

Crusade ABS Series 2012-1 Trust

ABN 84 275 254 181

Special Purpose Annual Report

For the year ended 30 September 2016

CRUSADE ABS SERIES 2012-1 TRUST

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This financial report covers Crusade ABS Series 2012-1 Trust (the Trust) as an individual entity. The financial report is presented in Australian dollars. The financial report was authorised for issue by Westpac Securitisation Management Pty Limited (the Manager) under the Master Security Trust Deed between the Manager, P.T. Limited (the Security Trustee) and Perpetual Corporate Trust Limited (the Trustee) on 2 December 2016. Crusade ABS Series 2012-1 Trust is incorporated and domiciled in Australia. The Manager's registered office is:

Level 20, Westpac Place
275 Kent Street,
Sydney NSW 2000

The Trustee has the power to amend and reissue the financial report.

CRUSADE ABS SERIES 2012-1 TRUST

MANAGER'S REPORT

For the purposes of this report, the 'Manager' refers to Westpac Securitisation Management Pty Limited. The Manager has prepared this special purpose financial report under the Master Security Trust Deed.

The Manager of the Trust presents its report together with the special purpose annual financial report for the year ended 30 September 2016.

Principal activities

The Trust's principal activities during the year consisted of holding the rights, but not the obligations, in relation to a pool of St. George Finance Limited's automotive finance receivables funded with the proceeds from the issuance of debt securities. The Trust has entered into swap agreements to manage its exposure to interest rate risk. The transactions with St. George Finance Limited are accounted for based on the substance of the transaction (rather than the legal form) and are recognised in the accounts as part of a non-recourse loan. During the financial year principal collections were used to acquire further rights to additional automotive finance receivables.

There were no significant changes in the nature of these activities during the year.

Review and results of operations

Operating profit after income tax of the Trust for the year ended 30 September 2016 was \$8,917,777 (2015: \$21,082,432) and total comprehensive income was nil (2015: nil). As all profit was fully distributed to the income unitholders, no income tax is payable by the Trust.

Significant changes in the state of affairs

There were no significant changes in the Trust's state of affairs during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent years.

Environmental regulation

The operations of the Trust are not subject to significant environmental regulation under any law of the Commonwealth of Australia or of any state or territory thereof.

The Trust has not incurred any liability (including for rectification costs) under any environmental legislation.

Likely developments and expected results of operations

There are no likely developments that are expected to have a material impact on the results of the Trust's operations.

Rounding of amounts

Amounts in the accompanying financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The report is made in accordance with a resolution of the directors of the Manager.



Director



Director

Sydney,
2 December 2016

CRUSADE ABS SERIES 2012-1 TRUST

Statement of comprehensive income for the year ended 30 September 2016

	Note	2016 \$'000	2015 \$'000
Interest income	3	32,349	67,933
Interest expense	3	(18,335)	(39,490)
Net interest income		14,014	28,443
Other income		-	-
Net operating income before operating expenses and impairment charges		14,014	28,443
Operating expenses	4	(914)	(1,792)
Impairment charges		(4,182)	(5,569)
Operating profit before income tax		8,918	21,082
Income tax expense		-	-
Operating profit after income tax		8,918	21,082
Distributions to unitholders		(8,918)	(21,082)
Net profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the unitholders of Crusade ABS Series 2012-1 Trust		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Balance sheet as at 30 September 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Cash and cash equivalents	11(b)	14,753	29,192
Loan	5	163,726	381,707
Due from related entities	6	137	460
Total assets		178,616	411,359
Liabilities			
Due to related entities	7	1,372	3,234
Debt issues	8	177,049	407,654
Other liabilities	9	195	471
Total liabilities excluding net assets attributable to unitholders		178,616	411,359
Net assets attributable to unitholders		-	-
Total liabilities		178,616	411,359
Net assets			
		-	-
Equity			
Capital	10	-	-
Total equity		-	-

The above balance sheet should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Statement of changes in equity for the year ended 30 September 2016

	Note	Capital	Retained profits	Total
		\$	\$	\$
Balance at 1 October 2014		110	-	110
Total comprehensive income for the year		-	-	-
Transaction with owner in the capacity as unitholder:				
Contributions of equity, net of transaction costs		-	-	-
Distributions provided for or paid		-	-	-
Balance at 30 September 2015	10	110	-	110
Total comprehensive income for the year		-	-	-
Transaction with owner in the capacity as unitholder:				
Contributions of equity, net of transaction costs		-	-	-
Distributions provided for or paid		-	-	-
Balance at 30 September 2016	10	110	-	110

Rounding has not been applied to this statement due to the low value of the balances. The above statement of changes in equity should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

Cash flow statement for the year ended 30 September 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Interest received		32,672	68,450
Interest paid		(19,969)	(42,168)
Payments to suppliers and service providers		(969)	(1,883)
Net cash inflow from operating activities	11(a)	11,734	24,399
Cash flows from investing activities			
Non-recourse loan proceeds		213,799	375,222
Net cash inflow from investing activities		213,799	375,222
Cash flows from financing activities			
Repayment of debt issues		(230,605)	(394,103)
Distributions paid to unitholders		(9,367)	(22,675)
Net cash outflow from financing activities		(239,972)	(416,778)
Net decrease in cash and cash equivalents		(14,439)	(17,157)
Cash and cash equivalents at beginning of the year		29,192	46,349
Cash and cash equivalents at end of the year	11(b)	14,753	29,192

The above cash flow statement should be read in conjunction with the accompanying notes.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS

Note 1. General information

The Trust was established pursuant to a Notice of Creation of Trust under the Master Trust Deed from Perpetual Corporate Trust Limited (the Trustee) dated 6 December 2012.

The Trust's immediate parent entity is St. George Finance Limited, incorporated in Australia. The ultimate parent entity is Westpac Banking Corporation (Westpac), incorporated in Australia.

Note 2. Summary of significant accounting policies

This special purpose financial report covers Crusade ABS Series 2012-1 Trust (the Trust) for the year ended 30 September 2016.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

a. Basis of accounting

(i) General

The Trust is not a reporting entity because, in the opinion of the directors of the Manager, the likely users of the financial report are able to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

Accordingly this special purpose financial report (the financial report) has been prepared in accordance with the requirements of the Master Security Trust Deed. The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia, so far as they are consistent with the provisions of the Master Security Trust Deed except for the fair value measurement requirements of AASB 139 in respect of derivatives (refer Note 2(f)(i)). It contains only those disclosures considered necessary by the directors to meet the needs of the members.

(ii) Changes in accounting standards

No new accounting standards or amendments have been adopted for the year ended 30 September 2016.

(iii) Historical cost

The financial report has been prepared in accordance with the historical cost convention except where otherwise indicated.

(iv) Balance sheet presentation

Assets and liabilities have been presented in order of liquidity on the face of the balance sheet.

(v) Functional and presentation currency

Items included in the financial statements for the Trust are measured using the currency of the primary economic environment in which the Trust operates (the functional currency). The financial statements are presented in Australian dollars. All amounts are expressed in Australian dollars except where otherwise indicated.

(vi) Offsetting

Financial assets and liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(vii) Comparatives

Comparative information has been revised where appropriate to enhance comparability.

b. Revenue recognition

(i) Interest income

Interest income for all instruments measured at amortised cost is recognised in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, cash flows are estimated based upon all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees and other amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest relating to impaired loans is recognised using the loan's original effective rate based on the net carrying value of the impaired loan after giving effect to impairment charges, or for a variable loan, the current effective interest rate determined under the contract. This rate is also used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Other income

Other income is recognised on an accrual basis over the period during which the service is performed.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

c. Expense recognition

(i) Interest expense

Interest expense is recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest method (refer Note 2(b)(i)).

(ii) Operating expenses

Operating expenses are recognised on an accrual basis over the period during which the service is performed.

d. Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed to income unitholders.

e. Assets

(i) Cash and cash equivalents

For the purposes of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(ii) Financial assets

The Trust classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale securities. Management determines the classification of its financial assets at initial recognition.

▪ Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling it in the near term, if it is part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, if it is a derivative that is not a designated hedging instrument, or if so designated on acquisition by management.

▪ Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

▪ Available-for-sale securities

Available-for-sale securities are those debt or equity securities that are designated as available-for-sale or that are not classified as financial assets at fair value through profit or loss or loans and receivables.

Other investments, which comprise of unlisted equity securities that do not have a quoted price in an active market and where fair value cannot be estimated within a reasonable range of probable outcomes, are carried at cost.

Recognition of financial assets

Loans are recognised when cash is advanced to borrowers. The non-recourse loan to St. George Finance Limited is recognised at fair value of consideration and is subsequently measured at amortised cost. The loan represents the underlying rights, but not the obligations, of the pool of automotive finance receivables. The associated interest and fee items are included in interest income.

(iii) Impairment of financial assets

Assets carried at amortised cost

Westpac, as Servicer, assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate, or where the financial asset has a variable rate, discounted at the current effective interest rate determined under the contract.

The methodology and assumptions used, are reviewed regularly by the Servicer. Subsequent recoveries of amounts previously written off decrease the amount of the charge for loan impairment in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the statement of comprehensive income.

(iv) Derecognition of financial assets

A financial asset is no longer recognised when:

- the rights to receive cash flows from the asset have expired; or
- the Trust has transferred its rights to receive the cash flows from the asset or retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party and cannot sell or repledge the asset other than to the transferee; and
- either the Trust has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(v) Due from related entities

Amounts due from related entities are initially recognised at fair value of consideration and are subsequently measured at amortised cost, less any provisions for impairment.

(vi) Other assets

Other assets are recognised at fair value and subsequently measured at amortised cost.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

f. Liabilities

(i) *Derivative financial instruments*

Derivative financial instruments include interest rate swaps which are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered into and are subsequently measured at amortised cost.

(ii) *Due to related entities*

Due to related entities are initially recognised at fair value and subsequently measured at amortised cost.

(iii) *Debt issues*

Debt securities issued are initially recognised at fair value of the consideration received and are subsequently measured at amortised cost.

(iv) *Other liabilities*

Other liabilities include payables and accrued expenses owing by the Trust which are unpaid as at balance sheet date. They are initially recognised at fair value and subsequently measured at amortised cost.

g. Net assets attributable to unitholders

Units are redeemable on a fixed date 80 years after the commencement of the Trust, unless the Trust is terminated before this date in accordance with the provisions of the Master Trust Deed. Under the terms of the Trust Deed and the transaction documents of the Trust, unitholders have a present entitlement to the distributable income of the Trust. All net assets attributable to unitholders have been recognised as liabilities of the Trust, rather than as equity due to the entitlement to the income and the mandatory redemption of the units. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and comprehensive income attributable to unitholders of the Trust.

h. Capital

The capital is classified as equity and is recognised at cost, being the fair value of consideration received. When issued capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as changes in equity.

i. Goods and Services Tax (GST)

The Trust is part of a GST consolidated group, of which Westpac is the head entity. Any GST payable or recoverable is presented on the balance sheet as a net payable to or receivable from the ultimate parent entity.

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not deemed recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are recognised inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are ultimately recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments are disclosed net of the amount of GST ultimately recoverable from, or payable to, the ATO.

j. Critical accounting judgements and estimates

The application of the Trust's accounting policies may require the use of judgement, estimates and assumptions. Should different assumptions or estimates be applied, the resulting values would change, impacting the net assets and income of the Trust.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

The nature of assumptions and estimates used and the value of the resulting asset and liability balances are included in the policy below:

Provision for impairment charges on loan

The Trust's loan impairment provision is established to recognise incurred impairment in its portfolio of loans. A loan is impaired when there is objective evidence that events occurring since the loan was recognised have affected expected cash flows from the loan. The impairment charge is the difference between the carrying value of the loan and the present value of estimated future cash flows calculated at the loan's original effective interest rate for fixed rate loans and the loan's current effective interest rate for variable rate loans. Provision for loan impairment represents management's estimate of the impairment charges incurred in the loan portfolio as at the balance sheet date. Changes to the provision for loan impairment are reported in the statement of comprehensive income as part of impairment charges on loan.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of significant accounting policies (continued)

k. Future developments in accounting standards

The following new standards and interpretations which may have a material impact on the Trust have been issued, but are not yet effective and have not been early adopted by the Trust:

AASB 9 *Financial Instruments* (December 2014) will replace AASB 139 *Financial Instruments: Recognition and Measurement*. It includes a forward looking 'expected credit loss' impairment model, revised classification and measurement model and modifies the approach to hedge accounting. Unless early adopted the standard is effective for the 30 September 2019 year end. Whilst it is not yet practical to reliably estimate the financial impact on the financial statements, the major changes under the standard are outlined below.

Impairment

AASB 9 introduces a revised impairment model which requires entities to recognise expected credit losses based on unbiased forward looking information, replacing the existing incurred loss model which only recognises impairment if there is objective evidence that a loss has been incurred. Key elements of the new impairment model are:

- requires more timely recognition of expected credit losses using a three stage approach. For financial assets where there has been no significant increase in credit risk since origination a provision for 12 months expected credit losses is required. For financial assets where there has been a significant increase in credit risk or where the asset is credit impaired a provision for full lifetime expected losses is required;
- expected credit losses are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. This will involve a greater use of judgment than the existing impairment model; and
- interest is calculated on the gross carrying amount of a financial asset, except where the asset is credit impaired.

Classification and measurement

AASB 9 replaces the classification and measurement model in AASB 139 with a new model that categorises financial assets based on a) the business model within which the assets are managed, and b) whether the contractual cash flows under the instrument solely represent the payment of principal and interest. Financial assets will be measured at:

- amortised cost where the business model is to hold the financial assets in order to collect contractual cash flows and those cash flows represent solely payments of principal and interest;
- fair value through other comprehensive income where the business model is to both collect contractual cash flows and sell financial assets and the cash flows represent solely payments of principal and interest. Non-traded equity instruments can also be measured at fair value through other comprehensive income; and
- fair value through profit or loss if they are held for trading or if the cash flows on the asset do not solely represent payments of principal and interest. An entity can also elect to measure a financial asset at fair value through profit or loss if it eliminates or reduces an accounting mismatch.

The accounting for financial liabilities is largely unchanged.

Hedging

AASB 9 aligns hedge accounting more closely with risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness. The Trust does not apply hedge accounting; therefore this amendment will have no impact.

Management are in the process of assessing the full impact of the application of AASB 9. The financial impact on the financial statements has not yet been determined.

AASB 15 *Revenue from Contracts with Customers* was issued on 28 May 2014 and will be effective for the 30 September 2019 financial year. The standard provides a single comprehensive model for revenue recognition. It replaces AASB 118 *Revenue* and related interpretations. The application of AASB 15 is not expected to have a material impact on the Trust.

AASB 16 *Leasing* was issued on 24 February 2016 and will be effective for the 30 September 2020 financial year. The main changes under the standard are:

- all operating leases of greater than 12 months duration will be required to be presented on balance sheet. The net present value of these leases will be recognised as an asset and a liability; and
- all leases on balance sheet will give rise to a combination of interest expense on the lease liability and amortisation of the lease asset.

The impact of the standard will be determined by the level of operating lease commitments greater than 12 months duration at adoption and is not expected to have a material impact on the Trust.

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* was issued on 23 March 2016 and will be effective for the 30 September 2018 year end unless early adopted. Comparatives are not required on first application. The standard requires additional disclosures regarding both cash and non-cash changes in liabilities arising from financing activities. The standard is not expected to have a material impact on the Trust.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3. Net interest income

	2016 \$'000	2015 \$'000
Interest income		
<i>Transactions with ultimate parent entity:</i>		
Bank interest	304	649
<i>Transactions with related entities:</i>		
Non-recourse loan	32,045	67,284
Total interest income	32,349	67,933
Interest expense		
Debt issues	6,718	15,966
<i>Transactions with ultimate parent entity:</i>		
Debt issues	2,499	5,697
Interest rate swaps	9,118	17,827
Total interest expense	18,335	39,490
Net interest income	14,014	28,443

Note 4. Operating expenses

	2016 \$'000	2015 \$'000
<i>Transactions with ultimate parent entity:</i>		
Liquidity facility fees	26	26
Servicing fees	680	1,437
<i>Transactions with related entities:</i>		
Management fees	82	172
Trustee fees	28	61
Other operating expenses	98	96
Total operating expenses	914	1,792

Note 5. Loan

	2016 \$'000	2015 \$'000
<i>Balances with related entities:</i>		
Non-recourse loan - principal	163,742	381,707
Provision for impairment	(16)	-
Total loan	163,726	381,707

Note 6. Due from related entities

	2016 \$'000	2015 \$'000
<i>Balances with related entities:</i>		
Accrued interest receivable - non-recourse loan	137	460
Total due from related entities	137	460

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 7. Due to related entities

	2016 \$'000	2015 \$'000
<i>Balances with ultimate parent entity:</i>		
Accrued interest payable - debt issues	76	173
Accrued expenses	38	85
Accrued interest payable - interest rate swaps	909	2,172
<i>Balances with related entities:</i>		
Distribution payable	345	794
Accrued expenses	4	10
Total due to related entities	1,372	3,234

Note 8. Debt issues

	2016 \$'000	2015 \$'000
AUD Class A Notes	142,738	328,652
AUD Class B Notes	11,437	26,334
AUD Class C Notes	6,862	15,800
AUD Class D Notes	4,575	10,534
AUD Class E Notes	4,194	9,656
Seller Notes	7,243	16,678
Total debt issues	177,049	407,654

Debt issues balance with ultimate parent entity at year ended 30 September 2016 is \$34,311,265 (2015: \$79,001,273).

Note 9. Other liabilities

	2016 \$'000	2015 \$'000
Accrued interest payable - debt issues	194	468
Accrued expenses	1	3
Total other liabilities	195	471

Note 10. Equity

	2016 \$	2015 \$
Trust constitution	10	10
10 residual capital units issued at \$10 each	100	100
Total equity	110	110

Rounding has not been applied to this note due to the low value of the balances.

CRUSADE ABS SERIES 2012-1 TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 11. Notes to the cash flow statement

	2016 \$'000	2015 \$'000
(a) Reconciliation of net cash inflow from operating activities to net profit for the year		
Operating profit after income tax	8,918	21,082
Adjustment for:		
Impairment charges	4,182	5,569
Changes in operating assets and liabilities:		
Decrease in interest receivable	323	517
Decrease in interest payable	(1,634)	(2,678)
Decrease in fees and expenses	(55)	(91)
Net cash inflow from operating activities	11,734	24,399
(b) Reconciliation of cash		
Cash with ultimate parent entity	14,753	29,192
Cash and cash equivalents at the end of the year	14,753	29,192

Note 12. Auditor's remuneration

Auditor's remuneration of \$10,600 (2015: \$10,500) is borne by the ultimate parent entity and is disclosed in the financial statements of the Westpac Group.

Note 13. Contingencies and commitments

For the year ended 30 September 2016, there are no material contingencies and commitments to be disclosed.

Note 14. Subsequent events

No matter or circumstance has arisen since 30 September 2016 which is not otherwise dealt with in this report that has significantly affected, or may affect, the operations or the state of affairs of the Trust in subsequent periods.

CRUSADE ABS SERIES 2012-1 TRUST

MANAGER'S DECLARATION

We report that in our opinion:

- (a) the Crusade ABS Series 2012-1 Trust (the Trust) has operated during the year ended 30 September 2016 in accordance with the provisions of the Master Trust Deed for the Trust;
- (b) the attached special purpose financial report of the Trust is properly drawn up in accordance with the Master Security Trust Deed for the Trust so as to present fairly the state of affairs of the Trust at 30 September 2016 in accordance with Note 2(a) to the financial report and of the results and cash flows of the Trust for the year ended at that date; and
- (c) at the date of this Statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

For and on behalf of the Manager
Westpac Securitisation Management Pty Limited
(ABN 73 081 709 211)



Director



Director

Sydney,
2 December 2016



Independent auditor's report to the unitholders of Crusade ABS Series 2012-1 Trust

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Crusade ABS Series 2012-1 Trust (the trust), which comprises the balance sheet as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trust Manager's declaration.

Directors of the Trust Manager's responsibility for the financial report

The directors of Westpac Securitisation Management Pty Limited, as Trust Manager for the Trust are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial statements, which forms part of the financial report, is appropriate to meet the requirements of the trust deed dated 14 March 1998 and is appropriate to meet the needs of the unitholders.

The directors' responsibility also includes such internal control as the directors of the Trust Manager determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Trust Manager, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the trust as at 30 September 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.



Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Crusade ABS Series 2012-1 Trust to meet the requirements of the trust deed.

As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the unitholders of Crusade ABS Series 2012-1 Trust and should not be distributed to or used by parties other than Crusade ABS Series 2012-1 Trust and the unitholders.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Yura Mahindroo'.

Yura Mahindroo
Partner

Sydney
2 December 2016