



What are the Canstar *Business Savings and Transaction Account Star Ratings*?

Canstar's *Business Savings and Transaction Account Star Ratings* involve a sophisticated rating methodology, unique to Canstar, which compares business deposit accounts in New Zealand. This shortlist narrows the search for consumers to products that have been reviewed, assessed and ranked.

The Canstar *Business Savings and Transaction Account Star Ratings* is a transparent analysis comparing all types of business deposit accounts for an array of characteristics, such as:

- Interest rates
- Fees
- Free transactions
- Accessibility
- Rebates
- Features

The results are reflected in a consumer-friendly five-star concept, with five stars signifying outstanding value offered by the product.

Eligibility Requirements

To be eligible for a star rating, the product must have been an offer for at least six months.

Profile Description

Profiles	Requirements
Business Saver	<ul style="list-style-type: none">• For business customers looking for a high interest savings account.• To be eligible, the account must offer an interest of 0.01% or higher on a balance of \$20,000.
Low Transactor	<ul style="list-style-type: none">• For business customers who make an average of 30 transactions per month on their account.• Access to branch, ATM, Cheque, EFTPOS Internet, Direct Credit and Direct Debit Facilities must be available.
High Transactor	<ul style="list-style-type: none">• For business customers who make an average of 80 transactions per month on their account.• Access to branch, ATM, Cheque, EFTPOS, Internet, Direct Credit and Direct Debit facilities must be available.

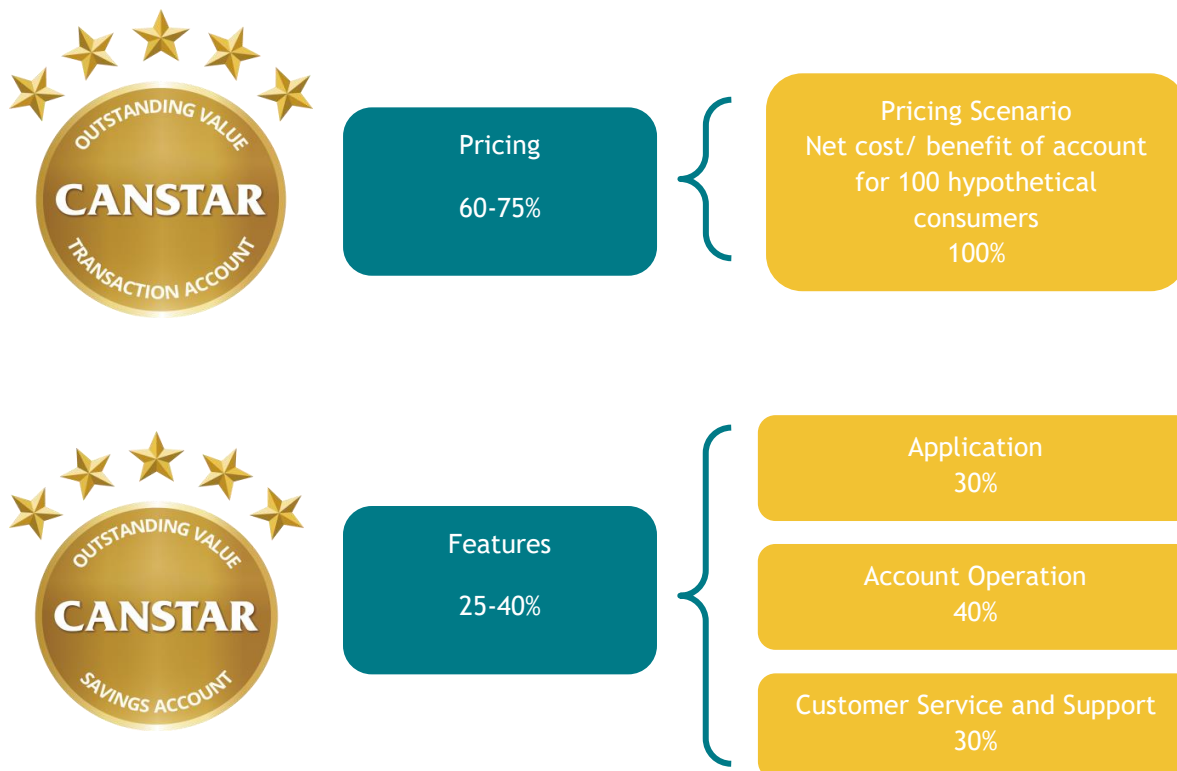
Star Ratings Methodology

Canstar recognises that businesses have different needs in terms of saving and transacting. Hence the Canstar *Business Savings and Transaction Account Star Ratings* methodology has been designed to reflect a range of transacting and savings styles. Specifically, the ratings consist of the following sub-sections:

Consumer Profile	Pricing Score	Features Score
Business Saver	75%	25%
High Transactor	60%	40%
Low Transactor	60%	40%

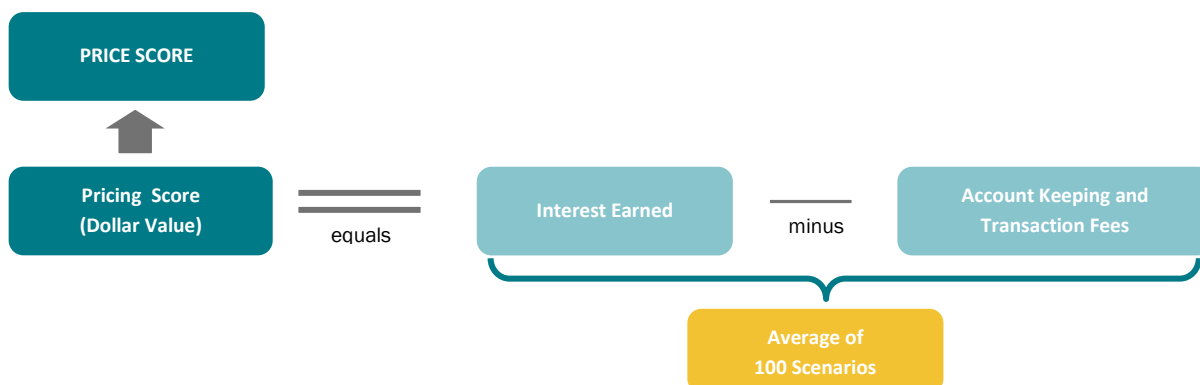


To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. This method can be summarised in the diagram below:



Price Score

The pricing 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 Pricing Score. The methodology is outlined in the below diagram:



Scenario

The pricing 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 Pricing Score. The methodology is outlined in the below diagram:

The following scenarios are used to calculate the interest component of the Net Benefit/Net Cost:

Interest Earned

Profile	Term	Description
High Transactor	1mth	Interest earned on the balance in each scenario, considering only the base interest rate.
Low Transactor	1mth	Interest earned on the balance in each scenario, considering only the base interest rate.
Business Saver	12mths	Interest calculation is based on the interest earned on an initial deposit of \$20,000 over 12 months, taking into account the promotional rate and it's length plus the base interest rate.

The interest earned in the above scenarios is then converted to a monthly total, dividing by 12 when necessary.

Transaction Scenario

The fee analysis is conducted using Canstar's unique transaction calculator, which incorporates essential transaction fees and charges, rebates and free transactions. The calculator interlinks the transaction behaviour of 100 hypothetical depositors with the pricing structure of the deposit accounts.

	Business Saver	High Transactor	Low Transactor
Average no. of transactions	15	80	30
Average Balance	\$20,000	\$10,000	\$5,000
Average Deposit	\$5,000	\$100,000	\$50,000
ATM withdrawal own network	-	4%	8%
ATM withdrawal other network	-	1%	2%
Branch cash withdrawal	-	5%	5%
Branch cash deposit	-	5%	5%
Cheque withdrawal	-	5%	5%
Cheque deposit	-	5%	5%
Direct debit	-	15%	10%
Direct credit	-	15%	15%
Points of sale	-	10%	10%

Internet Transaction (Internal)	100%	10%	10%
Internet Transaction (External)	-	25%	25%
Interest Earned	Interest Earned Scenario amount (1 month)	Return calculated for each scenario - Account and Transaction Fees deducted from this amount in each scenario.	

Feature Score

The Feature score is broken up into three components, each representing a part of the customer journey: Application, Account Operation, Customer Service and Support

Categories	High Transactor	Low Transactor	Saver
Application	30%	30%	30%
Account Operation	40%	40%	40%
Customer Service and Support	30%	30%	30%

Application

Application is the beginning stage of the customer journey. Looks into the process of researching the account, the different application channels and related application processes, and the conditions that must be met to open the account.

Categories	High Transactor	Low Transactor	Saver
Research	45%	45%	45%
Application Channels	45%	45%	45%
Account Opening Conditions	10%	10%	10%

Account Operation Categories

This is the life stage of the account and covers the everyday operation of the account, it includes payments and transactions (transaction types and the flexibility of these options), Conditions that need to be met receive interest, and account management options (online account management tools and account alerts).

Categories	High Transactor	Low Transactor	Saver
Payments and Transactions	50%	50%	20%
Billpay	20%	20%	10%
Cheques	10%	10%	10%
Staff Assisted	10%	10%	10%
ATM	10%	10%	10%
ATM access	50%	50%	50%
ATM Transactions	50%	50%	50%
Point of Sale	20%	20%	10%
Overdraft	10%	10%	10%
Transfers	20%	20%	40%
Interest Conditions	-	-	50%
Account Management	50%	50%	30%
Card Management	20%	20%	-
Budgeting Tools	10%	10%	30%
Statements and History	20%	20%	20%
Alerts and Notifications	20%	20%	20%
Security	20%	20%	20%
Location Services	10%	10%	10%

Customer Service and Support

Support options and availability throughout the life stage of the account, looks at number of available branches, and alternative contact options for support related enquires.

Categories	High Transactor	Low Transactor	Saver
Branch Availability	50%	50%	40%
Contact	50%	50%	60%

Does Canstar rate all products available in the market?

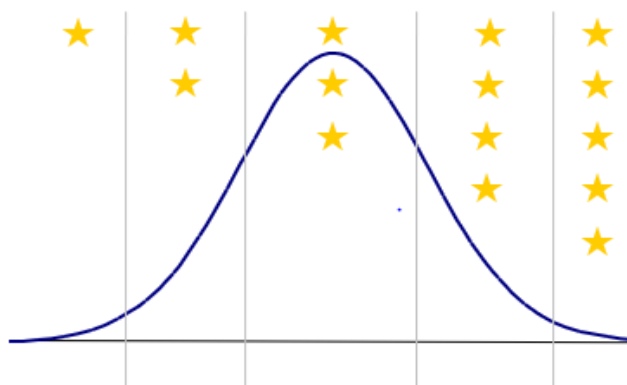
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant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

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

All ratings are fully recalculated every 12 months 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, magazines, television, websites, etc.)

How are the stars awarded?

Products are ranked based on the total score received for each profile. 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.



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.co.nz if you would like to view the latest star ratings reports of interest.



- Business deposits
- Term Deposit
- Credit cards
- Credit card rewards
- Home loans
- Kiwisaver
- Online banking
- Personal loans
- Savings accounts
- Transaction accounts

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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.

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