

Package Home Loans

STAR RATING METHODOLOGY



What are the CANSTAR Package Home Loan star ratings?

CANSTAR Package Home Loan star ratings are a consumer friendly benchmark or value index. CANSTAR star rated products represent a short list of financial products. This short list narrows the search for consumers to products that have been independently assessed and ranked. Five-star rated packaged banking products have been assessed as offering outstanding value to consumers.

The CANSTAR Package Home Loan star ratings is based on two separate consumer profiles: Home Buyer and Property Investor.



Home Buyer

- Live in the property
- Simple fee structures
- Emphasis on mortgage

Property Investor

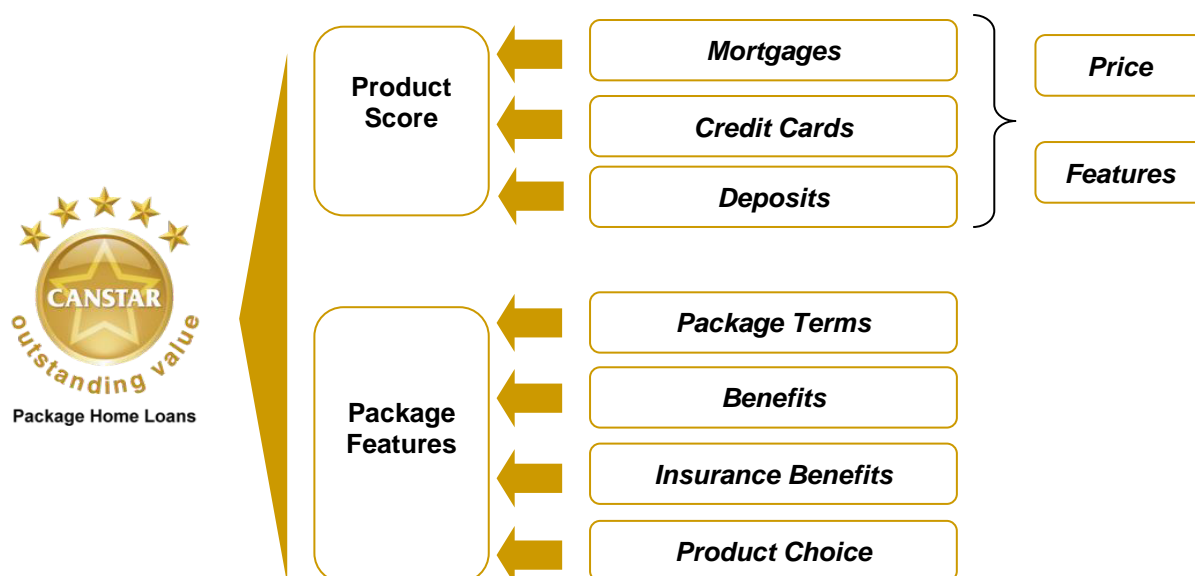
- Borrow to invest
- Flexibility on different loan types
- May consider interest-only loan

Package Home Loan products must offer a mortgage, credit card, and transaction account in order to qualify for assessment. The CANSTAR Package Home Loan star ratings is an independent and transparent analysis comparing both the Cost and Features across packaged banking products.

How are the stars calculated?

Features and costs for each product are taken into consideration, as well as over 200 features.

$$\text{TOTAL SCORE} = \text{PRICING SCORE} + \text{FEATURE SCORE}$$



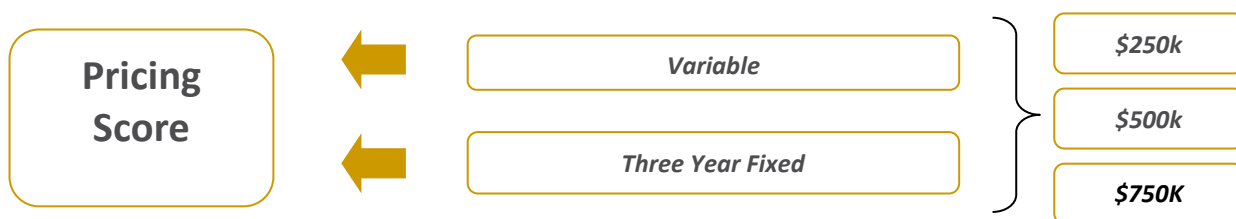
Product Score

Home Buyer Profile		
Product Assessment		
Mortgages	Credit Cards	Deposits
90%	5%	5%

Property Investor Profile		
Product Assessment		
Mortgages	Credit Cards	Deposits
90%	5%	5%

Mortgages - Pricing

Pricing scores of Package Home Loan Star Ratings are based on mortgage cost over 25 years, including interest cost, upfront and package ongoing fees.



Pricing Score - Weightings					
		Home Buyer		Property Investor	
Variable Rate	\$250k	80%	50%	65%	40%
	\$500k		40%		40%
	\$750k		10%		20%
Three Year Fixed Rate	\$250k	20%	50%	35%	40%
	\$500k		40%		40%
	\$750k		10%		20%

Mortgages – Feature

Mortgage features assessment are based on Canstar Home Loans Star Rating.

Credit Card

Profile	Everyday Spender	Big Spender
Home Buyer	80%	20%
Property Investor	20%	80%

Credit Cards features and pricing score of a package are based on Canstar Credit Card Star Rating and are represented by the weighted score based on the Everyday Spender and Big Spender.

Deposits

Deposit features and pricing score of a package are based on Canstar Deposit Star Rating and are based on the “High Transactor” Profile

Package Features

Package Banking Features

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

How many products and financial institutions were analysed?

CANSTAR analysed 64 packaged banking products from 46 financial institutions in Australia.

How often are all the products reviewed for rating purposes?

All ratings are fully recalculated every six months based on the latest features offered by each institution. CANSTAR also monitors rate changes on an ongoing basis.

What do the ratings mean?

Ratings range from five to two stars. Five-star rated products have been assessed as offering outstanding value to consumers.

How are the stars awarded?

The total score received for each profile ranks the products. The stars are then awarded based on the distribution of the scores according to the methodology guidelines. Due to the small number of qualifying products in the Package Home Loan sector, only a maximum of three products from each profile achieve a five-star rating.

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
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
- Travel money cards
- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits
- Youth banking

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