EQUIFAX®

Market Pulse

Business Market Pulse

July 2026

Credit Trend Data as of July 2026

Executive Summary

Market Overview

The latest Equifax Business Market Pulse shows Australian businesses actively securing liquidity to manage operational costs while deferring heavy capital commitments.

While national business loan demand rebounded, asset finance contracted sharply, coinciding with a broad pullback across small-to-medium enterprises and consumer-exposed sectors.

Working Capital Rebound

National demand for business loans rebounded to +6.2% YoY in July (up from 3.8% in June), driven by strong growth in the services sector (+21.7% YoY).

Capital Expenditure Pullback

Asset finance demand plunged -9.1% YoY nationally, with large business asset finance turning negative (-4.8% YoY) for the first time since October 2025.

Multi-Speed State Activity

NSW led loan demand across large (+15.5% YoY) and SME (+15.3% YoY) businesses, while Victorian credit appetite remained flat to negative across all categories.

Solid Payment Discipline

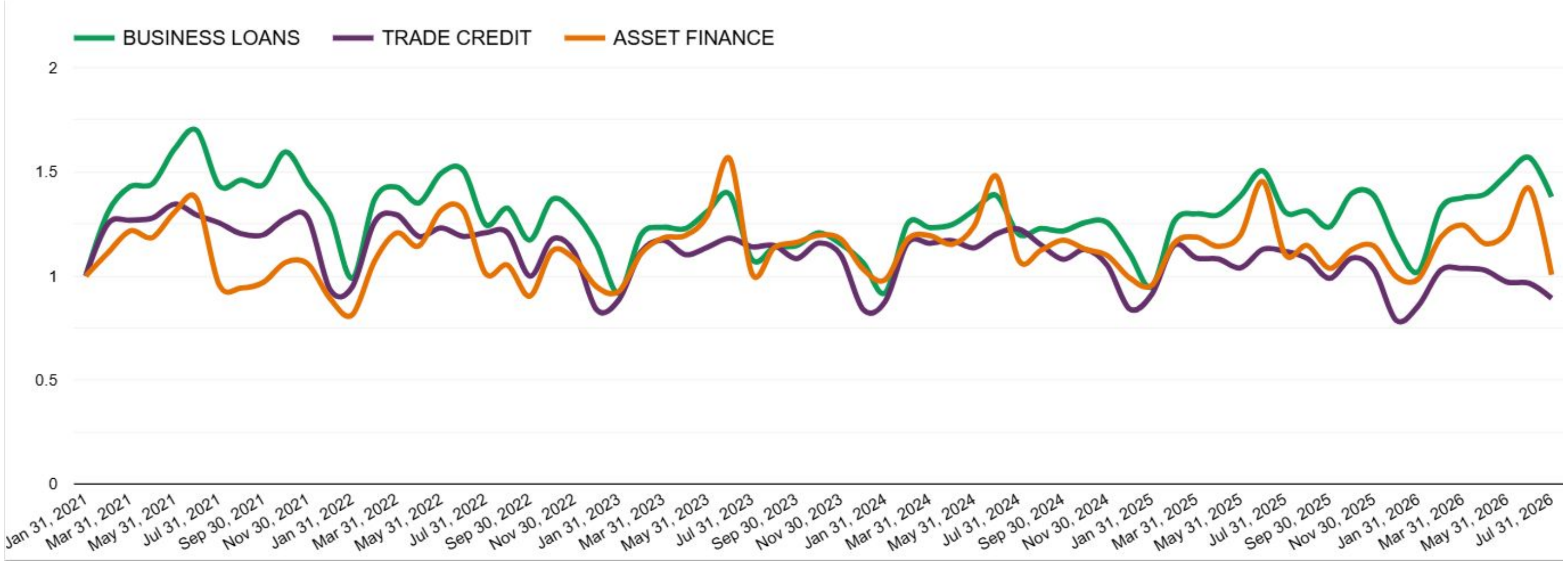
Debtor performance entering mid-year remained disciplined, with 85.9% of debt paid on time and early payments rising to +11.6% in June (up 5% from May).

Credit Demand

Market Overview

Overall business credit demand reflects a pragmatic shift toward liquidity as businesses navigate ongoing cost pressures.

Commercial loan demand rebounded above recent months, whereas asset finance contracted deeper into negative territory, highlighting cautious capital investment across both large enterprises and small businesses.



Adjusted for 21 trading days*

Business Loans

+6.2% YoY

Asset Finance

-9.1% YoY

* Trading day adjusted normalises data to eliminate variations in working days and holidays, ensuring apples-to-apples between months, without penalising shorter months.

Geographic Trends in Credit Demand

State-level credit demand highlights a multi-speed economy, with strong liquidity growth in NSW and SA offsetting broad declines across Victoria.

Large Corporations

Secured robust loan growth led by SA (+17.0% YoY) and NSW (+15.5% YoY), while asset finance turned negative in most states except SA (+6.4% YoY).

Small & Medium Enterprises (SMEs)

Displayed strong loan demand in SA (+16.2% YoY) and NSW (+15.3% YoY), but pulled back sharply on asset finance nationwide, led by WA (-23.5% YoY).

Business Credit Demand by State (July 2026 vs. July 2025 YoY)

State Region	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
National	+6.6% YoY	-4.8% YoY	+5.9% YoY	-12.6% YoY
NSW	+15.5% YoY	-7.6% YoY	+15.3% YoY	-11.3% YoY
VIC	-1.5% YoY	-0.9% YoY	-0.7% YoY	-9.2% YoY
QLD	+0.8% YoY	-8.23% YoY	+1.9% YoY	-12.8% YoY
SA*	+17.0% YoY	+6.4% YoY	+16.2% YoY	-11.4% YoY
WA*	+6.4% YoY	-0.1% YoY	-0.7% YoY	-23.5% YoY

*Note: SA and WA enquiries numbers improved over a low baseline in June 2025

Sector Trends in Credit Demand

Industry-level trends demonstrate divergent funding priorities, as businesses seek working capital to absorb rising overheads while deferring heavy equipment investments.

Lifestyle Sector

Elevated labour and purchase costs created a split strategy, as retail and arts firms limited credit exposure while hospitality businesses took on business loans (+1.1% overall; +2.6% SMEs) to maintain operational liquidity while pausing capital investments

Services Sector

Business loan enquiries surged +21.7% YoY (+27.1% for large businesses and +18.0% for SMEs) to support working capital. By comparison, asset finance plunged -12.6% YoY overall and -21.2% YoY among SMEs as firms delayed fleet and equipment upgrades.

Housing & Utilities Sector

Overall business borrowing softened -8.1% YoY, with SME asset finance plunging -20.3% YoY as ongoing cost pressures led smaller operators to pause capital commitments.

Credit Demand by Sector (July 2026 vs. July 2025 YoY)

Key Services Sector^ Industries	All Businesses Business Loans	All Businesses Asset Finance	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
Lifestyle	-2.1% YoY	-9.3% YoY	-6.2% YoY	-1.4% YoY	+0.7% YoY	-14.4% YoY
Services	+21.7% YoY	-12.6% YoY	+27.1% YoY	+2.8% YoY	+18.0% YoY	-21.2% YoY
Production	-0.6% YoY	-12.3% YoY	+1.4% YoY	-10.9% YoY	-14.1% YoY	-2.8% YoY
Public	-4.5% YoY	-13.9% YoY	-1.2% YoY	-13.6% YoY	-6.4% YoY	-14.1% YoY
Housing & Utilities	-8.1% YoY	-8.1% YoY	-5.0% YoY	-2.0% YoY	-9.6% YoY	-20.3% YoY

^ Refer to ANZSIC sector definitions at end of report

Days Beyond Terms (DBT) & Adverse Rates

Commercial payment health entering mid-year remained stable, with 85.9% of overall debt paid on time (down 6% from May) and early payments rising to +11.6% in June. Over 97% of total debt was settled within standard terms, pointing to potential cash flow discipline across Australian businesses.

While severe 91+ day delinquencies saw a minor uptick to 1.1% (from 0.6% in May), overall default risk remains low. There was also a broad-based YoY reduction in company and director adverse filings.

NB: June figures are most up to date due to reporting schedules of late payment data.

DBT & Adverse

DBT

On Time: 85.9% of overall debt was paid on time in June (down -6.0% from May).

1 – 30 Days (Early): 11.6% of debt was paid early in June (up +5.0% from May).

31 – 60 Days (Medium): 1.0% of overall debt in June (up +0.3% from May).

61 – 90 Days (Late): 0.3% of overall debt in June (up +0.1% from May).

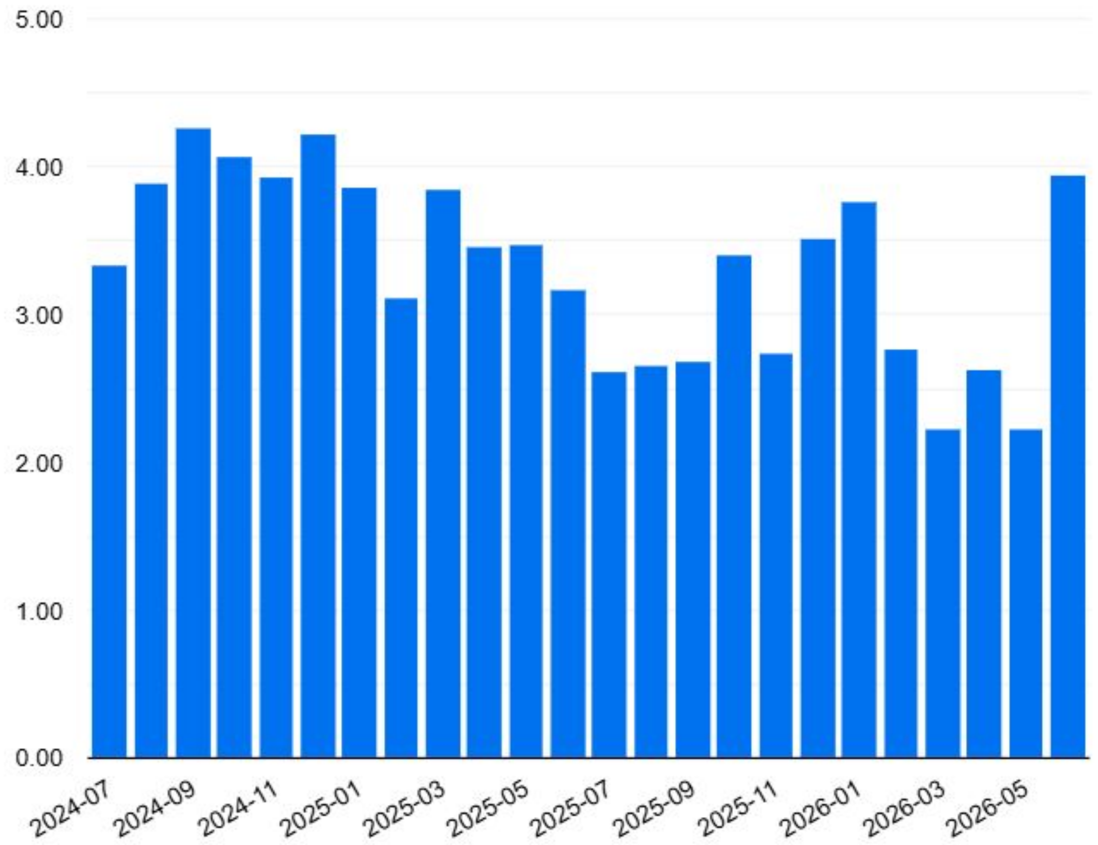
91+ Days (Delinquent): 1.1% of overall debt in June (up from +0.6% in May).

Adverse

Company Adverse Rates: -6.1% YoY in July 2026.

Company & Director Related Entities Adverse Rates: -6.7% YoY in July 2026.

Average DBT



Sector Spotlight: Lifestyle (Accom & Food Services, Arts & Rec, Retail)

Cost Pressures Drive Split Strategy

While overall credit demand across the Lifestyle sector contracted in July, muted confidence and rising overheads - including elevated labour and purchase costs - continue to squeeze margins. Consequently, business responses are splitting.

Cashflow Sensitivity

Retail Trade reduced overall debt exposure (-1.8% YoY Business Loans; -17.6% YoY SME Asset Finance), while Accommodation & Food Services increased business loans (+1.1% YoY overall; +2.6% YoY SMEs) to maintain cash flow.

Prioritising Short-Term Liquidity

Lifestyle SMEs maintained positive loan growth (+0.7% YoY) for short-term working capital while pulling back sharply from long-term asset upgrades (-14.4% YoY).

Eastern States Pullback

Small lifestyle operators across major eastern markets may be acting to preserve cash, reducing SME Asset Finance in VIC (-13.2% YoY), NSW (-5.2% YoY), and QLD (-4.4% YoY). (Note: SA and WA registered declines against low 2025 baselines).

Liquidity Support in Hospitality

Accommodation & Food Services SMEs leaned into business loans (+2.6% YoY) for operational support while pausing capital investments (-10.8% YoY SME Asset Finance).

Overall Lifestyle Sector Credit Demand

Business Loans

-2.1% YoY

Asset Finance

-9.3% YoY

Lifestyle Sector - Business Credit Demand by State (July 2026 vs. July 2025 YoY)

State Region	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
National	-6.2% YoY	-1.4% YoY	+0.7% YoY	-14.4% YoY
NSW	+0.9% YoY	-6.4% YoY	-1.2% YoY	-5.2% YoY
VIC	-6.9% YoY	+0.7% YoY	-2.4% YoY	-13.2% YoY
QLD	-6.1% YoY	+6.8% YoY	-1.4% YoY	-4.4% YoY
SA*	-3.0% YoY	+16.4% YoY	+18.5% YoY	-54.3% YoY
WA*	-17.2% YoY	-16.8% YoY	+3.8% YoY	-32.8% YoY

*Note: SA and WA enquiries numbers improved over a low baseline in July 2025

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Key Lifestyle Sector Industries (July 2026 vs. July 2025 YoY)

Key Services Sector^ Industries	All Businesses Business Loans	All Businesses Asset Finance	Large Businesses Business Loans	Large Businesses Asset Finance	SME Business Loans	SME Asset Finance
Accommodation & Food Services	+1.1% YoY	-8.0% YoY	-2.0% YoY	-2.2% YoY	+2.6% YoY	-10.8% YoY
Retail Trade	-1.8% YoY	-10.9% YoY	-6.7% YoY	-2.5% YoY	+2.4% YoY	-17.6% YoY

^ Refer to ANZSIC sector definitions at end of report

Key Definitions

- **Trading Days Adjusted:** Normalises data to eliminate variations in working days and holidays, ensuring apples-to-apples comparisons between months without penalising shorter months.
- **Company Insolvencies:** Relate to incorporated companies that are registered through ASIC filing for a bankruptcy or insolvency.
- **Business Failures:** Relate to unincorporated businesses that are owned by individuals, a partnership, or a trust and are typically representative of sole traders and smaller businesses.

Sector Definitions: Australian and New Zealand Standard Industrial Classification (ANZSIC) included in Equifax Sector definitions are as follows.

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

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