



Fixed Rate Home Loan Award

August 2017

What is the CANSTAR Fixed Rate Home Loan Award?

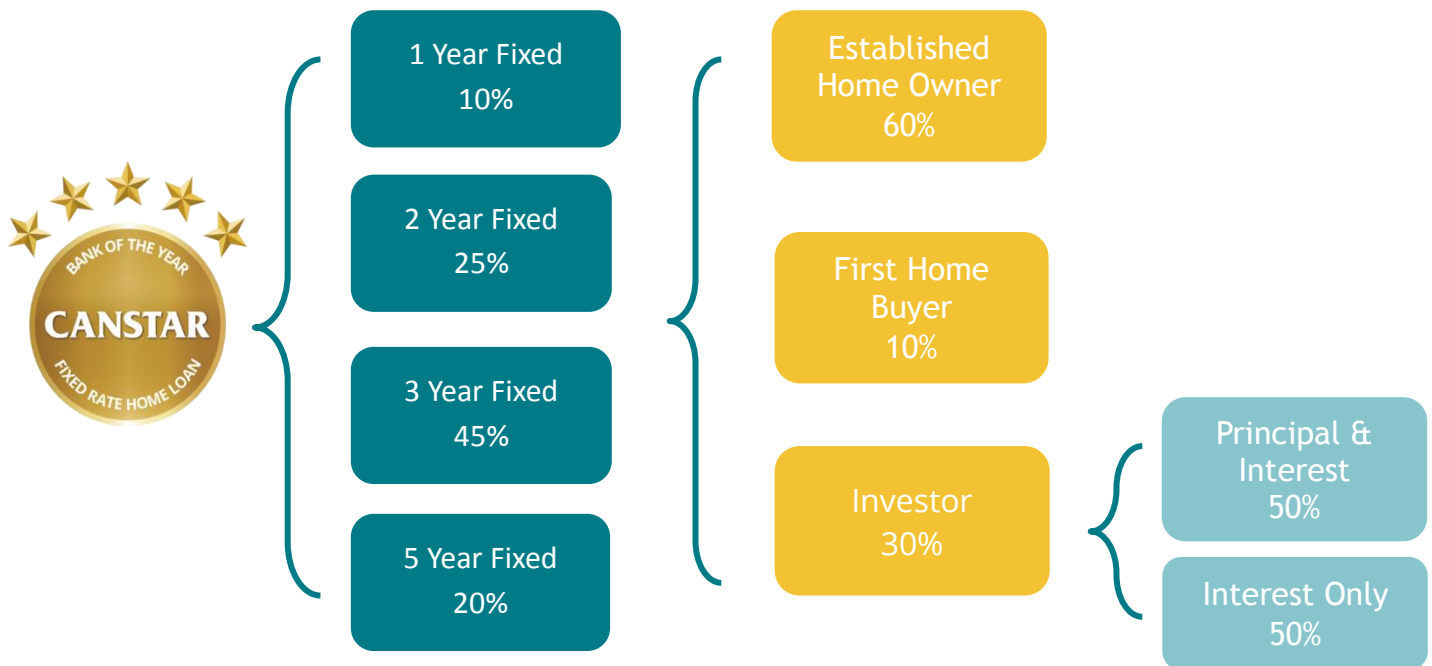
The CANSTAR Home Loan Star Ratings uses a sophisticated and unique methodology comparing the Cost and Features of a home loan to determine the products representing outstanding value. In conjunction with the Home Loans Star Rating, CANSTAR awards the Fixed Rate Home Loan Award to institutions that provide the strongest combination of fixed rate products across the Home Loan Star Ratings.

CANSTAR's Fixed Rate Home Loan Award uses the strength and robustness of the Home Loans Star Ratings to determine institutions that provide the strongest combination of products across three different consumer profiles (Established Home Owner, First Home Buyer and Investor) and four fixed rate terms (1, 2, 3 and 5 year fixed).

Please refer to the Home Loans Star rating methodology for more information about how the scores are assigned: www.canstar.com.au/home-loans/

How are the CANSTAR Fixed Rate Home Loan Awards calculated?

Each lender reviewed for the CANSTAR Bank of the Year Fixed Rate Home Loan Award is awarded points for its comparative pricing and for the array of positive features attached to its offering. Points are aggregated to achieve a Price Score and a Feature Score. Points are then aggregated to achieve a score for each of the fixed rate terms.



Price and feature weights applied to the Fixed Rate products are the same as the Home Loans Methodology

Profile	Price Weight	Feature Weight
Established Home Owner	80%	20%
First Home Buyer	75%	25%
Investor	80%	20%



Price Score

CANSTAR accounts for both current and historical interest rate in the calculation of the pricing component of each product's overall score. Total Cost is determined by the loan size of \$350,000 and the loan to value ratio (LVR) of 80% for both Owner Occupied and Investment loans.

Total Cost is based on the following:

- Six months' interest rate historical information
- Interest cost plus upfront, ongoing and discharge fees
- At least one rollover of the fixed rate
- 60 Day period where a product reverts to a standard variable product interest rate (revert rate)

Product Category	Number of Rollovers	Loan Term
1 Year Fixed	2	3 years
2 Year Fixed	1	4 years
3 Year Fixed	1	6 years
5 Year Fixed	1	10 years

Feature Score

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

Feature Category	Weight
Institutional Assessment	15%
Product Features	85%

Institutional Assessment

The Institutional Assessment recognises the following service elements offered by institutions to their customers:

Feature Category	Weight
Market Information/Education	40%
Educational Material, Property Reports/Market Statistics	70%
Tools & Calculators	30%
Accessibility	40%
Call Centre	50%
Branches	25%
Online Live Chat	25%
Online Self Service	20%

Product Features

The Product Features component takes into account more than 200 product features. These features are grouped into seven different categories with weights given to each relevant area. The following table outlines the weightings of each of the feature categories:

Category	First Home Buyer	Investor	Established Home Owner
Loan Terms	50%	45%	40%
Lending Terms	65%	65%	65%
Security Requirements	10%	15%	15%
Guarantee Options	20%	15%	15%
Line of Credit Details	-	-	-
Construction Loan	5%	5%	5%
Product Functionality	30%	30%	35%
Additional Repayments	20%	15%	20%
Redraw Facility/Transactional	20%	15%	20%
Offset Facility	25%	25%	25%
Split Facility	25%	25%	20%
Top Up Facility	5%	10%	10%
Portability	5%	10%	5%
Fixed Rate	10%	10%	10%
Rate Details	100%	80%	100%
Interest in Advance	-	20%	-
Loan Fees	5%	10%	10%
Switch Fees	75%	75%	75%
Mortgage Fees	25%	25%	25%
Loan Application	5%	5%	5%

How often are products reviewed for awards or star ratings purposes?

The Fixed Rate Home Loan Award is recalculated every 12 months based on the latest rates and features offered by each institution. CANSTAR also monitors rate changes on an ongoing basis.

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.

Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings and awards 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. Access the CANSTAR website at www.canstar.com.au if you would like to view the latest star ratings and awards reports of interest.



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

COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

To the extent that the information in this report constitutes general advice, this advice has been prepared by Canstar Research Pty Ltd A.C.N. 114 422 909 AFSL and ACL 437917 ("Canstar"). The information has been prepared without taking into account your individual investment objectives, financial circumstances or needs. Before you decide whether or not to acquire a particular financial product you should assess whether it is appropriate for you in the light of your own personal circumstances, having regard to your own objectives, financial situation and needs. You may wish to obtain financial advice from a suitably qualified adviser before making any decision to acquire a financial product. Canstar provides information about credit products. It is not a credit provider and in giving you information it is not making any suggestion or recommendation to you about a particular credit product. Please refer to Canstar's FSCG for more information.

The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance. The information in this report must not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without Canstar's prior written consent. All information obtained by Canstar from external sources is believed to be accurate and reliable. Under no circumstances shall Canstar have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of Canstar or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information. Copyright 1996-2017 Canstar Research Pty Ltd A.C.N. 114 422 909

The word "CANSTAR", the gold star in a circle logo (with or without surmounting stars), "Be Canstar Sure" and versions of the foregoing are trademarks or registered trademarks of Canstar Pty Ltd A.C.N. 053 646 165. Reference to third party products, services or other information by trade name, trademark or otherwise does not constitute or imply endorsement, sponsorship or recommendation of Canstar by the respective trademark owner.

