

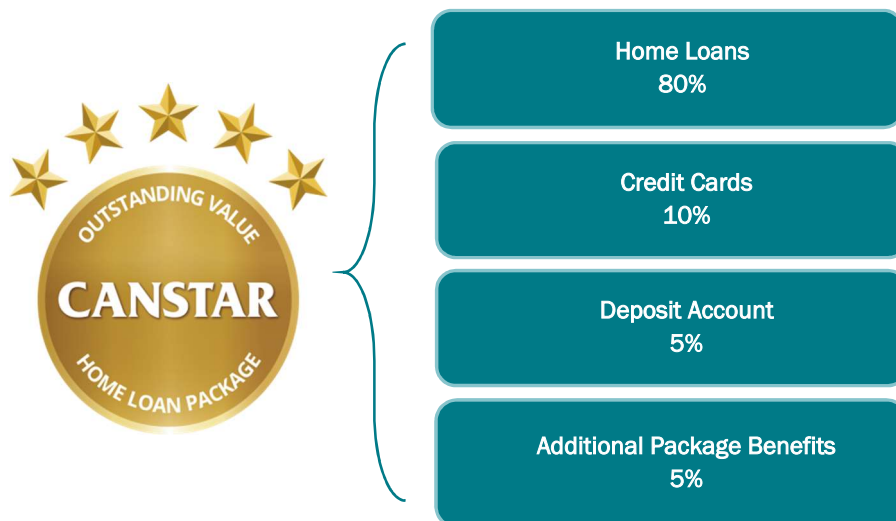


What are the Canstar Package Home Loan Star Ratings?

Canstar's *Package Home Loan Star Ratings* involve a sophisticated rating methodology, unique to Canstar, which compares Package Home Loans in Australia. Canstar star-rated products represent a shortlist of financial products. This shortlist narrows the search for consumers to products that have been reviewed, assessed and ranked.

What types of products are evaluated by Canstar's Package Home Loan Star Ratings?

Home loan packages allow consumers to bundle home loans, credit cards, deposit accounts and additional package benefits together. Canstar's Package Home Loan Star Ratings aim to recognise institutions that offer outstanding value products to consumers across all aspects of their home loan package.



Eligibility Requirements

A Home Loan Package must meet the following selection criteria to be considered for inclusion in this rating:

- Home Loan must be available for 80% LVR for the duration of the historical period assessed (6 months).
- Packaged Home Loan must be available for residential/owner occupier and investment purposes
- Packaged Home Loan must not be a First Home Buyer Only Loan.
- Credit Card annual fee must be waived or discounted.
- Deposit Account must have the account keeping fee waived.
- The package must be available to new customers.

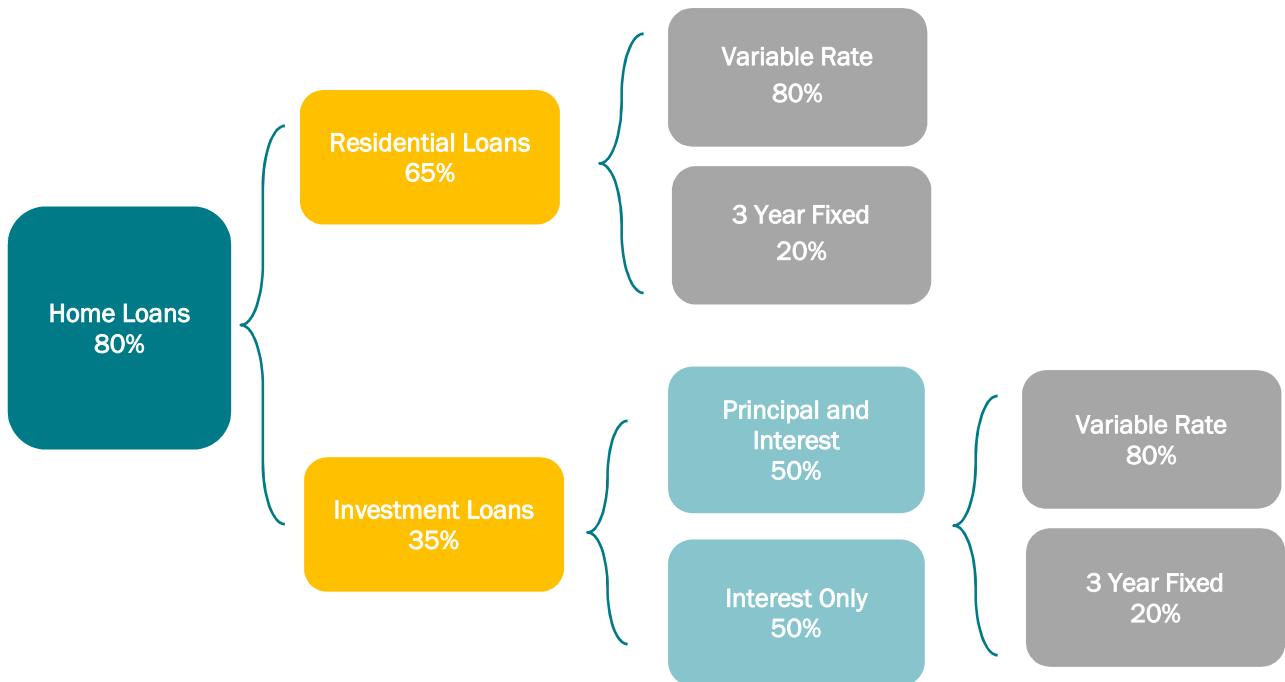
How are the products assessed within Canstar's Package Home Loan Star Ratings?

Canstar's Package Home Loan Star Rating is a consumer friendly benchmark or value index. Each product reviewed for the Star Rating is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are then aggregated within Home Loans, Credit Cards, Deposit Account and Additional Package Benefits to arrive at category scores. To determine the total score, Canstar applies weights against the aforementioned scores. This method can be summarised as:

$$\text{Total Score} = \text{Home Loans Score} + \text{Credit Cards Score} + \text{Deposit Account Score} + \text{Additional Package Benefits Score}$$

Home Loans

Within the Home Loans category of the Package Home Loan, both Residential and Investment loans are considered, with the following weights applied:



The weighted average of Residential and Investment loans Price and Features Scores will be taken into account to arrive at the total Home Loan Score for the Star Rating.

The Methodology for Home Loans considers the price and features associated with different loan types.

The weights assigned to each Home Loan type are as follows:

	Price Score	Feature Score
Variable	75%	25%
3 Year Fixed	80%	20%

Home Loan Price Score

The Price Score of Home Loans is based on the cost of a home loan over 25 years and includes interest cost, upfront and ongoing fees. The following loan amounts are used to calculate the Price Score with each loan amount weighted accordingly:



Home Loan Feature Score

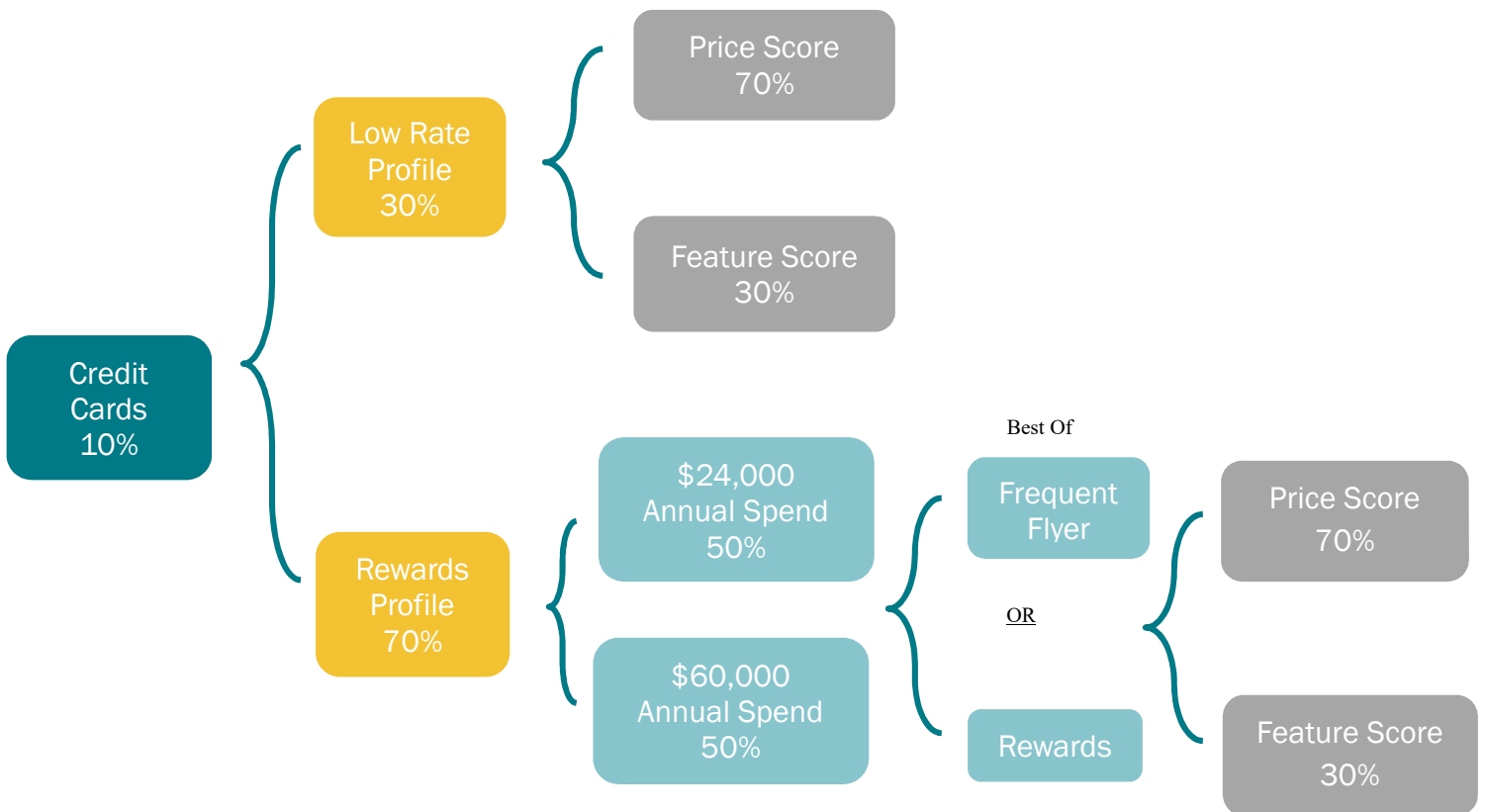
The Feature Score is comprised of two elements, the Product Features and an Institutional Assessment which are weighted accordingly:

Feature Category	Weight
Product Features	80%
Institutional Assessment	20%

For the full Home Loans methodology, please refer to Canstar's [Home Loan Star Ratings Methodology](#).

Credit Cards

The profiles considered within the Credit Card Methodology are as follows:



The rewards profile is made up of the best performing credit card in either the Rewards Credit Card profile or the Frequent flyer profile. Low Rate profile is made up of the best performing credit card in the Low Rate Profile within the Credit Cards and Rewards methodology.

The above Reward profiles are each rated for the two different amounts of annual spend:

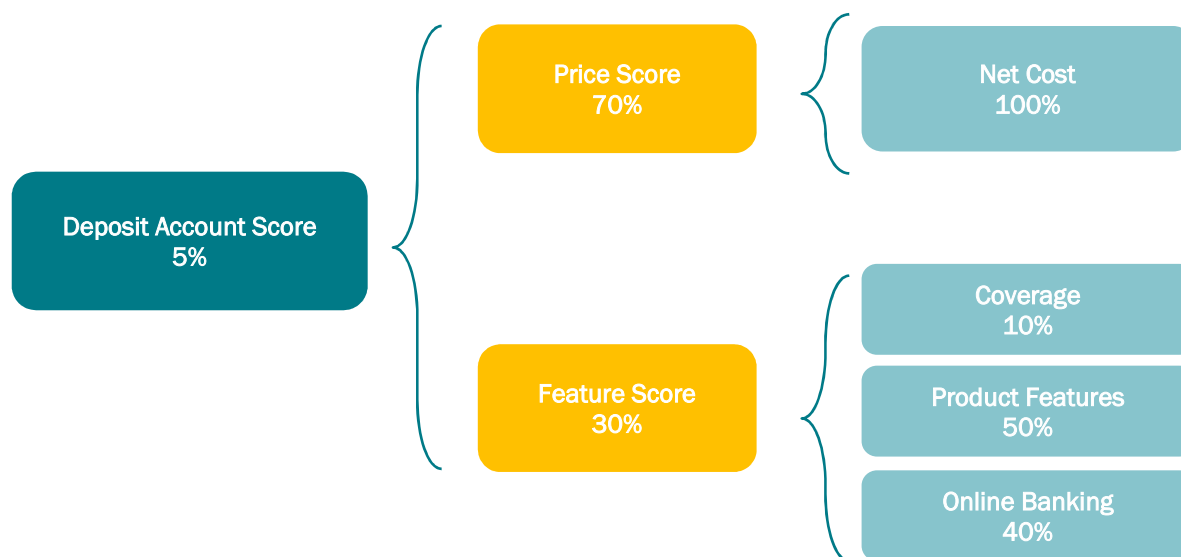
- \$24,000
- \$60,000

The Low Rate credit card is rated at a \$12,000 annual spend.

For the full credit card methodology, please refer to Canstar's [Credit Cards and Rewards Star Ratings Methodology](#).

Deposit Accounts Score

The Price and Feature Scores for the Deposit account component are based on Canstar's Savings and Transaction Account Star Ratings. The Deposit Account score is represented by the top performing product within the "High Transactor" profile.



For the full Deposit Account methodology please refer to Canstar's [Savings and Transaction Accounts Star Ratings](#).

Consumer Profile	Description
High Transactor	Requires full access to the account including ATM, EFTPOS and BPAY and conduct an average of 40 transactions per month.

Price Score

The price score is calculated using the behaviour of 100 hypothetical consumers, with transaction behaviour determining the transaction fees, account keeping fees and interest earned on each account, with the average net cost or benefit obtained by the consumers across the scenarios indexed along a normal distribution, determining the Price Score.

$$\text{Net Benefit} / \text{Net Cost} = \text{Interest Earned} - \text{Account Keeping fees and Transaction Fees}$$

Feature Score

Profile	Product Features	Coverage	Online Banking
High Transactor	50%	10%	40%

For the full Savings and Transaction Account methodology please refer to Canstar's [Savings and Transaction Account Star Ratings Methodology](#).

Additional Package Benefits

Canstar's Package Home Loan Star Ratings not only consider the product assessment, but also evaluates additional benefits that are offered to the consumer. The scores within Additional Package benefits are weighted as follows:

Category	Weight	Description
Insurance Benefits	45%	Insurance discounts on general and risk products
Benefits	20%	Discounted financial planning, share trading and other benefits
Product choice	20%	Number of home/investment loan options
Package Terms	15%	Requirements for an individual to obtain this product

Does Canstar rate all products in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

How often are Package Home Loans reviewed for star rating purposes?

All ratings are fully recalculated every year. Canstar also monitors changes on an ongoing basis.

How are the stars awarded?

Canstar ranks Package Home Loans accounts based on value-for-money measures and then awards a star rating according to rank. The top accounts will be awarded a five-star (or outstanding) rating. The number of accounts awarded each of the three- to five-star ratings will ultimately depend on the dispersion of final scores.

Does CANSTAR rate other product areas?

Canstar researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the Canstar website at www.canstar.com.au if you would like to view the latest star ratings reports of interest.



- Account-based pensions
- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- Credit cards
- Deposit accounts
- Direct life insurance
- Health insurance
- Home & contents
- Home loans
- Life Insurance
- Managed investments
- Margin lending
- Online banking
- Online share trading
- Package banking
- Personal loans
- Reward programs
- Travel insurance
- Youth banking & education

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