

CANSTAR HOME LOAN PACKAGE STAR RATINGS METHODOLOGY



WHAT IS THE CANSTAR HOME LOAN PACKAGE STAR RATINGS?

CANSTAR's Home Loan Package Star Ratings is a sophisticated and unique ratings methodology that compares both Cost and Features across packaged products. CANSTAR star ratings represent a shortlist of financial providers, enabling consumers to narrow their search for products. CANSTAR Home Loan Package Star Rating is a transparent analysis comparing all types of home loan package products.

What types of products are evaluated by CANSTAR Home Loan Package Star Rating?

Home Loan Packages allow consumers to bundle home loans, credit cards, deposit accounts and additional package benefits together. CANSTAR Home Loan Package Star Rating aims to recognise institutions that offer outstanding value products to consumers across all four product areas.



ELIGIBILITY RULES

A packaged home loan product must meet the following selection criteria to be considered for inclusion in this rating:

- Packaged Home Loan must be available for 80% LVR (this is also applicable to historical LVRs – must be 80% LVR or greater).
- Packaged Home Loan must be available for residential/owner occupier and investment purposes.
- Annual fee on the credit card must be waived or discounted.
- Account keeping fee on the deposit account must be waived.
- Available to new customers for new products.



METHODOLOGY - SUMMARY

How is the CANSTAR Home Loan Package Star Rating calculated?

CANSTAR Home Loan Package 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 to achieve a Product Score and Package Feature score.

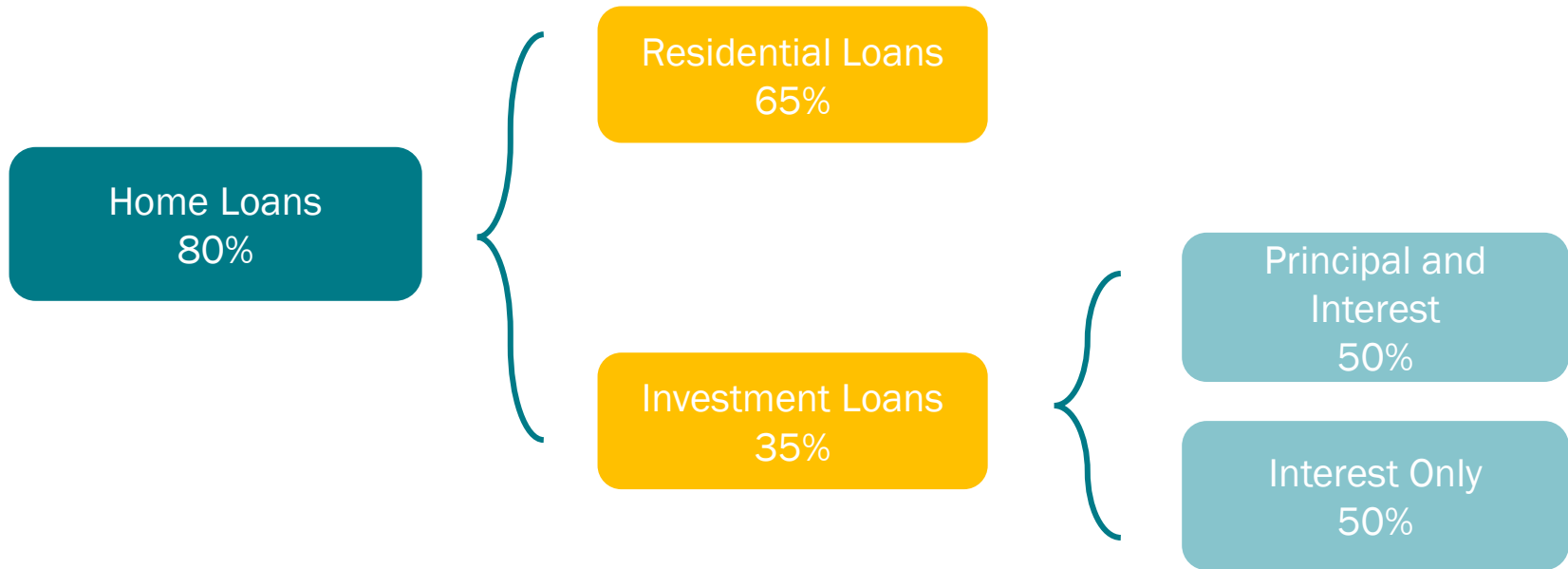
To arrive at the total score CANSTAR applies a weight (w) against the Product and Package Feature scores. This method can be summarised as:

Total Score = Product + Features Score



METHODOLOGY – HOME LOANS

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



The weighted average of Residential and Investment loans prices and features scores will be taken into account to arrive at the Total Home Loan Score for the Star Rating.

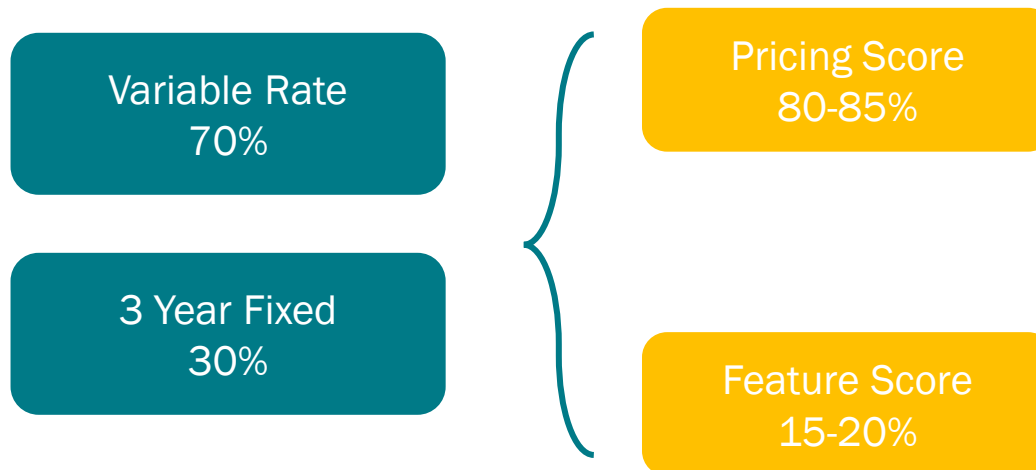


METHODOLOGY – HOME LOANS

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:

Product	Price Score	Feature Score
Variable	80%	20%
3 Year Fixed	85%	15%



METHODOLOGY – HOME LOANS

Pricing Score

The pricing score of Home Loans is based on the cost of a home loan over 25 years and includes interest cost, upfront and ongoing fees.



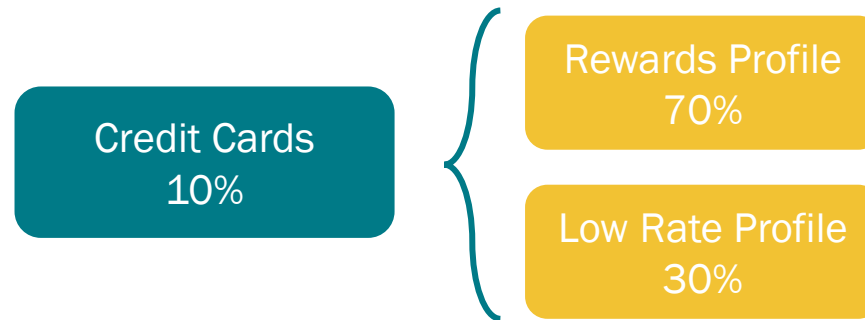
The weighted average of the above loan amounts is used to calculate the total Pricing Score.

For the Full Home Loans methodology please refer to [CANSTAR Home Loan Star Ratings](#).



METHODOLOGY – CREDIT CARDS

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



The rewards profile is made up of the best performing credit card either in 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

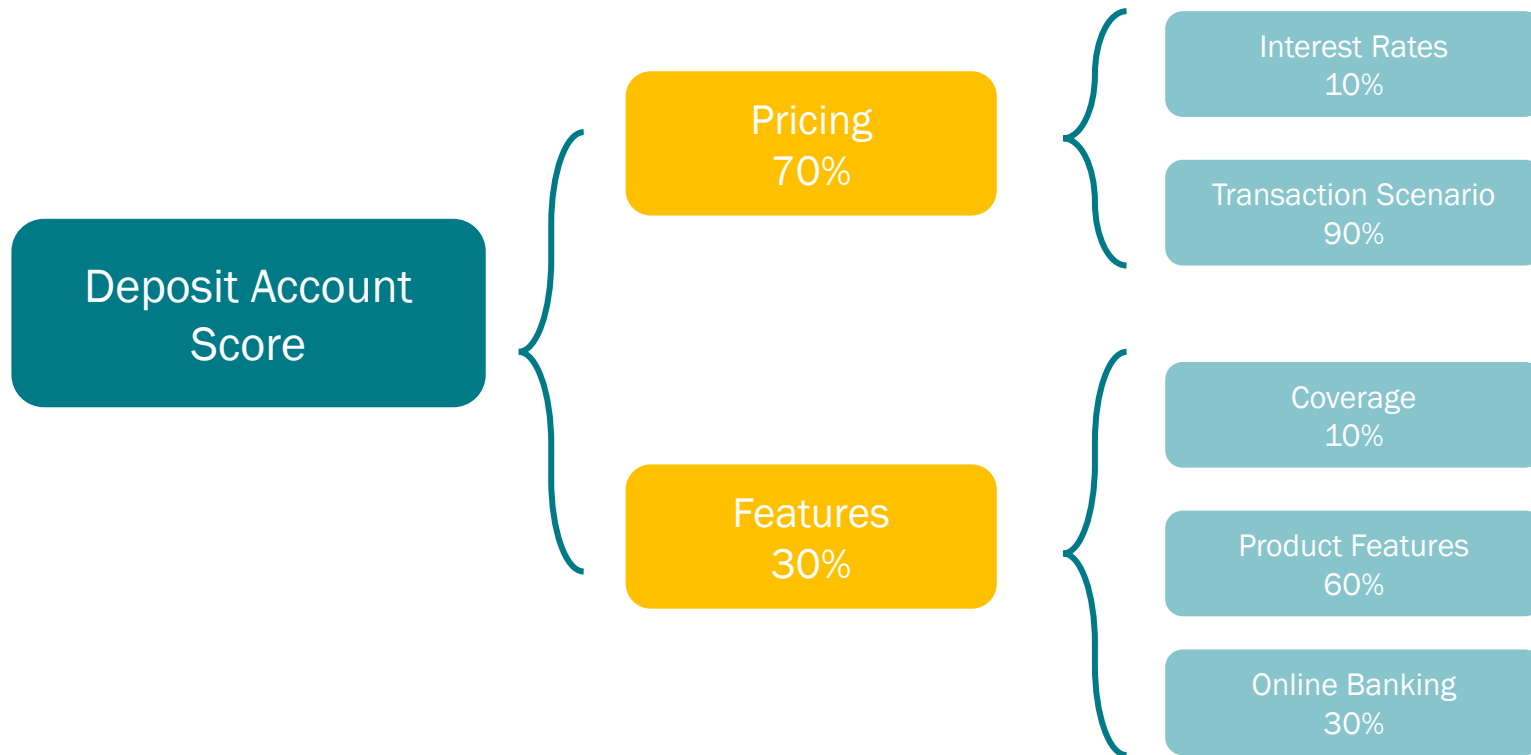
Low Rate credit card is available for \$12,000 annual spend and Low Fee credit card is available for \$6,000 annual spend.

For the Full Credit Card methodology please refer to [CANSTAR Credit Cards and Rewards Star Ratings](#)



METHODOLOGY – DEPOSIT ACCOUNTS

The Price and Feature scores for the Deposit account component are based on CANSTAR 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 Credit Card methodology please refer to [CANSTAR Savings and Transaction Accounts Star Ratings](#)



FEATURES – PACKAGE FEATURES

CANSTAR Home Loan Packages Star Rating not only considers the product assessment, but evaluates additional benefits that are offered to the consumer. Additional Package benefits are as follows:

Category	Weight	Description
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



DOES CANSTAR RATE ALL PRODUCTS AVAILABLE IN THE MARKET?

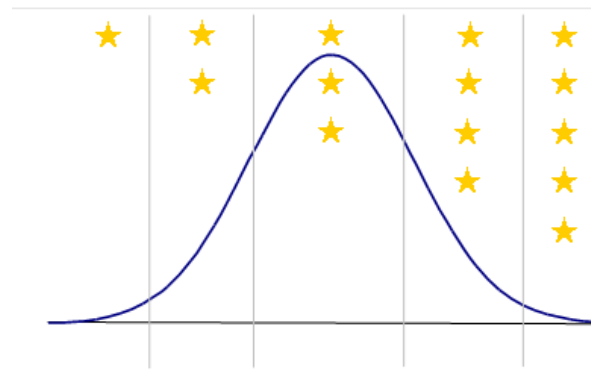
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that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

HOW OFTEN ARE ALL THE PRODUCTS REVIEWED FOR RATINGS PURPOSES?

All ratings are recalculated annually based on the latest features offered by each provider. CANSTAR also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

HOW ARE STARS AWARDED?

The products are ranked with each category based on the total score received. The stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the CANSTAR five-star rating. The results are reflected in a consumer-friendly CANSTAR star rating concept, with five stars denoting outstanding value.



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
- Savings & Transaction 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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