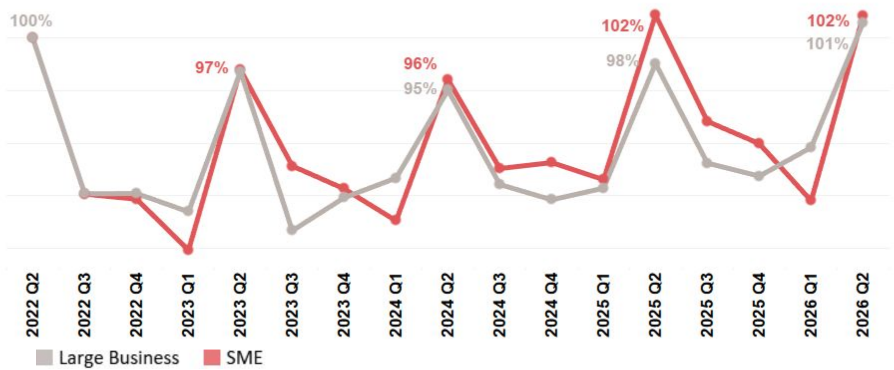
Both Large and SME cohorts show demand resilience near long-term averages, and the score quality for both segments has been trending higher over the past twelve months.

Large Enterprise
▲4.0% vs 25Q2

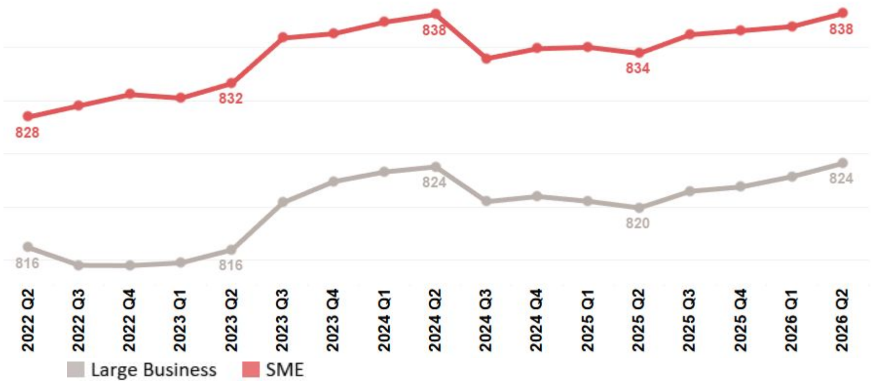
SME
▲0.1% vs 25Q2

SME Score Change
▲4 pts vs 25Q2

Indexed Commercial Demand SME vs. Large Business (2022-present)



Average Application Score SME vs. Large Business (2022-present)



Large enterprises recorded a third straight year of Q2 growth. Meanwhile, SME demand is stabilising YoY and recovering towards prior year levels.

Average scores for both SME and Large enterprises hit an all time peak, showing strong business resilience and higher quality borrowers.

SME Definition : Entities with less than $10M annual revenue and less than 50 Employees.

Demand & Application Quality

The resilience in Business Loan enquiry levels point to the rising importance of operational funding. However borrowers are seen to be deferring capital purchases with asset finance demand levels being down on last year.

	DEMAND (YOY)	AVG SCORE	
Business Loans	▲ 1.9% vs 25Q2	845 | ▲ 2 pts vs 25 Q2	**Demand Growth:** Demand rose 1.9% YoY, driven by growth in QLD (+3.9%) and NSW (+3.6%), which offset a 1.3% contraction in VIC. **Application Quality:** Average scores remain high at 845, up 2 points YoY.
Asset Finance	▼ 4.2% vs 25Q2	797 | ▼ 2 pts vs 25 Q2	**Demand Softening:** Overall demand declined 4.2% YoY as QLD (-7.4%) and VIC (-4.2%) registered sharper pullbacks, compared to -1.9% in NSW. **Application Quality:** Scores are steady at 797, consistent with mid-2023 levels.
Trade Credit	▼ 11.9% vs 25Q2	800 | ▲ 2 pts vs 25 Q2	**Demand Dip:** Demand dropped 11.9% YoY, weighed down by double-digit contractions in NSW (-16.2%) and QLD (-12.6%) with a minor decline in VIC (-2.1%). **Application Quality:** Scores held steady at 800 for the second quarter in a row.

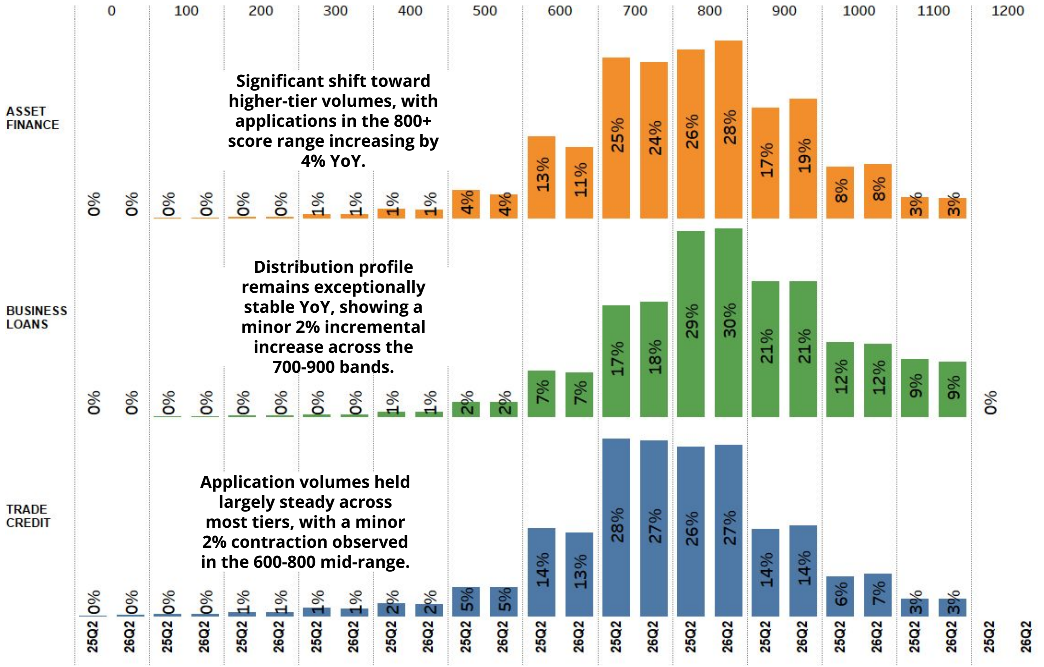
Application Quality

Business Loan applicant credit profiles remained largely stable on prior year levels in 26Q2 while, despite reduced YoY volumes, a shift towards higher credit quality is observed amongst applicants seeking Asset Finance and Trade Credit products.

Asset Finance
+4% More in 800+ Range

Business Loans
+1% in 600-800 Range

Application Quality Distribution (25Q2 vs 26Q2)



25Q2 vs 26Q2

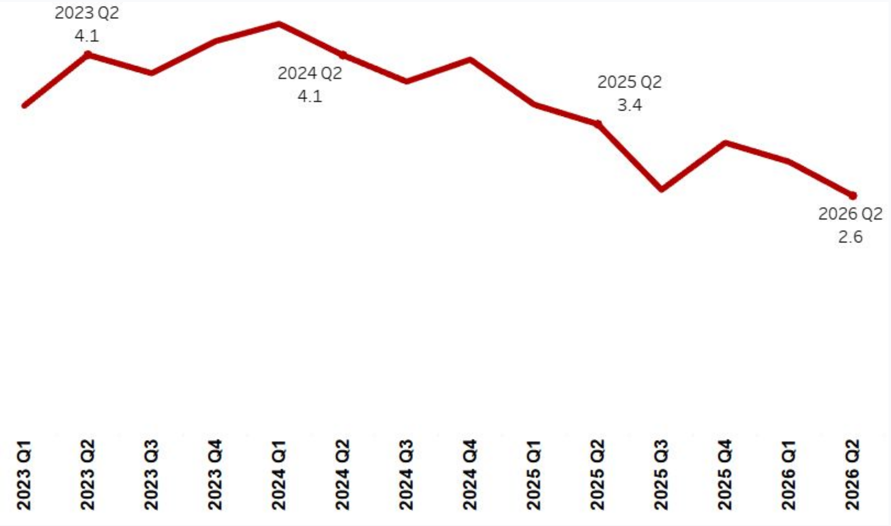
- **Market Shift:** A shift in enquiries toward higher score bands highlights a trend of resilient, financially savvy businesses seeking credit to manage their operations as they navigate through ongoing market uncertainty.

- **Asset Finance Quality:** Prime applications (800+) grew by 4% while mid-market volumes (600-800) dropped by 3%, indicating financially savvy business owners are actively seeking growth capital and asset finance in EOFY.

Trade Payment Performance

Average days beyond terms improves over 26Q2, however there was a noticeable increase in trade payment delays towards the quarter close. Sectoral challenges remain, with industries like construction still experiencing below market rates for on-time payments in 26Q2.

Average Trade Payment Delays



Average Trade Payment Delays: 2.6 days (▼ 0.8d vs 25Q2)

On Time	92.1% (▲ 0.9% vs 25Q2)
Early (1-30d)	6.2% (▼ 2.3% vs 25Q2)
Medium (31-60d)	0.7% (▼ 0.2% vs 25Q2)
Late (61-90d)	0.2% (▼ 0.1% vs 25Q2)
Delinquent (90d+)	0.8% (▼ 0.3% vs 25Q2)

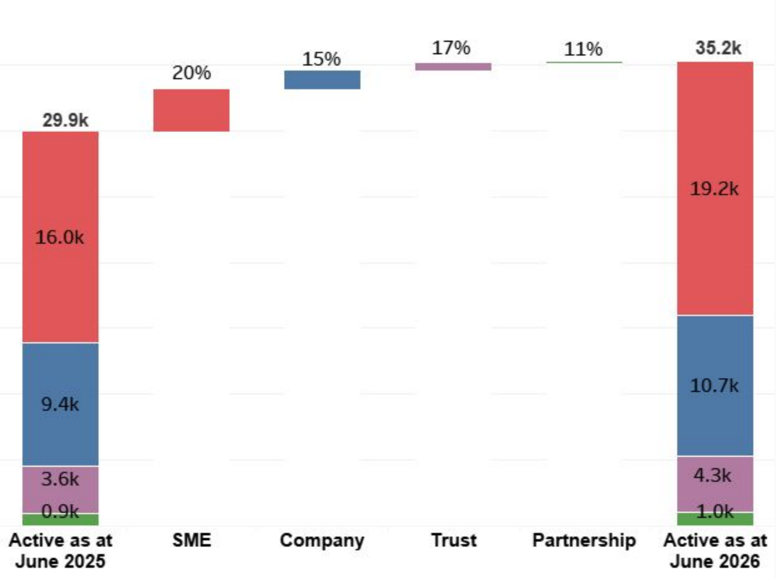
The improvement in trade payment performance was driven primarily by increased levels of on-time payments in April & May 2026. A sharp surge in trade payment delays (**+1.7 days MoM to 3.9 days**) was observed in June 2026, indicating increased levels of late quarter stress.

Total market on-time payments held largely flat at 92.1% (+0.9% YoY). However, this masks a stark sector split. **Construction lags nearly 20 percentage points below average at 75.1% on-time, while Retail records the highest on-time rate at 98.9%**.

ATO Defaults

Active ATO defaults have increased 18% in 26Q2 since same time last year, as 20% more SMEs and 15% more Companies were identified as having material unpaid & aged tax debt.

Total Active ATO Defaults by Entity Type



ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 18% vs 25Q2	▲ 42% vs 25Q2	▲ 21% vs 25Q2

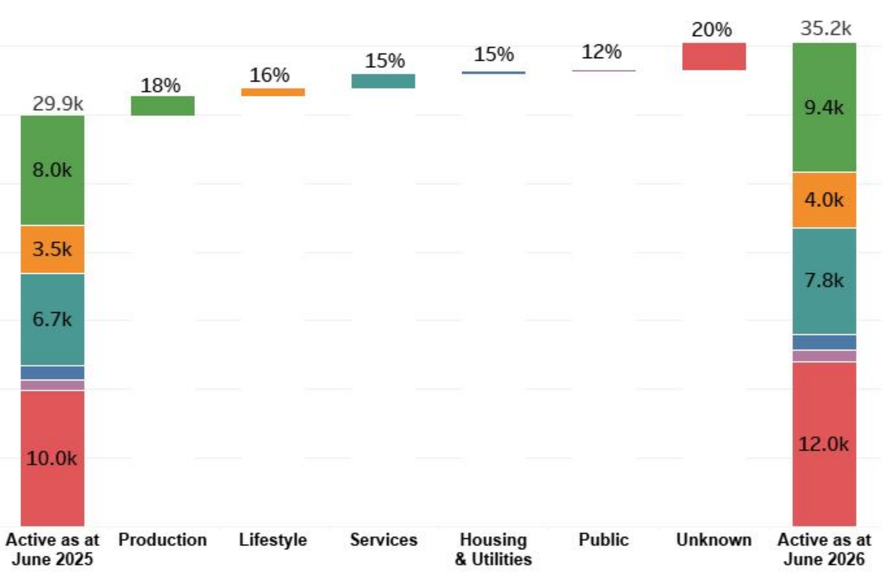
Higher number of Active defaults from SME Businesses than Companies in 26Q2 compared to last year.

New Defaults are outpacing the removals, contributing to an overall increase in the number of active tax defaults in 26Q2.

ATO Defaults

The macroeconomic landscape has impacted higher risk businesses, impacting debt servicing and cash flow with a significantly higher number of active defaults in Production (18%) and Services (15%) businesses since last year.

Total Active ATO Defaults by Sectors



ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 18% vs 25Q2	▲ 42% vs 25Q2	▲ 21% vs 25Q2

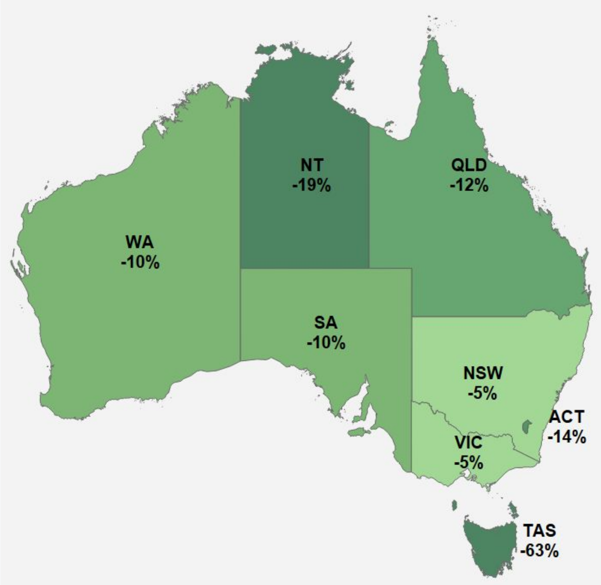
Some of the highest YoY increases in active ATO defaults were reported in the Production sector, from industries such as **Mining (31%), Manufacturing (22%), Construction (18%) and Logistics (9%)**.

The rise in new defaults was a significant contributor in the net growth of active ATO defaults for all industries within the Production sector.

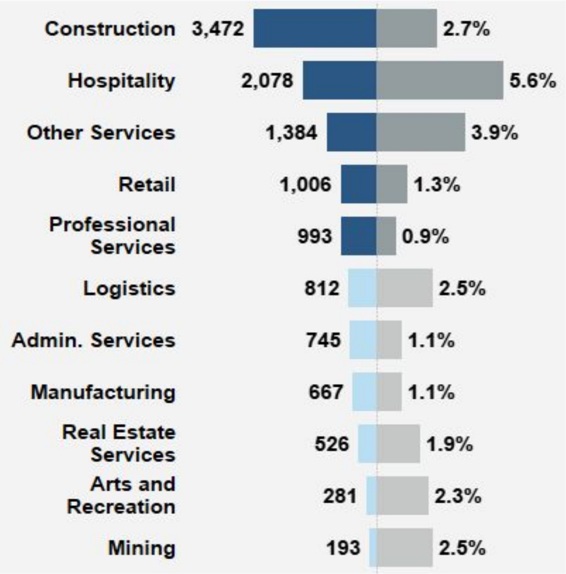
Company Insolvency

Current Insolvency volumes, while lower YoY, remain elevated and are 65% higher than pre-covid levels. There has been a material reduction in business confidence, and the number of voluntary exits rose significantly this quarter compared to 25Q2.

ASIC Company Insolvencies 26Q2 vs. 25Q2



FY 2026 Insolvency Impact by Sector



Companies 26Q2

▲ 2.4% Net Change FYTD26

ENTRIES	▼ 6% vs. 25Q2
EXITS	▲ 100% vs. 25Q2
INSOLVENCY	▼ 7.8% vs. 25Q2

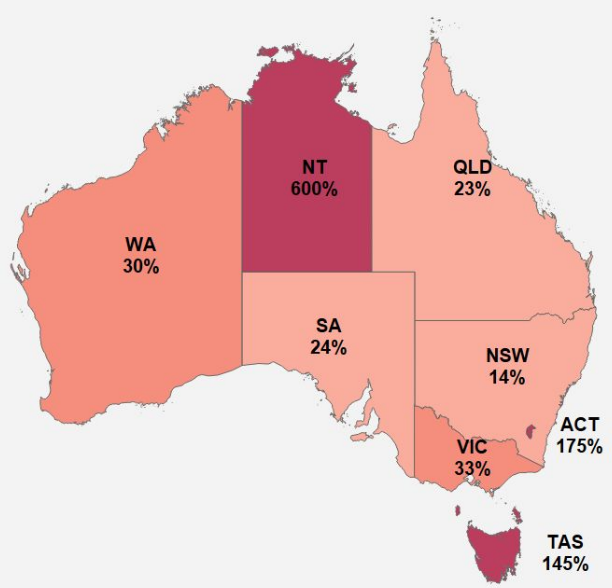
May 2026 saw a significant spike **(152% YoY)** in company deregistrations, resulting in twice the number of company exits over 26Q2 vs. 25Q2.

While headline insolvencies softened in 26Q2 (-7.8% YoY), insolvencies continue to impact a significant portion of active entities in key sectors such as Hospitality (5.6%), Logistics (2.5%) and other Services (3.9%) sectors.

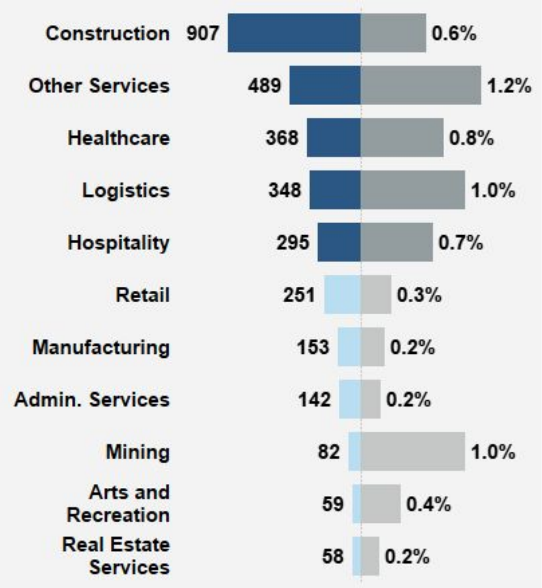
Business Insolvency

Rising business exits, insolvencies and reduced entries is a signal of deteriorating conditions amongst SME business owners, particularly across Transport & Logistics, Mining and Other Services industries.

AFSA Business Insolvencies 26Q2 vs. 25Q2



FY 2026 Insolvency Impact by Sector



Businesses 26Q2

▲ 3.0% Net Change FYTD26

ENTRIES	▼ 16% vs. 25Q2
EXITS	▲ 37% vs. 25Q2
INSOLVENCY	▲ 16.0% vs. 25Q2

Business survivability is strained in 26Q2 vs. last year, with rising business related personal insolvencies (16%) and exits (+37% YoY).

Lower entries also suggests a lower appetite to enter the market while the outlook on business conditions remains uncertain and subdued.

Construction Demand

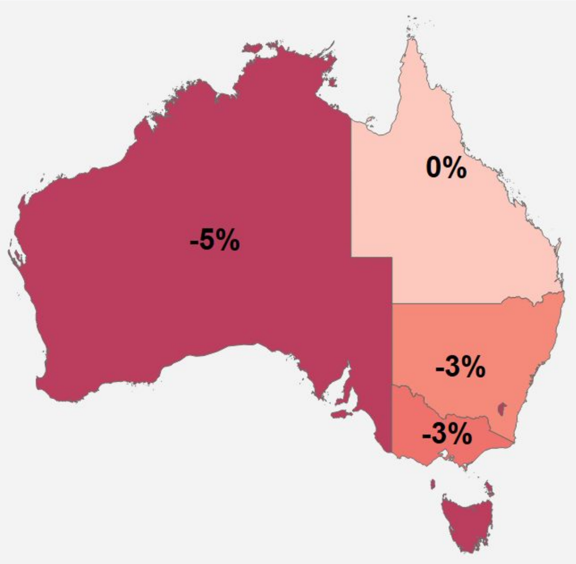
Ongoing cost inflation and margin pressure is shifting credit demand away from long-term capital expansion toward short-term working capital and liquidity management. Smaller businesses in particular were scaling back on asset finance (-8.2% YoY in June 2026).

Overall Demand Change
▼ 2.7% vs 25Q2

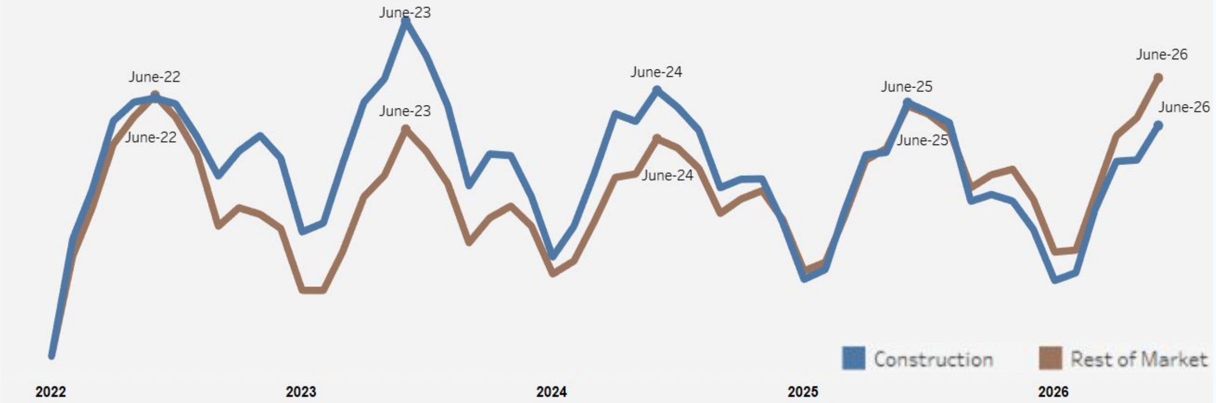
Asset Finance
▼ 2.6% vs 25Q2

Business Loans
▲ 1.2% vs 25Q2

State-wise Demand Change 26Q2 vs. 25Q2



Indexed Commercial Demand: Construction vs Rest of Market (2022-present)



Pre-EOFY Slowdown: Overall construction credit demand dropped 2.7% YoY. The late-26Q2 slump in asset finance, notably by SMEs, was particularly pronounced towards the quarter close before EOFY.

Overall the **SME segment** faced a sharper **6.5% YoY decline** in credit demand. This drop was led by sharp **pullbacks in VIC (-9.0%) and NSW (-6.7%)** signaling low capital confidence as operators delay asset upgrades amid higher borrowing costs.

Construction Rate Shopping

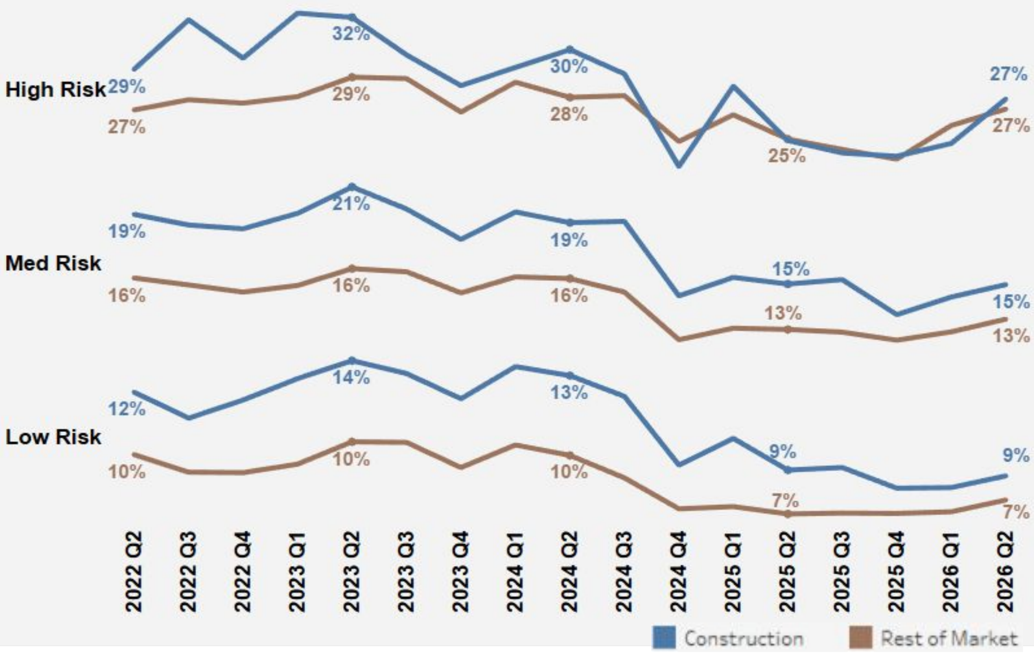
While construction credit demand levels continue to remain subdued, credit shopping rates amongst these borrowers recently increased to 15% of total enquiries (similar to last year).

Asset Finance
No Change vs 25Q2

Business Loans
▲1.2% vs 25Q2

Average Credit Shopping Rate
15% in 26Q2
No Change vs 25Q2

Credit Shopping Rates by Risk Segment: Construction vs Rest of Market (2022-present)



High-Risk Cohort Convergence: From 25Q2 to 26Q2, credit shopping among **high-risk construction borrowers lifted from 25% to 27%**, mirroring the movement across the market more broadly.

As enquiry volumes trend downwards, the consistency in credit shopping rates reflects the increased level of price sensitivity amongst the borrowers in this sector.

Construction Segments

Opposing demand trajectories highlight a continued divergence in appetite: Large Businesses experienced moderate credit growth (+3.0% YoY) with credit shopping recently increasing, while SMEs observed a pullback in demand (-3.8%) with increasing levels of credit shopping.

CREDIT DEMAND

Large Business ▲ 3.0% vs 25Q2

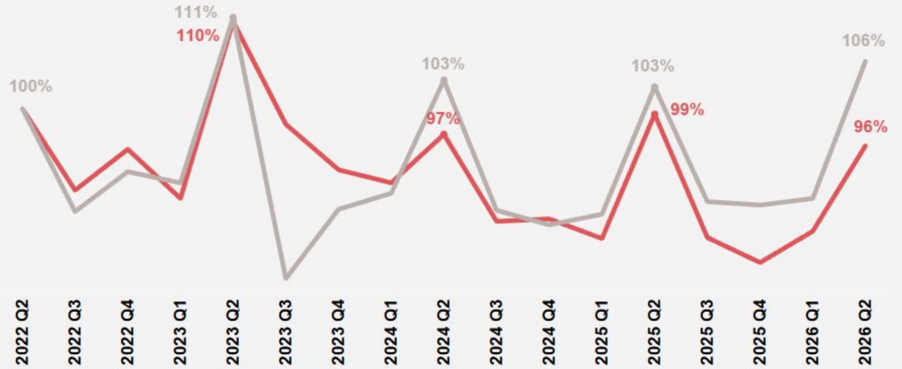
SME ▼ 3.8% vs 25Q2

CREDIT SHOPPING

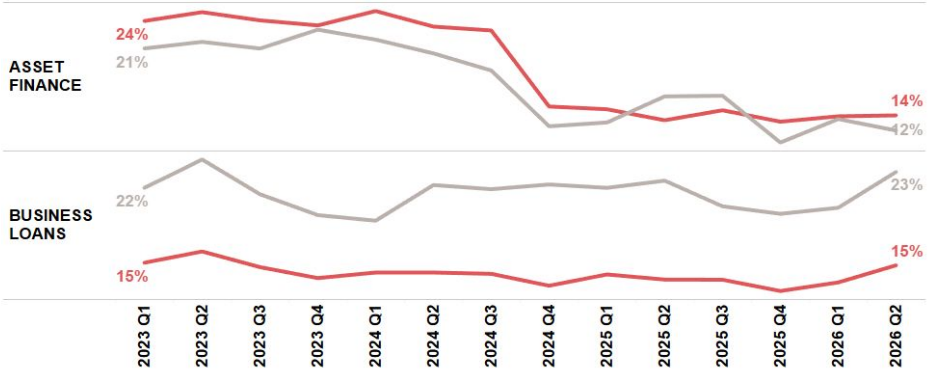
Large Business 21% in 26Q2 ▲ 0.1% YoY

SME 14.4% in 26Q2 ▲ 1.1% YoY

Construction Sector Indexed Demand SME vs. Large Business (2022-present)



Construction Sector: Credit Shopping Rates SME vs. Large Business across Products (2023-present)



Multispeed Market: Continued credit divergence between different sized cohorts, with larger entities actively leveraging credit to support growth and operations while smaller operators had subdued credit appetite.

Working Capital Needs: Business Loan shopping rates are rising rapidly across the sector, driven primarily by Large Enterprises (23%) as corporates actively seek competitive terms to optimise liquidity.

Note: Demand and credit shopping insights on this page apply exclusively to Asset Finance and Business Loan enquiries.

Large Business | SME

Construction Conditions

Operating conditions in the construction sector continues to tighten in 26Q2, with sectoral risk markers (Insolvencies, Exits, Arrears and ATO Defaults) showing ongoing pressure across the industry as business owners navigate macro economic conditions.

Companies 26Q2

▲ 1.7% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 17% vs 25Q2	▲ 114% vs 25Q2	▼ 3.8% vs 25Q2

Avg Trade Payment Delays: 5.1 days

(▼ 0.7d vs 25Q2)

On Time	75.1% (▼ 3.3% vs 25Q2)
Early (1-30d)	22.2% (▲ 4.7% vs 25Q2)
Medium (31-60d)	1.3% (■ 0% vs 25Q2)
Late (61-90d)	0.2% (▼ 0.2% vs 25Q2)
Delinquent (90d+)	1.1% (▼ 1.2% vs 25Q2)

Businesses 26Q2

▲ 3.0% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 19% vs 25Q2	▲ 58% vs 25Q2	▲ 9% vs 25Q2

ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 18% vs 25Q2	▲ 43% vs 25Q2	▲ 26% vs 25Q2

Company exits doubled in 26Q2 (114% YoY), while **small business exits rose 58% YoY**. Entry rates dropped across both segments (-17% for companies and -19% for businesses).

New ATO tax disclosures surged +43% YoY (total active disclosures up +18%), while trade payment delays for early arrears shows a moderate increase (+4.7% YoY). Continues to have lower levels of on-time trade payment performance.

Hospitality Demand

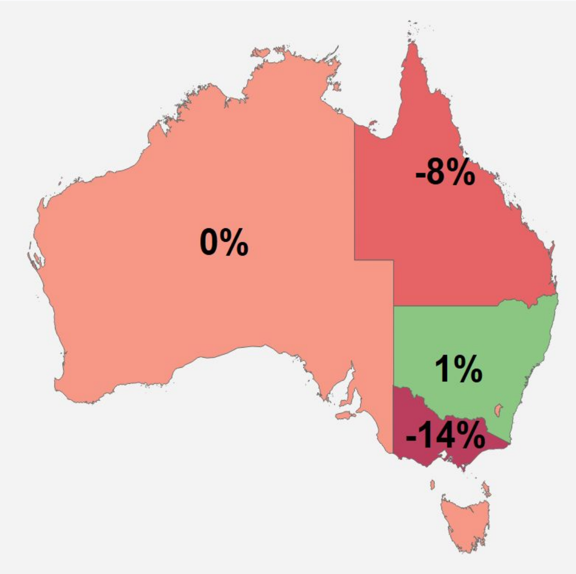
Hospitality experienced a further contraction in credit demand over Q2, with businesses scaling back on capex investment (-8.2% Asset Finance) resulting in an overall reduction of 5.1% for the quarter. This was certainly pronounced across Victoria & Queensland.

Overall Demand Change
▼ 5.1% vs 25Q2

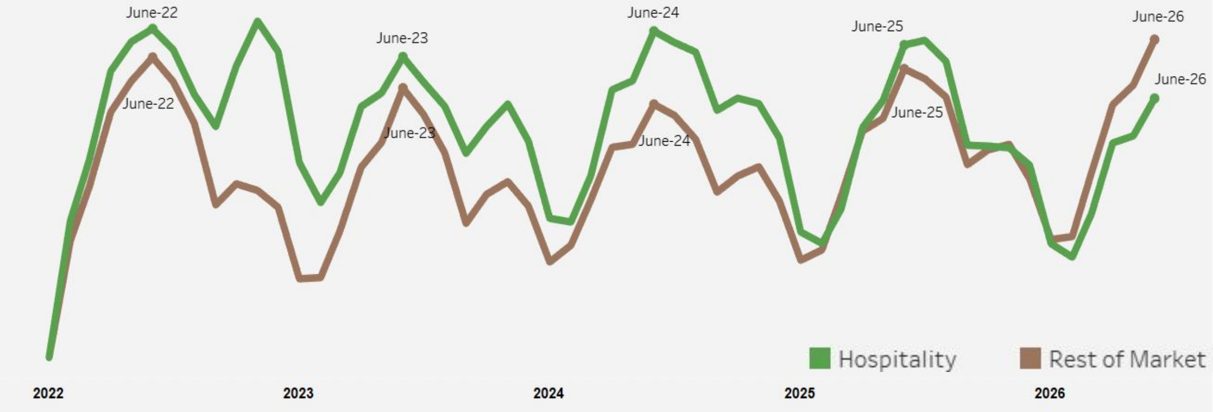
Asset Finance
▼ 8.2% vs 25Q2

Business Loans
▲ 1.1% vs 25Q2

State-wise Demand Change 26Q2 vs. 25Q2



Indexed Commercial Demand: Hospitality vs Rest of Market (2022-present)



Hospitality observed a sharp drop in Asset Finance enquiries (-8.2% YoY) as businesses deferred investment, pivoting instead towards Business Loans (+1.1% YoY) to secure working capital and ease acute cash flow pressures. **High Regional Variation:** Overall contraction was anchored by severe **drops in Victoria (-14% overall; SME -15.2%)** and **Queensland (-8% overall; SME -8.5%)**.

Hospitality Rate Shopping

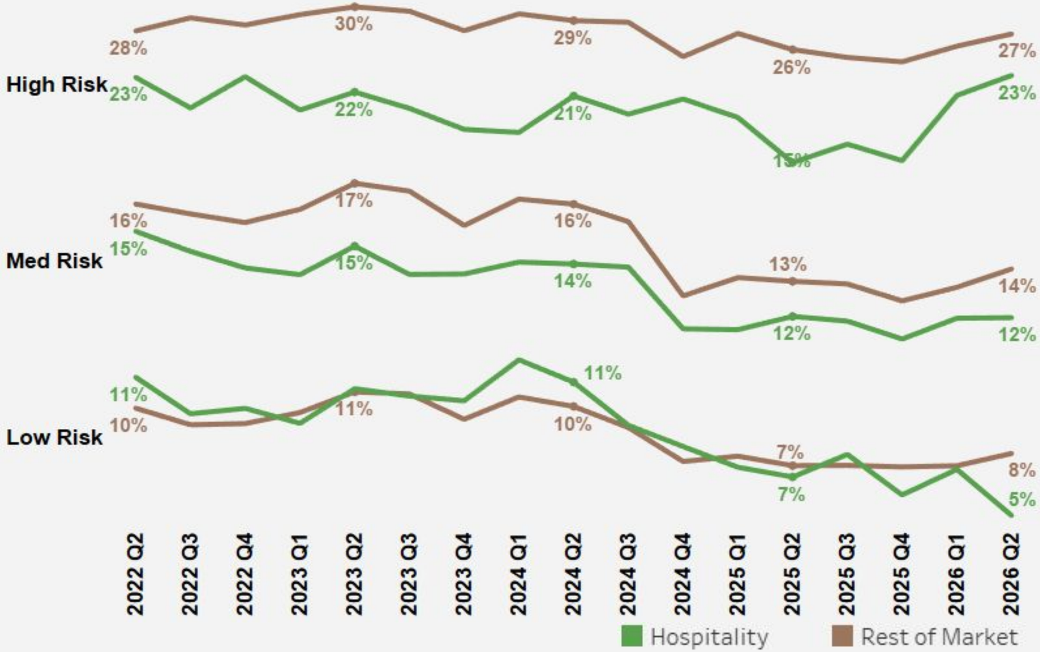
Overall credit shopping rates mask the underlying anxiety amongst riskier hospitality businesses. These higher risk borrowers have materially increased credit shopping behaviours in the last 6 months, trending towards overall market levels.

Asset Finance
No Change vs 25Q2

Business Loans
▲1.4% vs 25Q2

Average Credit Shopping Rate
11% in 26Q2
▲0.1% vs 25Q2

Credit Shopping Rates by Risk Segment: Hospitality vs Rest of Market (2022-present)



High-Risk Shopping Surge: High-risk hospitality borrowers recorded a **+8% YoY increase** in credit shopping (reaching **23% in 26Q2 up from 15% in 25Q2**), trending towards broader market levels (27%). These higher risk businesses are approaching multiple lenders to secure loans in support of their ongoing operations.

Widening Shopping Risk Gap: A clear performance divergence has opened among low-risk borrowers with reduced credit shopping behaviours. This suggests higher credit quality applicants may be relying on their incumbent credit providers.

Hospitality Segments

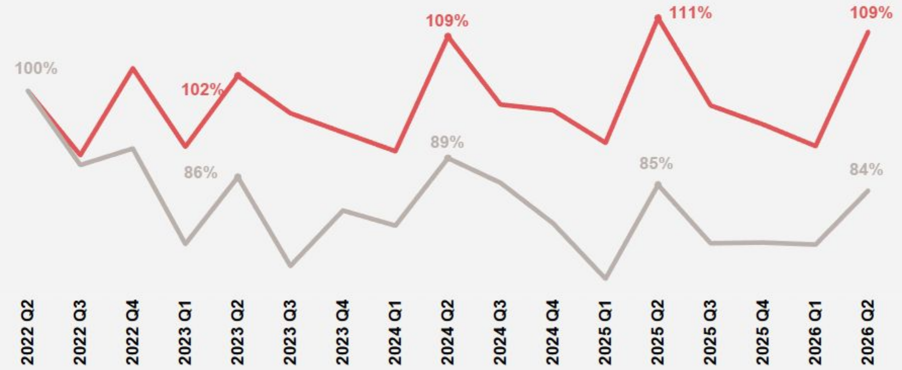
Overall appetite for business loans and capital finance sees lower levels of credit demand (on last year) for both larger and smaller hospitality businesses, with a significant increase in credit shopping behaviours for business loans over the last six months.

CREDIT DEMAND

Large Business ▼ 1.1% vs 25Q2

SME ▼ 2.0% vs 25Q2

Hospitality Sector Indexed Demand SME vs. Large Business (2022-present)



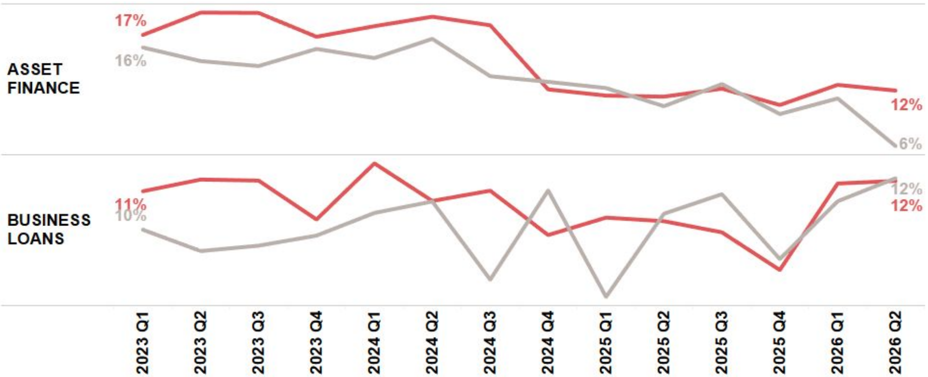
SME Baseline Resilience: While SME credit demand is slightly lower on a cyclical basis to last year, it continues to remain at higher levels than several years ago, while larger hospitality businesses remain 16% lower than 2022 levels.

CREDIT SHOPPING

Large Business 10.0% in 26Q2 ▼ 0.3% YoY

SME 11.6% in 26Q2 ▲ 1.1% YoY

Hospitality Sector: Credit Shopping Rates SME vs. Large Business across Products (2023-present)



Refinancing vs. Expansion: There is a rising proportion of Business Loan applicants credit shopping amidst softening enquiry volumes for both large and small hospitality firms, who are actively comparing credit providers particularly in support of operational funding.

Hospitality Conditions

There has been an increase in the number of credit active businesses over the last 12 months. While insolvency numbers showed some improvement, escalating early-stage arrears, new tax debt defaults (+47%), and elevated exits point to emerging signs of stress.

Companies 26Q2

▲ 2.7% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 20% vs 25Q2	▲ 106% vs 25Q2	▼ 20.3% vs 25Q2

Avg Trade Payment Delays: 2.3 days

(▼ 0.9d vs 25Q2)

On Time	94.6%	(▼ 0.1% vs 25Q2)
Early (1-30d)	3.4%	(▲ 0.7% vs 25Q2)
Medium (31-60d)	0.8%	(▲ 0.4% vs 25Q2)
Late (61-90d)	0.2%	(▼ 0.2% vs 25Q2)
Delinquent (90d+)	1.1%	(▼ 1.2% vs 25Q2)

Businesses 26Q2

▲ 4.0% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 24% vs 25Q2	▲ 24% vs 25Q2	▼ 14% vs 25Q2

ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 12% vs 25Q2	▲ 47% vs 25Q2	▲ 26% vs 25Q2

Company exits doubled (+106% YoY) while business exits rose +24% YoY. Entries fell across both segments (-20% for companies, -24% for businesses).

New ATO tax disclosures surged +47% YoY (total active disclosures up +12%). While the overall proportion of on-time trade payments held steady, early and mid- staged payment arrears have been rising.

Retail Demand

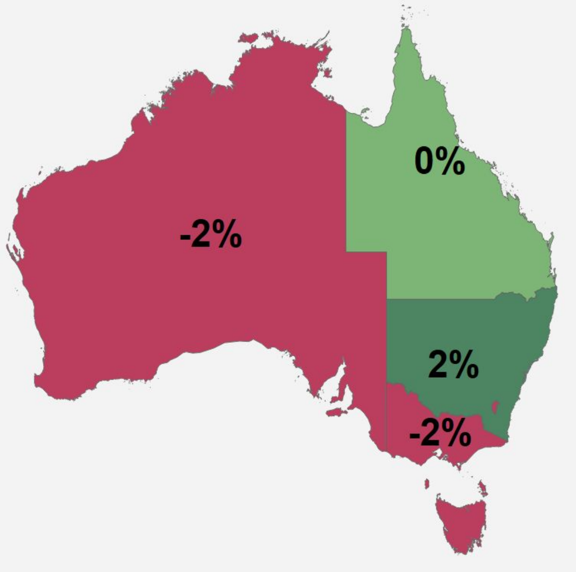
Cost of living pressures, interest rates, fuel costs, and inflation are actively weighing on consumer sentiment, increasing price sensitivity and curtailing major discretionary outlays. Commercial credit demand has seen a reduction in trade credit activity.

Overall Demand Change
▼0.3% vs 25Q2

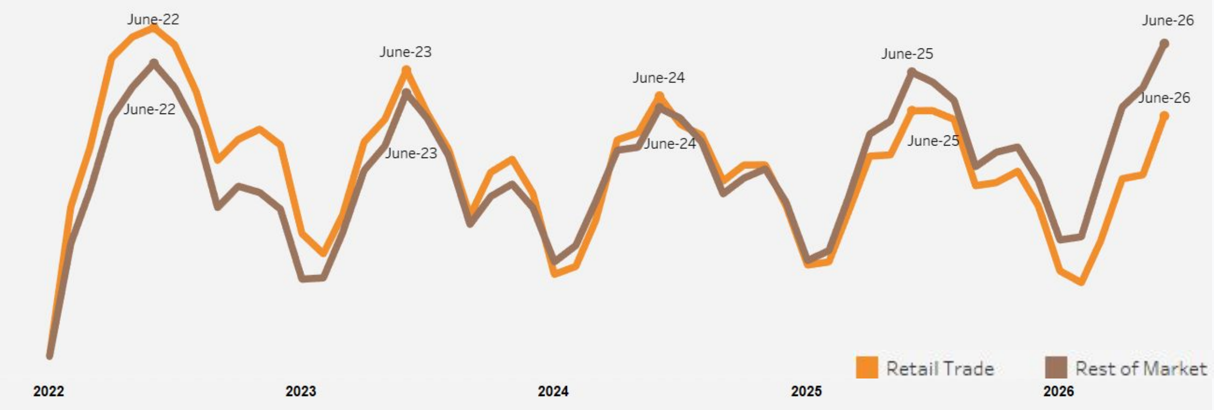
Asset Finance
▲3.8% vs 25Q2

Business Loans
▲1.3% vs 25Q2

State-wise Demand Change 26Q2 vs. 25Q2



Indexed Commercial Demand: Retail vs Rest of Market (2022-present)



Capex demand drives resilience: Across products, credit demand was anchored by Asset Finance demand from Large Enterprises (+5.8%) to fund equipment capex, alongside steady Business Loan demand for liquidity management.
Local state conditions affected both large & small businesses similarly: A sharp contraction in VIC (SMEs -3.3%) dragged down overall national averages offsetting positive growth in NSW.

Retail Rate Shopping

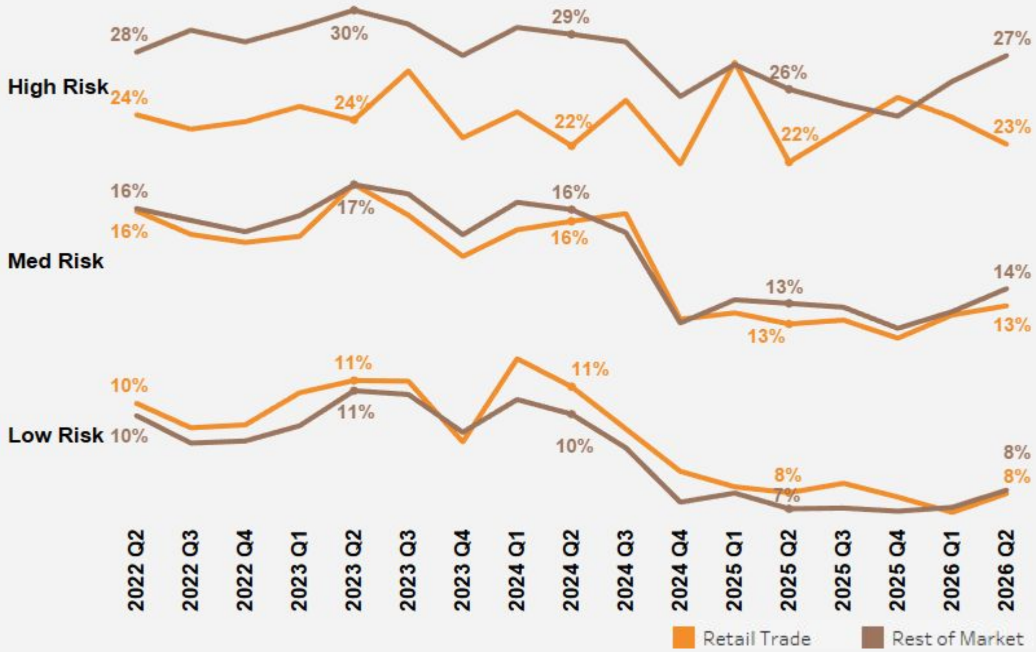
Credit shopping among retail businesses increased slightly over the quarter, ending at similar levels to last year. While higher risk applicants saw a small reduction in shopping rates over the quarter, higher quality applicants observed an increase in shopping rates.

Asset Finance
▲ 0.3% vs 25Q2

Business Loans
▲ 1.0% vs 25Q2

Average Credit Shopping Rate
12% in 26Q2
▲ 0.3% vs 25Q2

Credit Shopping Rates by Risk Segment: Retail vs Rest of Market (2022-present)



Prime Credit Applicants Accelerate Shopping: While overall shopping rates remain close to prior-year levels, financially savvy businesses demonstrated a clear uptick in credit shopping during 26Q2, reflecting heightened lender comparison activity as interest rate variation increased.

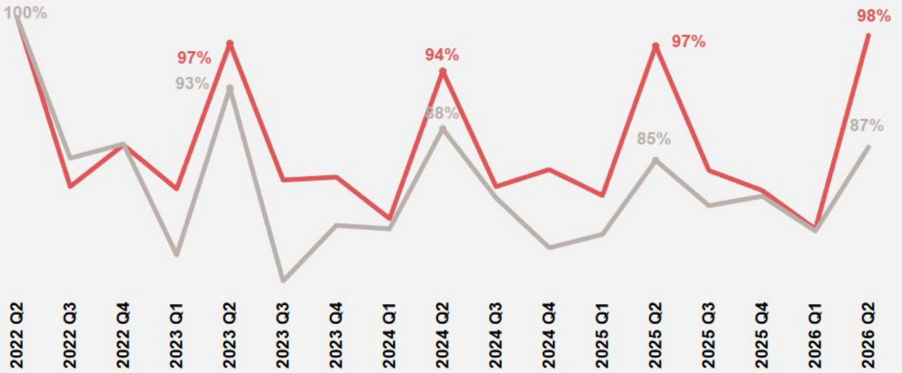
Retail credit demand shows resilience across SMEs, with current levels improving slightly YoY towards long-term demand levels. While recognising demand from Large Businesses has increased slightly, it remains lower than comparative demand levels from past years.

CREDIT DEMAND

Large Business ▲1.6% vs 25Q2

SME ▲1.2% vs 25Q2

Retail Sector Indexed Demand SME vs. Large Business (2022-present)



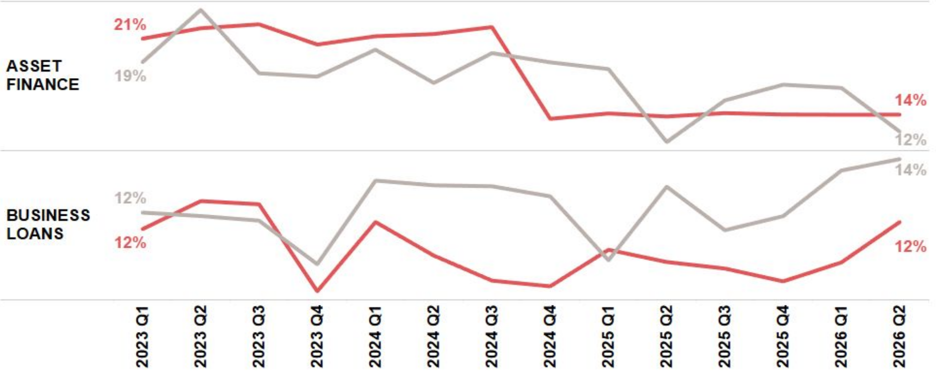
SME Baseline Resilience: SME credit demand **expanded +1.2% YoY in 26Q2**, maintaining levels broadly consistent with credit appetite across prior years, and demonstrating longer-term resilience as retail businesses navigate persistent cost and margin pressures.

CREDIT SHOPPING

Large Business 13.0% in 26Q2 ▲ 0.9% YoY

SME 12.3% in 26Q2 ▲ 0.7% YoY

Retail Sector: Credit Shopping Rates SME vs. Large Business across Products (2023-present)



Increased credit shopping activity to support operations: The surge in Business Loan credit shopping (14% for Large Enterprises; 12% for SMEs) reflects financially savvy businesses seeking to secure the best terms in support of managing their cash flow while navigating wage growth and operational overheads, now reaching shopping levels for new asset financing.

Note: Demand and credit shopping insights on this page apply exclusively to Asset Finance and Business Loan enquiries.

Large Business SME

Retail Conditions

While trading payment performance has improved over the quarter, higher risk business are showing increased levels of risk, with a 54% increase in new tax debt defaults, and smaller businesses seeing a 54% increase in business exits and 60% increase in insolvencies.

Companies 26Q2

▲ 2.6% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 15% vs 25Q2	▲ 101% vs 25Q2	▲ 5.8% vs 25Q2

Avg Trade Payment Delays: 0.7 days

(▼ 1.2d vs 25Q2)

On Time	98.9% (▲ 5.1% vs 25Q2)
Early (1-30d)	0.8% (▼ 3.7% vs 25Q2)
Medium (31-60d)	0.2% (▼ 0.6% vs 25Q2)
Late (61-90d)	0.0% (▼ 0.3% vs 25Q2)
Delinquent (90d+)	0.1% (▼ 0.4% vs 25Q2)

Businesses 26Q2

▲ 3.0% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 19% vs 25Q2	▲ 54% vs 25Q2	▲ 60% vs 25Q2

ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 19% vs 25Q2	▲ 54% vs 25Q2	▲ 15% vs 25Q2

Company exits doubled (+101% YoY) while business exits rose +54% YoY. Entries fell across both segments (-15% companies, -19% businesses). Insolvencies increased across the board (+5.8% corporate, **+60% business**).

New ATO tax disclosures surged +54% YoY (total active disclosures up +19%), while average trade payment delays **dropped to 0.7 days** (-1.2 days vs 25Q2) with **98.9% of payments made on time**.

Logistics Demand

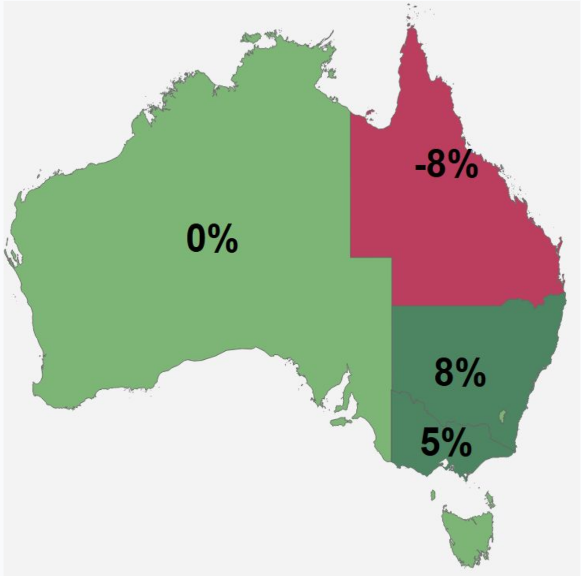
Accelerating electrification targets and vehicle replenishment needs channelled borrowing towards fleet expansion leading up to EOFY in 26Q2, boosting Asset Finance (+4.9%) and driving overall sector demand up +2.4%.

Overall Demand Change
▲ 2.4% vs 25Q2

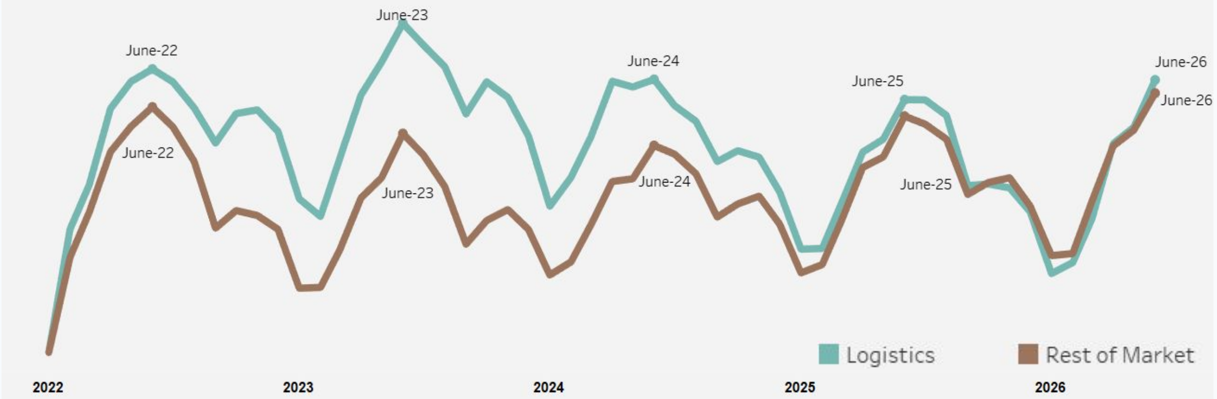
Asset Finance
▲ 4.9% vs 25Q2

Business Loans
▼ 0.5% vs 25Q2

State-wise Demand Change 26Q2 vs. 25Q2



Indexed Commercial Demand: Logistics vs Rest of Market (2022-present)



Capex-Driven Credit Demand Expansion: The growth in commercial credit demand was entirely led by Asset Finance (+4.9% YoY) as companies secured debt in the lead up to the EOFY. General business loan demand was practically flat.

Large Business Demand Drove the Uplift: Large Enterprises **(+6.9%)** led the charge in credit demand for asset finance, as operators sought debt to finance fleet replenishment and long-term electrification targets.

Logistics Rate Shopping

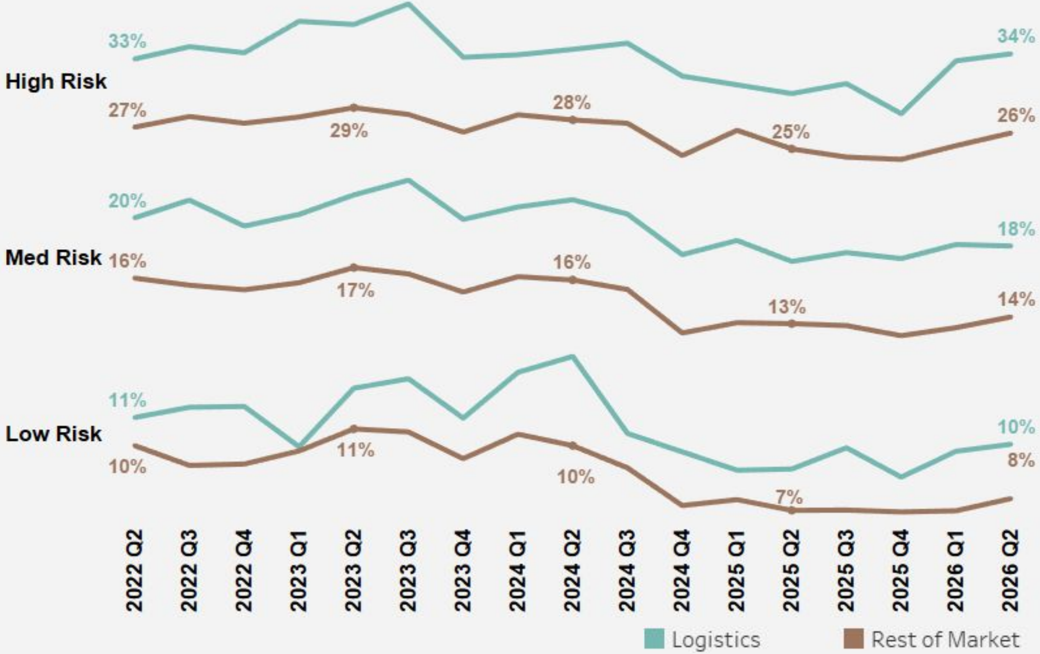
Escalating vehicle replacement costs and margin pressures drove logistics credit shopping rates to 19% in 26Q2, peaking among high-risk borrowers where over 1 in 3 enquiries (34%) involved multi-lender comparisons.

Asset Finance
▲ 1.0% vs 25Q2

Business Loans
▲ 1.9% vs 25Q2

Average Credit Shopping Rate
19% in 2Q2
▲ 1.3% vs 25Q2

Credit Shopping Rates by Risk Segment: Logistics vs Rest of Market (2022-present)



Credit Shopping remains elevated: The sector consistently outpaces shopping practices across the broader market and across all risk tiers, demonstrating that even lower-risk, prime credit applicants are more rate-sensitive, actively benchmarking facilities to secure the best terms.

Logistics Segments

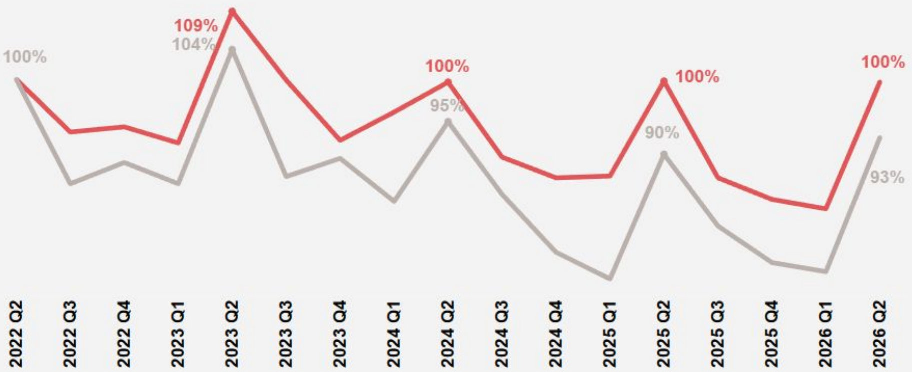
While credit demand has increased for larger businesses, it remains lower than historical levels. Larger businesses were less likely to credit shop for asset finance, while businesses of all sizes did see an increase in comparison shopping for general business loans.

CREDIT DEMAND

Large Business
▲2.4% vs 25Q2

SME
▼0.1% vs 25Q2

Logistics Sector Indexed Demand SME vs. Large Business (2022-present)



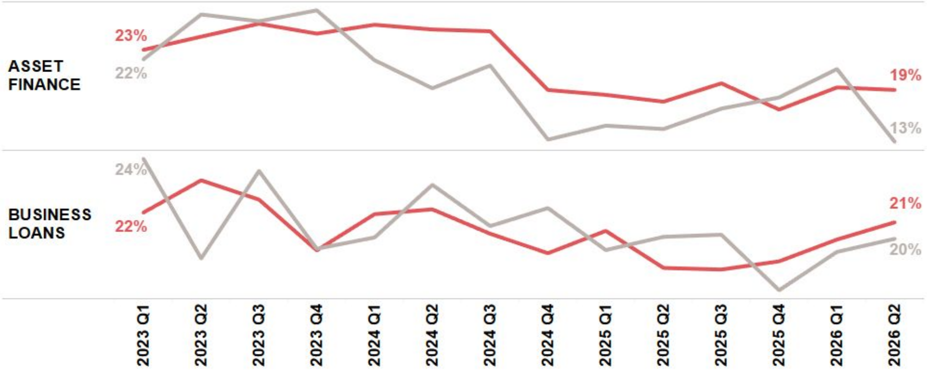
SME Baseline Resilience: SME credit demand continues to demonstrate long-term stability, holding at its historical baseline during typical mid-year peaks. Despite recent increases, Large Business demand remains below historical levels.

CREDIT SHOPPING

Large Business
18.3% in 26Q2
▼0.3% YoY

SME
20.3% in 26Q2
▲2.0% YoY

Logistics Sector: Credit Shopping Rates SME vs. Large Business across Products (2023-present)



Operational Liquidity & Rate Sensitivity Surge: Credit shopping and comparison activity for Business Loans accelerated into 26Q2 across both SMEs (21%) and Large Businesses (20%) as higher debt serviceability costs further constrained already tight operating margins.

EQUIFAX

Note: Demand and credit shopping insights on this page apply exclusively to Asset Finance and Business Loan enquiries.

■ Large Business ■ SME

Logistics Conditions

Transport & Logistics businesses experienced deteriorating conditions in 26Q2 due to fuel shocks, inflation, and macroeconomic pressures, with rising churn, growing trade payment delays, rising payment delinquency, and higher ATO defaults.

Companies 26Q2

▲ 2.1% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 10% vs 25Q2	▲ 115% vs 25Q2	▼ 1.4% vs 25Q2

Avg Trade Payment Delays: 2.6 days

(▲0.3d vs 25Q2)

On Time	94.4% (▲ 2.4% vs 25Q2)
Early (1-30d)	4.1% (▼ 1.3% vs 25Q2)
Medium (31-60d)	0.3% (▼ 0.3% vs 25Q2)
Late (61-90d)	0.1% (▼ 0.2% vs 25Q2)
Delinquent (90d+)	1.1% (▲ 0.2% vs 25Q2)

Businesses 26Q2

▲ 3.2% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 15% vs 25Q2	▲ 40% vs 25Q2	▲ 6% vs 25Q2

ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 9% vs 25Q2	▲ 48% vs 25Q2	▲ 81% vs 25Q2

Company exits rose +115% YoY while business exits increased +40% YoY, accompanied by lower entry rates across both segments (-10% companies, -15% businesses), and small business insolvencies were up.

New ATO tax disclosures increased +48% YoY (total active disclosures up +9%). While there was an overall improvement in the proportion of on-time trade payments, the average delay edged up slightly to 2.6 days (+0.3 days).

Prof. Services Demand

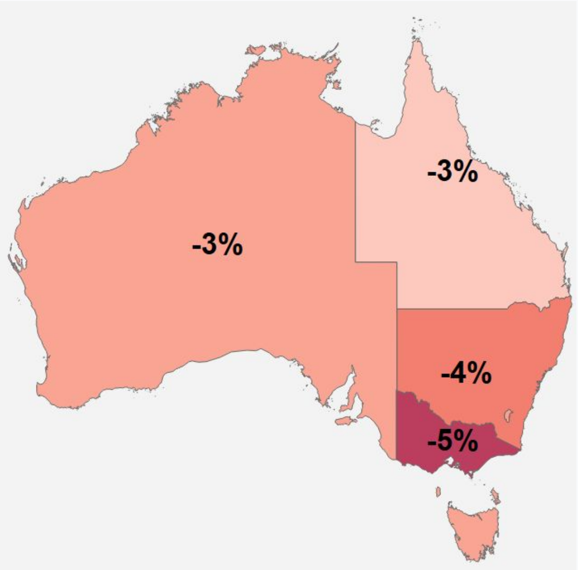
Smaller professional services firms scaled back credit enquiries over the quarter (-5.8% YoY), leading to an overall reduction in demand of -3.9%. This was relatively consistent across the country, while larger businesses saw an increase in appetite for asset finance.

Overall Demand Change
▼ 3.9% vs 25Q2

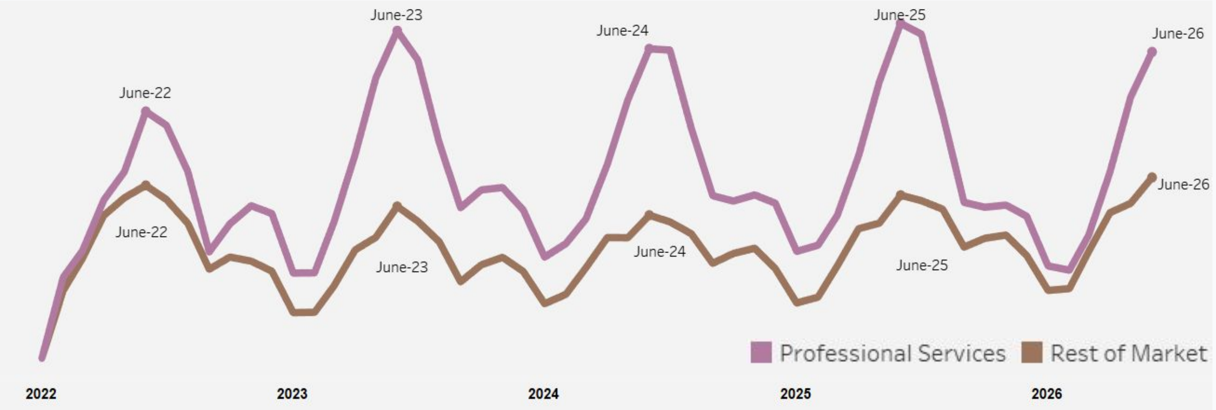
Asset Finance
▼ 2.7% vs 25Q2

Business Loans
▼ 3.0% vs 25Q2

State-wise Demand Change 26Q2 vs. 25Q2



Indexed Commercial Demand: Professional Services vs Rest of Market (2022-present)



Pullback in SME demand: SMEs experienced a sharp **-5.8% YoY drop in demand**, acting as the main drag on overall sector performance.

Large Business Capital Investment: While the overall credit appetite of larger businesses was relatively subdued, this masked an increase in demand for **Asset Finance** which was **up +6.2% YoY**, while larger businesses saw a slight reduction in demand for general business loans (-1.3% YoY).

Prof. Services Rate Shopping

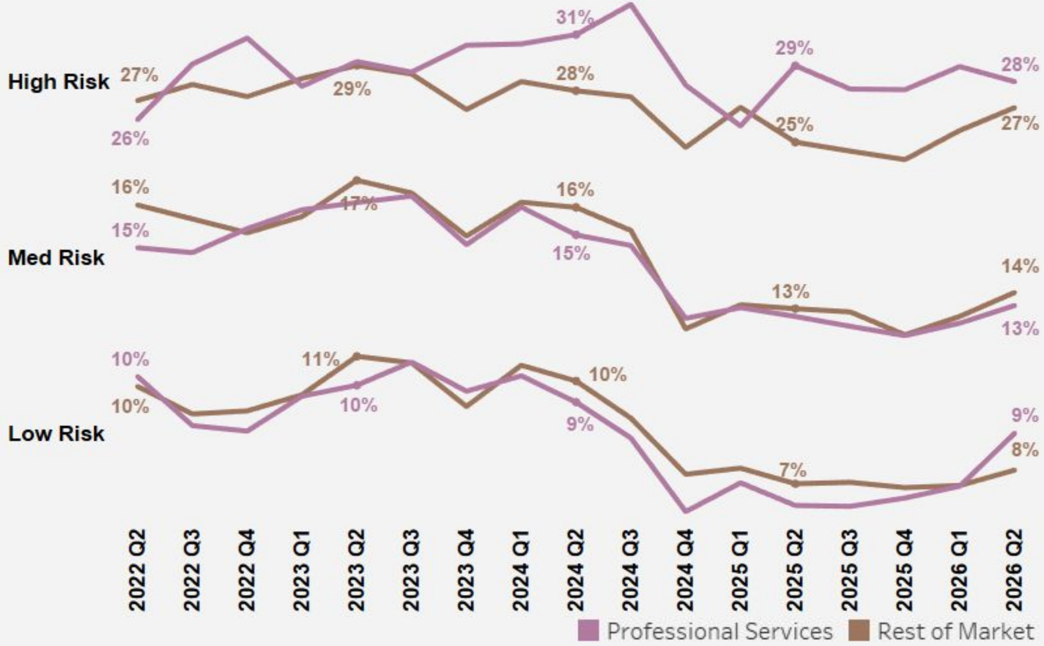
Credit shopping behaviour was up across different credit products, with high-risk applicants shopping out of necessity to secure funding and ease serviceability pressures, while prime borrowers proactively optimise rates.

Asset Finance
▲1.2% vs 25Q2

Business Loans
▲ 0.9% vs 25Q2

Average Credit Shopping Rate
12% in 26Q2
▲ 0.6% vs 25Q2

Credit Shopping Rates by Risk Segment: Professional Services vs Rest of Market (2022-present)



Low-Risk Proactive Optimisation: Higher credit quality applicants (low-risk firms) saw an increase in comparison activity with higher credit shopping rates than the broader market, reflecting proactive capital management as firms grappled with wage inflation and sought better rates to preserve operating margins and protect partner profits.

Sustained High-Risk Credit Shopping: High-risk credit shopping levels remain broadly consistent with prior year levels, with sub-prime credit applicants remaining highly price sensitive to current market conditions.

Prof. Services Segments

Wage inflation and rising overheads slowed overall credit expansion across both large and small professional services firms, while growing price sensitivity for smaller businesses triggered an uptick in competitive rate shopping to defend margins and protect profits.

CREDIT DEMAND

Large Business ▲0.2% vs 25Q2

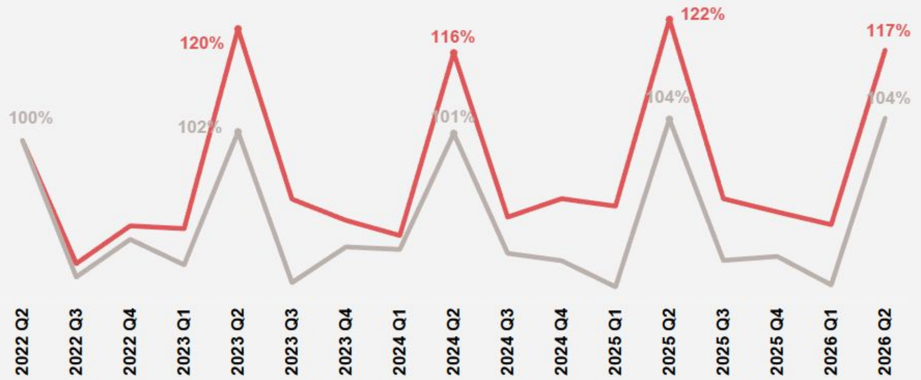
SME ▼4.6% vs 25Q2

CREDIT SHOPPING

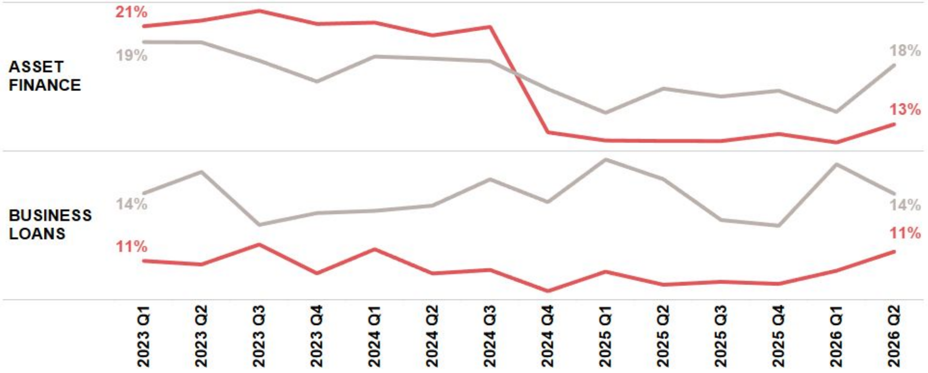
Large Business 15% in 26Q2 No Change YoY

SME 12% in 26Q2 ▲ 1.3% YoY

Professional Services Sector Indexed Demand SME vs. Large Business (2022-present)



Professional Services Sector: Credit Shopping Rates SME vs. Large Business across products (2023-Present)



Macro Strain Moderates Seasonal Peak: Market conditions muted the sector's standard Q2 demand surge, pulling **SME indexed demand down to 117%** (-4.6% YoY; vs 122% in 25Q2) while Large Enterprise demand remained stable YoY.

Surge in credit shopping rates: High risk and savvy prime borrowers contribute to the spike in 26Q2 credit shopping rates in the sector.

Note: Demand and credit shopping insights on this page apply exclusively to Asset Finance and Business Loan enquiries.

Large Business SME

Prof. Services Conditions

Sector churn intensified in 26Q2 as cash flow, labour costs, and macro factors drove increased entity exits, with a significant reduction in new entrants, and a 34% increase in new tax debts and a 46% increase in small business insolvencies.

Companies 26Q2

▲ 0.2% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 29% vs 25Q2	▲ 99% vs 25Q2	▼ 2.9% vs 25Q2

Businesses 26Q2

▲ 0.9% Net Change FYTD26

ENTRIES	EXITS	INSOLVENCY
▼ 34% vs 25Q2	▲ 61% vs 25Q2	▲ 46% vs 25Q2

Avg Trade Payment Delays: 2.4 days

(▲0.3d vs 25Q2)

On Time	92.3% (▼ 1.1% vs 25Q2)
Early (1-30d)	5.9% (▲ 0.9% vs 25Q2)
Medium (31-60d)	1.0% (▲ 0.4% vs 25Q2)
Late (61-90d)	0.3% (▲ 0.1% vs 25Q2)
Delinquent (90d+)	0.5% (▼ 0.3% vs 25Q2)

ATO Tax Default Filings

TOTAL ACTIVE	NEW DEFAULTS	REMOVED
▲ 13% vs 25Q2	▲ 34% vs 25Q2	▲ 22% vs 25Q2

Company exits nearly doubled (+99% YoY) while business exits rose +61% YoY, alongside falling entries across both segments (-29% companies, -34% businesses). Insolvencies diverged, with corporate cases down -2.9% YoY compared to a **+46% increase in business insolvencies**.

New ATO tax disclosures rose +34% YoY (total active up +13%), while **average trade payment delays edged up slightly to 2.4 days** (+0.3 days vs 25Q2), with on-time payments sitting at 92.3%.

Glossary - Industry Sector Classification based on ANZSIC

Sector	ANZSIC Divisions
Lifestyle	Accommodation and Food Services; Arts and Recreation Services; Retail Trade
Services	Administrative and Support Services; Financial and Insurance Services; Other Services; Professional, Scientific and Technical Services
Production	Agriculture, Forestry and Fishing; Construction; Manufacturing; Mining; Transport, Postal and Warehousing; Wholesale Trade
Public	Education and Training; Health Care and Social Assistance; Public Administration and Safety
Housing and Utilities	Electricity, Gas, Water and Waste Services; Information Media and Telecommunications; Rental, Hiring and Real Estate Services

Market Pulse