

# Bank of the Year - Small Business

September 2021



## What is the Canstar Bank of the Year – Small Business Award?

Canstar’s Small Business Award uses a unique methodology that compares the product offering and banking services to small business customers in New Zealand, as well as their customer’s satisfaction.

The Product Assessment measures the value proposition of small business financial products assessed in Canstar’s Business Savings and Transaction Account Star Ratings and Business Credit Card Star Ratings in addition to the product features of each institution’s Business Loans and the rates available for Term Deposits.

The Business Services component of the methodology assesses the service provisions offered by each institution considered, including branch accessibility, digital functionality, merchant services, education and additional support afforded to small businesses.

The Customer Satisfaction component uses survey responses from business banking customers where customers are asked to rate their satisfaction with their business bank across seven key areas.

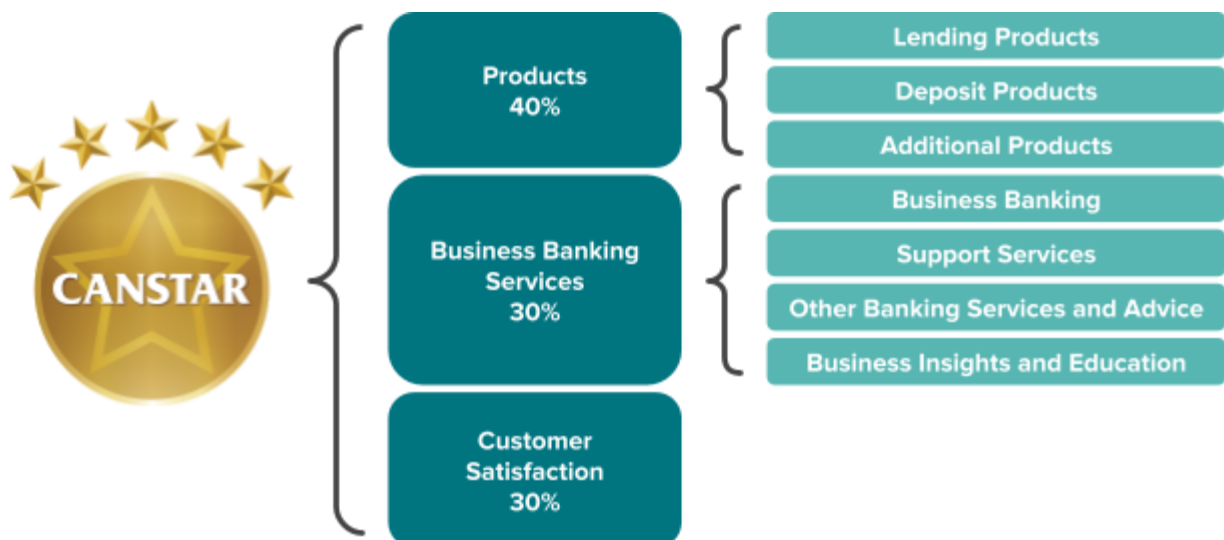
## Eligibility Requirements

To be eligible for inclusion in the award, institutions must offer the following to small businesses and product information be available to Canstar to support the product comparisons:

- Business Loans
- Credit Cards available for business use
- Business Transaction and Savings accounts
- A branch network in both North and South Island

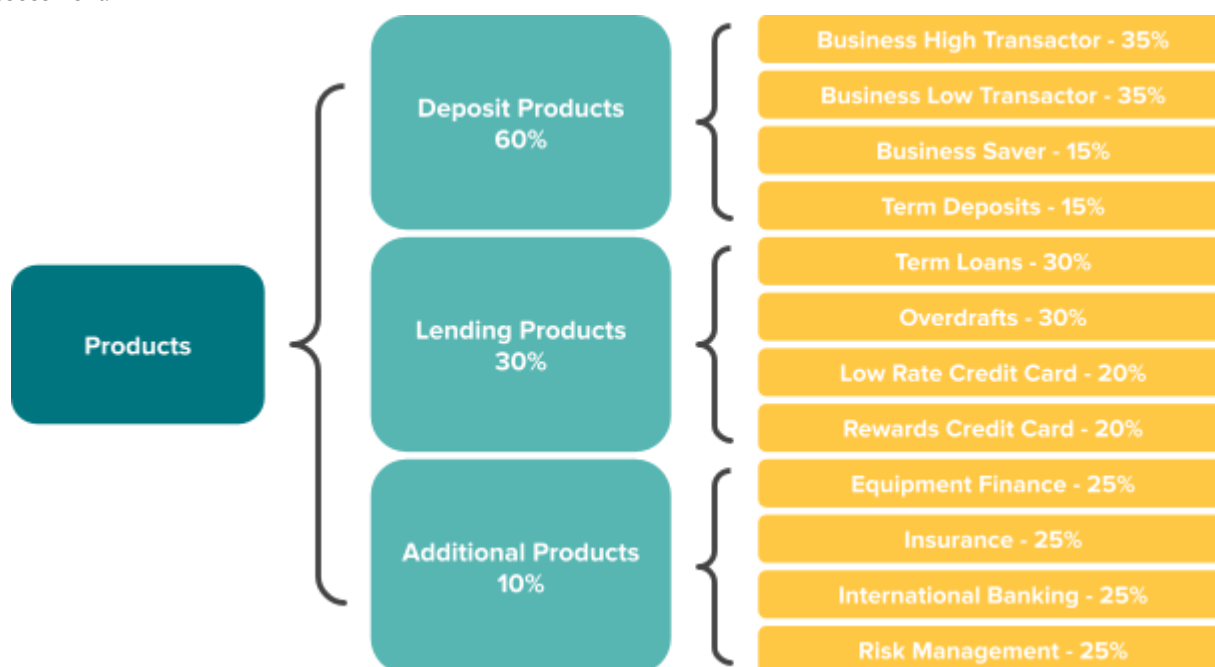
## Award Methodology

To arrive at the total score, Canstar applies a weight against the three areas of consideration. The weights reflect the relative importance of each component considered within the methodology. The breakdown of weighting for each category is displayed below:



## Product Assessment

The following table outlines the weights that are applied to each product category considered within the Product Assessment:

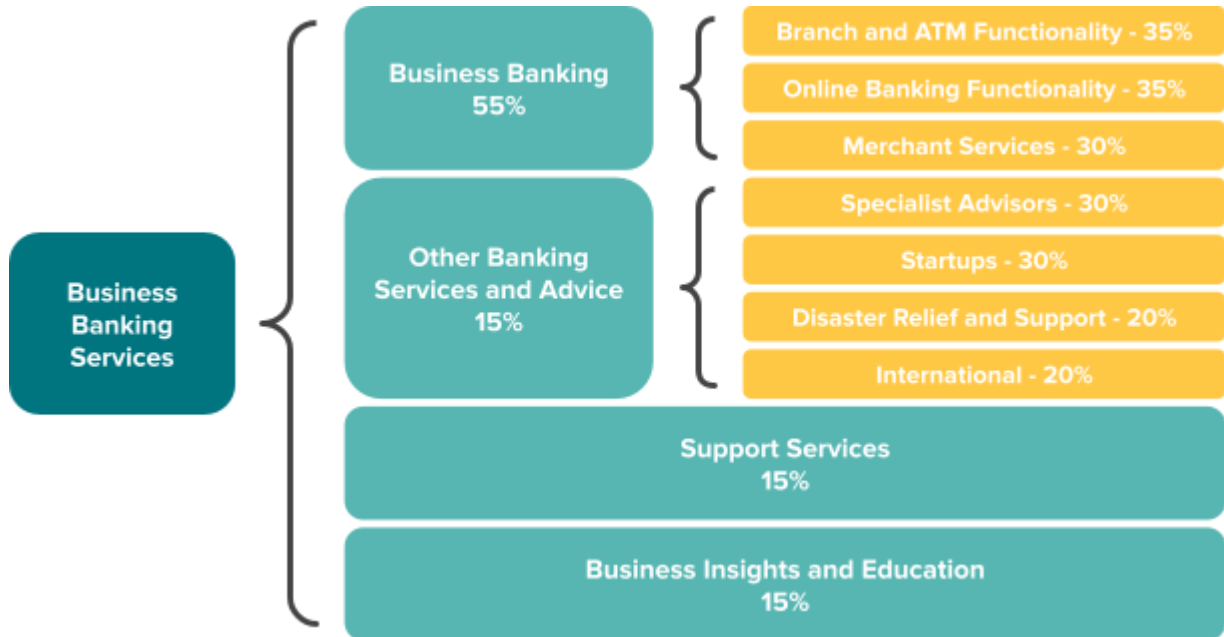


Please refer to the Business Savings and Transaction Account Star Ratings and Business Credit Card Star Ratings methodology documents for information on how these products are assessed. Term Deposits are based on the average rate available for the given term in the preceding 6-months. Additional Products are based on the availability of a range of these products from the provider assessed. Business Loan features are scored based on the following categories and weights:

Category	Term Loans	Overdrafts
Loan Terms	60%	95%
Lending Terms	65%	55%
Security Requirements	10%	5%
Loan Purpose Availability	25%	10%
Overdraft Terms	-	30%
Product Functionality	40%	5%
Redraw Facility/Transactional	35%	-
Portability	25%	100%
Repayment Capabilities	20%	-
Split Facility	10%	-
Switch Facility	10%	-

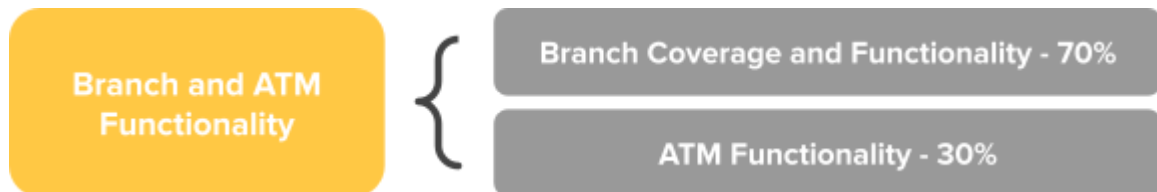
## Business Banking Services

The following table outlines the weights that are applied to each category considered within the Business Banking Services component of the methodology:



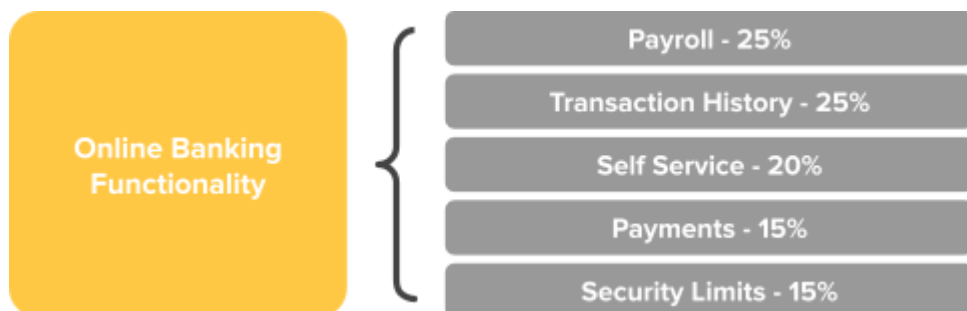
## Branch and ATM Functionality

The branch coverage score incorporates the ranges of services offered and provided in-branch to customers, making up 70% of branch coverage score and branch numbers account for the remaining 30%. The score for branch numbers is calculated on the basis that if a bank has at least 1 branch per 40,000 people living in New Zealand, then they should receive the full score.



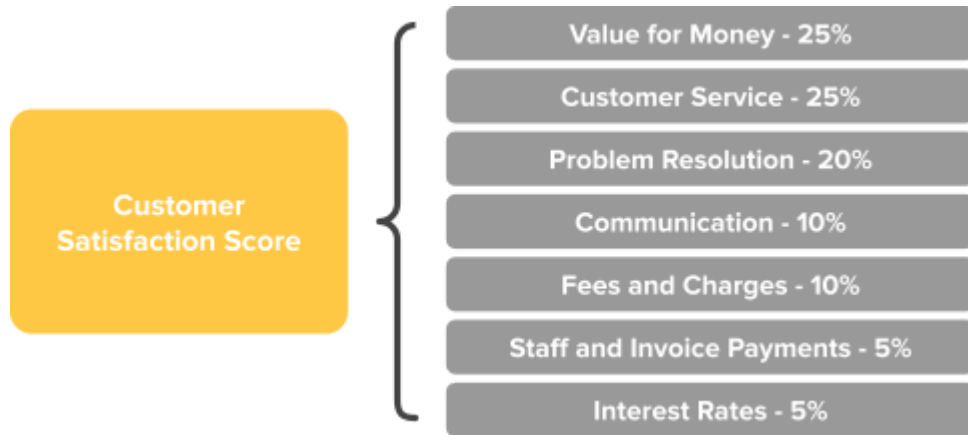
## Online Banking Functionality

The Online Banking Functionality score is assessed based on five categories of the business specific functionality that institution's business online banking platform provides to consumers, with the weights of the subcategories outlined in the below weights tree:



## Customer Satisfaction

The following table outlines the weights that are applied to each satisfaction metric considered within the Customer Satisfaction component of the methodology:



Canstar measures and tracks customer satisfaction amongst New Zealand small business owners via ISO 26362 accredited research panels. Customers are asked to assess their satisfaction across a range of metrics, with overall satisfaction asked as a specific question. A regression analysis is conducted to determine the relative importance of each metric to overall satisfaction. Canstar uses this analysis to inform the weights outlined above.

## How often are products reviewed for Star Ratings and Award purposes?

Ratings and awards 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.).

## 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, wealth 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](http://www.canstar.co.nz) if you would like to view the latest Star Ratings reports of interest.

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