SMART ABS SERIES 2019-1 Trust

A.B.N. 49 912 964 167

Special Purpose Financial Report of the Trust as an individual entity

For the financial year ended 31 March 2021

MACQUARIE

The Trust's registered office is:
Perpetual Trustee Company Limited
Level 12 Angel Place
123 Pitt Street
Sydney NSW 2000
Australia

SMART ABS SERIES 2019-1 Trust

2021 Special Purpose Financial Report
Contents

Marked for the purpose
of identification only
PRICEWATERHOUSECOOPERS
SYDNEY

Income statement
For the financial year ended 31 March 2021

	Notes	2021 $	19 February 2019 to 31 March 2020 $
Interest and similar income	3	**49,729,235**	79,527,274
Interest and similar expense	3	**(13,490,959)**	(35,039,603)
Net interest income		**36,238,276**	44,487,671
Fees and commission income	3	**1,732,293**	2,810,214
Fees and commission expense	3	**(1,947,783)**	(2,738,450)
Net fees and commission (expense)/income		**(215,490)**	71,764
Net trading expense	3	**(3,434,122)**	(34,124,743)
Net operating income		**32,588,664**	10,434,692
Other operating expenses	3	**(2,443,395)**	(14,388,874)
Total other operating expenses		**(2,443,395)**	(14,388,874)
Operating profit for the financial year		**30,145,269**	(3,954,182)
Financing costs attributable to unitholder			
Distributions paid to unitholder		**(21,417,350)**	(29,543,977)
(Decrease)/Increase in net liabilities attributable to unitholder of the Trust	9	**(8,727,919)**	33,498,159
Profit for the financial year		**-**	-

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

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PRICEWATERHOUSECOOPERS
SYDNEY

Statement of comprehensive income
For the financial year ended 31 March 2021

	Notes	2021 $	19 February 2019 to 31 March 2020 $
Profit/(loss) for the financial year		**-**	-
Other comprehensive income/(loss)			
Total comprehensive income/(loss)		-	-
Total comprehensive income/(loss) attributable to			
The unitholder of SMART ABS SERIES 2019-1 Trust		**-**	-

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

Statement of financial position
As at 31 March 2021

	Notes	2021 $	2020 $
Assets			
Cash, bank & other demand deposits	4	**33,696,453**	41,292,893
Other assets	5	**1,678,799**	28,001
Loans and lease receivables	6	**515,694,700**	812,019,990
Total assets		**551,069,952**	853,340,884
Liabilities			
Other liabilities	7	**550,173**	764,661
Derivative liabilities		**13,792,183**	24,656,474
Debt issued	8	**561,497,836**	861,417,908
Total liabilities (excluding net liabilities- attributable to the unitholder)		**575,840,192**	886,839,043
Net liabilities- attributable to the unitholder	9	**(24,770,240)**	(33,498,159)

The above statement of financial position should be read in conjunction with the accompanying notes.

Marked for the purpose
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PRICEWATERHOUSECOOPERS
SYDNEY

Statement of changes in equity
For the financial year ended 31 March 2021

	Total equity $
Balance as at 1 April 2019	-
Balance as at 31 March 2020	-
Balance as at 31 March 2021	-

Under Australian Accounting Standards (AAS), net liabilities- attributable to the unitholder are classified as financial liabilities rather than equity. As a result there was no equity at the start or the end of the year. The net liabilities- attributable to the unitholder are disclosed in note 9 to the financial statements.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SMART ABS SERIES 2019-1 Trust

Statement of cash flows
For the financial year ended 31 March 2021

	Notes	2021 $	19 February 2019 to 31 March 2020 $
Cash flows generated from/(utilised in) operating activities			
Operating profit for the financial year		**30,145,269**	(3,954,182)
Adjustments to operating profit:			
Interest and similar income	3	**(49,729,235)**	(79,527,274)
Interest and similar expense	3	**13,490,959**	35,039,603
Expected credit losses and other impairment charges		**1,296,627**	12,683,804
Loans assets and lease receivables written off	3	**1,389,902**	2,291,368
Changes in assets and liabilities:			
Net loan assets and lease receivables repaid/(purchased) and written off		**293,569,191**	(826,096,293)
Other assets and other liabilities		**(1,852,913)**	736,660
Derivative liabilities		**(10,864,292)**	24,656,474
Cash flows generated from/(utilised in) operating activities		**277,445,508**	(834,169,840)
Interest and similar income received		**49,786,433**	78,628,405
Interest and similar expense paid		**(13,919,089)**	(34,135,382)
Net cash flows generated from/(utilised in) operating activities		**313,312,852**	(789,676,817)
Cash flows generated from investing activities		**-**	-
Net cash flows generated from investing activities		**-**	-
Cash flows (utilised in)/generated from financing activities			
Notes (repaid)/issued[1]		**(299,491,942)**	860,513,687
Distributions paid		**(21,417,350)**	(29,543,977)
Net cash flows (utilised in)/generated from financing activities		**(320,909,292)**	830,969,710
Net (decrease)/increase in cash and cash equivalents		**(7,596,440)**	41,292,893
Cash and cash equivalents at the beginning of the financial year		**41,292,893**	-
Cash and cash equivalents at the end of the financial year	10	**33,696,453**	41,292,893

[1] For gross movement on notes (repaid)/issued, refer note 8.

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

Marked for the purpose of identification only
PRICEWATERHOUSECOOPERS
SYDNEY

Notes to the financial statements
For the financial year ended 31 March 2021

Note 1. Trust information

The SMART ABS SERIES 2019-1 Trust (Trust) is a Trust registered and domiciled in Australia. The address of the Trust's registered office is Perpetual Trustee Company Limited, Level 12, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia.

The principal activity of the Trust during the financial year ended 31 March 2021 was to act as a special purpose vehicle for the securitisations of Macquarie Leasing Pty Limited's (MLPL) lease receivables portfolio. MLPL is a commercial leasing and finance Company which provides finance leases, chattel mortgages and commercial hire purchase agreements to individuals, corporates, government entities, local authorities and small businesses.

Macquarie Securitisation Limited (MSL) is the Trust Program Manager for the SMART securitisation program. Perpetual Trustee Company Limited is the Trustee of the Trust (The Trustee) and PT Limited is the Security Trustee of the Trust (The Security Trustee). Macquarie Bank Limited (MBL) is the parent and capital unitholder ("unitholder") and Boston Australia Pty Limited (BAPL) is the residual income unitholder ("unitholder") of the trust.

Under the terms of the securitisation, the Trust issued notes based on the value of the lease receivables being securitised. These note holders receive interest income and principal repayments over the term of the transactions. Boston Australia Pty Limited (BAPL) receives any residual cash from the Trust after all disbursements.

Note 2. Summary of significant accounting policies

(i) Basis of preparation

The Trust is not a reporting entity because, in the opinion of the Directors of the Trust Program Manager (Directors), there are no users dependent on General Purpose Financial Reports. This is a special purpose Financial Report that has been prepared in compliance with the Trust Deed.

The principal accounting policies adopted in the preparation of this Special Purpose Financial Report ("Financial Report") are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Directors have determined that the recognition and measurement principles of all the applicable Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board are adopted by the Trust Program Manager to meet the needs of the members. Disclosure requirements (including AASB 7 "*Financial Instruments Disclosure*") have not been adopted with the exception of the following:
- AASB 101: *Presentation of Financial Statements;*
- AASB 107: *Cash Flow Statements;*
- AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors;*
- AASB 1048: *Interpretation and Application of Standards; and*
- AASB 1054: *Australian Additional Disclosures.*

Deficiency of net assets

The Financial statements for the current financial year has been prepared on a going concern basis despite there being an excess of liabilities over assets at 31 March 2021 of $24,770,239 (2020: $33,498,159). The negative net assets position is largely attributable to distributions made by the Trust which was calculated based on distributable taxable income. The distributable taxable income do not take into account the unrealised gain/(losses) on interest rate swap. The Trust has been structured to earn a net interest income each year and as such the financial statements have been prepared on a going concern basis.

Basis of measurement

This Financial Report has been prepared under the historical cost convention, as modified by the revaluation of derivative instruments at fair value.

Critical accounting estimates and significant judgements

The preparation of the Financial Report in conformity with AAS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the accounting policies.

The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Trust and the Financial Report such as:

- determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied and whether past or expected business activity is consistent with a held to collect business model (note 2(vi)(d)).
- assessing whether the cash flows generated by a financial asset constitute solely payments of principal and interest (SPPI) may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (note 2(vi)(d));
- fair value of financial assets and financial liabilities (note 2(vi));
- the validity of applying the "going concern" assumption where the Trust is in a net liability position (note 2(i));
- the choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss including the determination of significant increase in credit risk (SICR), forecast of economic conditions and the weightings assigned thereto (note 2 (ix)).

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(i) Basis of preparation (continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

The directors believe the estimates used in preparing the Financial Report are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the directors' assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

Coronavirus (COVID-19) impact

The Novel Coronavirus (COVID-19) continues to have an impact on global economies and financial markets. It has also led to material structural shifts in the behaviour of the economy and unprecedented actions by financial markets, governments, and regulators. The impact of COVID-19 continues to evolve and, where applicable, has been incorporated into the determination of the Company's results of operations and measurement of its assets and liabilities at the reporting date.

The Company's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its 31 March 2020 financial statements. Those processes identified that expected credit losses and the assessment of the impairment of non-financial assets required continued judgement as a result of the impact of COVID-19.

As there is a higher than usual degree of uncertainty associated with these assumptions and estimates, actual outcomes may differ to those forecasted which may impact the accounting estimates included in these financial statements. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

New Australian Accounting Standards and amendments to Australian Accounting Standards and Interpretations that are not yet effective for the financial year

Other amendments made to existing standards

Other amendments to existing standards that are not mandatorily effective for the annual reporting period beginning on 1 April 2020 and have not been early adopted, are not likely to result in a material impact on the Company's financial statements following the adoption.

(ii) Foreign currency translations

Functional and presentation currency

The Trust's financial statements are presented in Australian dollars (the presentation currency), which is also the Trust's functional currency.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the Trust's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period:
- foreign currency monetary assets and liabilities are translated using the closing exchange rate; and
- non-monetary items measured in terms of historical cost in a foreign currency remain translated using the spot exchange rate at the date of the transaction.

Foreign exchange gains and losses arising from settlement or translation of monetary items, are recognised in other operating income and charges.

(iii) Revenue and expense recognition

Net interest income

Interest income and interest expense is brought to account using the Effective Interest Rate (EIR) method. The effective interest rate method calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is that rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

When the estimates of payments or receipts of a financial instrument are subsequently revised, the carrying amount is adjusted to reflect the actual or revised cash flows with the re-measurement recognised as part of interest income (financial assets) or interest expense (financial liabilities) in the income statement. The calculation of the EIR does not include ECL.

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(iii) Revenue and expense recognition (continued)

Fees and commission income

Fees income (including fees in relation to dishonoured payments, account management fee, penalty fee income etc) are recognised when the services are provided.

Net trading income

Net trading income comprises gains and losses related to unrealised fair value changes on derivative financial instruments.

Fees and commission expense

The Trustee and the Trust Program Manager are entitled to a fee for performing their duties in respect of each collection period. Such fee is an amount agreed per the Trust Deed and Offer Memorandum or equivalent and is payable in arrears on the distribution date following the end of the collection period. Fee and commission expense is recognised on accrual basis.

Other operating income and charges

Other operating income and charges include credit impairment charges on financial instruments, recovery of loan losses previously written off, loan losses written off and other income.

(iv) Distributions

In accordance with the Trust Deed, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Manager, to unitholder in cash. The distributions are recognised in the income statement as distributions to the unitholder.

(v) Income tax

Under the current legislation, the Trust is not subject to income tax because all taxable income has been distributed in full to the unitholder.

(vi) Financial instruments

(a) Recognition of financial instruments

Financial instruments are recognised when the Trust becomes a party to the contractual provisions of the instrument.

A financial instrument is initially recognised at fair value and is adjusted (in the case of instruments not carried at Fair Value Through Profit or Loss (FVTPL) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument.

(b) De-recognition of financial instruments

Financial assets

Financial assets are de-recognised from the statement of financial position when:

– the rights to cash flows have expired; and

– where the Trust has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Trust i) transfers the contractual rights to receive the cash flows of the financial asset, or ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:

- The Trust is not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- The Trust is prohibited from selling or pledging the original asset other than as security to the eventual recipients, and
- The Trust is obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Trust neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Trust is recognised as a separate asset or liability. In transfers where control over the asset is retained, the Trust continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(vi) Financial instruments (continued)

Financial liabilities

Financial liabilities are de-recognised from the statement of financial position when the Trust's obligation has been discharged, cancelled or has expired.

Gains and losses arising from the derecognition of financial assets or financial liabilities are recognised in net trading income in respect of trading-related balances that are subsequently measured at amortised cost investment income within other income and charges, in respect of financial investments and other income and charges income as part of other operating income and charges for all other financial assets and financial liabilties.

(c) Modification of financial instruments

A financial instrument is modified when its original contractual cash flows are renegotiated or modified. A financial asset that is renegotiated is derecognised if the rights to receive cash flows from the existing agreement have expired, either through replacement by a new agreement or the existing terms are modified to that effect. A financial liability that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the existing terms are modified such that the renegotiated financial instrument is a substantially different financial instrument. Where the modification results in de-recognition of the original financial instrument, the new financial instrument is recorded initially at its fair value and the resulting difference is recognised as part of other operating income and operating charges in the income statement.

For financial instruments measured at amortised cost, and for financial assets measured at fair value through other comprehensive income, when the modification does not result in de-recognition, a gain or loss is recognised in other income in the income statement reflecting the adjustment of the gross carrying amount to reflect there negotiated or modified contractual cash flows, discounted at the original EIR.

(d) Classification and subsequent measurement

Financial assets

Financial assets are classified based on the business model within which the asset is held and on the basis of the financial asset's contractual cash flows characteristics.

Business model assessment

The Trust Program Manager determines the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

(i) how the performance of the financial assets held within that business model is evaluated and reported to the Directors of the Trust Program Manager.

(ii) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

(iii) how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Trust Program Manager exercises judgement to determine the appropriate level at which to assess its business models and its intention with respect to its financial assets.

Solely payment of principal and interest (SPPI)

The contractual cash flows of a financial asset are assessed to determine whether these represent SPPI on the principal amount outstanding. This includes an assessment of whether cash flows primarily reflect consideration for the time value of money and the credit risk of the principal outstanding. Interest may also include consideration for other basic lending risks and costs.

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(vi) Financial instruments (continued)

(d) Classification and subsequent measurement (continued)

Amortised cost

A financial asset is subsequently measured at amortised cost using the EIR method where:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements.

Interest income determined in accordance with the EIR method and recognised as part of interest and similar income.

All financial assets held with Macquarie group entities are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements. Hence, these are measured at amortised cost. This category also includes Cash and bank balances, loan and lease receivables and other assets.

Reclassification of financial instruments

The Trust reclassifies financial assets when and only when its business model for managing those assets changes. Financial assets that are reclassified are subsequently measured based on the financial instrument's new measurement category.

The Trust does not reclassify financial liabilities after initial recognition.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost, except for derivative financial liabilities, which are classified as HFT and subsequent measured at FVTPL.

Gains and losses arising from the derecognition of financial liabilities that are subsequently measured on an amortised cost basis are recognised in other income as part of other operating income and charges in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported on the statement of financial position, when there is a current legally enforceable right to offset the amounts and either there is an intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

(vii) Derivative instruments

Derivative instruments entered into by the Trust include swaps in the interest rate. These derivative instruments which are principally used by the Trust for the risk management of existing financial assets and financial liabilities.

Derivatives are recognised in the statement of financial position as an asset where they have a positive fair value at balance date or as a liability where they have negative fair value at the reporting date.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. A derivative that may have both positive or negative values must meet the derecognition tests for both assets and liabilities before it is derecognised from the statement of financial position. Fair values are obtained from quoted prices in active markets where applicable, or valuation techniques including discounted cash flow models and option pricing models, as appropriate. Movements in the fair value of derivatives are recognised as net trading income/expense in the income statement.

The best evidence of a derivative's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. Where such alternative evidence exists, the Trust recognises profits or loss immediately when the derivative is recognised.

The Trust applies trade date accounting to the recognition and derecognition of derivative financial instruments. Where the derecognition criteria are met, the Trust derecognises the derivative and records a trade receivable or trade payable from trade date until settlement date.

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(viii) Financial assets

With the exception of derivatives which are classified separately in the statement of financial position, the remaining investments in financial assets are classified as loans and lease receivables. The classification depends on the purpose for which the investment was acquired, which is determined at initial recognition and is re-evaluated at each reporting date.

Loans and lease receivables

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

Loan assets are initially recognised on settlement date at fair value adjusted for directly attributable transaction costs. Loan assets are subsequently measured in accordance with Note 2 (vi) *Financial instruments.*

Where finance leases are granted to third parties, the present value of the minimum lease payments plus an estimate of the value of any unguaranteed residual value is recognised as a receivable and included in loan assets. The difference between the gross receivable and the present value of the receivable is unearned interest income. Lease receipts are discounted using the interest rate implicit in the lease. Lease income is recognised over the term of the lease using the EIR method, which reflects a constant rate of return.

(ix) Impairment

Expected credit losses

The ECL requirements apply to financial assets measured at amortised cost. The Trust applies a three-stage approach ((i) Stage I – 12 month ECL, (ii) Stage II – Lifetime ECL not credit impaired and (iii) Stage III – Lifetime ECL credit impaired) to measure the ECL based on changes in the financial asset's underlying credit risk and includes forward-looking or macro-economic information (FLI). ECL is modelled as the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

Presentation of ECL allowances

The ECL allowance are presented in the statement of financial position as follows:
(i) Loan assets measured at amortised cost – as a deduction to the gross carrying amount;
(ii) Lease receivables measured at amortised cost – as a deduction to the gross carrying amount;
(iii) Other assets measured at amortised cost – as a deduction to the gross carrying amount.
When the trust concludes that there is no reasonable expectation of recovering cash flows from the financial asset and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recorded based on the cash received.

(x) Debt issued

The Trust has on issue debt securities and other financial liabilities which are initially recognised at fair value net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the financial period of the borrowings using the effective interest rate method.

(xi) Other assets

Other assets primarily include amounts due from related entities and government taxes.

(xii) Other liabilities

Other liabilities include liabilities and accrued expenses owing by the Trust which are unpaid as at reporting date. The distribution amount payable to unitholder as at the reporting date is recognised separately on the statement of financial position when unitholder is presently entitled to the distributable income under the Trust's Deed.

(xiii) Cash and cash equivalents

Cash and cash equivalents comprise of cash and balance with banks.

Notes to the financial statements
For the financial year ended 31 March 2021 (continued)

Note 2. Summary of significant accounting policies (continued)

(xiv) Net liabilities attributable to unitholder

The income unitholder is entitled to the net income amount of the Trust following payment of Trust expenses, Manager fee, payment to swap providers or liquidity facility providers and interest expenses of the Trust. This net income payment may further be subordinated to make any principal shortfalls. Following all payments being made under the cash flow waterfall, the income unitholder is entitled to any residual. As a result, the net liabilities attributable to unitholder are classified as financial liabilities.

Income/(expense) and other comprehensive income/(expense) not distributed is included in net liabilities attributable to unitholder. Movements in net liabilities attributable to unitholder is recognised in the income statement as finance costs or in other comprehensive income, as appropriate.

Net liabilities is largely attributable to distributions made by the Trust being calculated based on distributable taxable income. The Trust has been structured to earn a net interest income each year. Non-cash losses are retained in the Trust and may result in a net liability position.

(xv) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the financial statements
for the financial year ended 31 March 2021 (continued)

	2021 $	19 February 2019 to 31 March 2020 $
Note 3. Profit for the financial year		
Net interest income		
Interest and similar income	**49,729,235**	79,527,274
Interest and similar expense	**(13,490,959)**	(35,039,603)
Net interest income	**36,238,276**	44,487,671
Net fees and commission expense		
Fees and commission income		
Lending fees income	**588**	23,712
Account management fees	**1,747,177**	2,360,298
Other fees and commission income	**(15,472)**	426,204
Fees and commission expense		
Service fees	**(1,586,536)**	(2,038,792)
Management fees	**(216,346)**	(509,001)
Trustee fees	**(107,929)**	(148,770)
Lending fees	**(36,069)**	(40,766)
Other fees and commission expense	**(903)**	(1,121)
Net fees and commission (expense)/income	**(215,490)**	71,764
Net trading expense[1]		
Loss from derivatives	**(3,434,122)**	(34,124,743)
Net trading expense	**(3,434,122)**	(34,124,743)

[1]This also includes fair value changes on derivatives used to mitigate Trust's interest rate risk.

	2021 $	19 February 2019 to 31 March 2020 $
Net operating income	**32,588,664**	10,434,692
Other operating expenses		
Credit impairment charges		
- Cash, bank & other demand deposits	**11,590**	(19,139)
- Loan assets	**(1,308,999)**	(12,662,787)
- Other assets	**782**	(1,878)
Recovery of loan losses previously written off	**225,136**	292,672
Loan losses written off	**(1,389,902)**	(2,291,368)
Other income[1]	**17,998**	293,626
Total other operating expenses	**(2,443,395)**	(14,388,874)

[1]Other income includes government taxes.

The Trust has no employees.

	2021 $	2020 $
Note 4. Cash, bank & other demand deposits		
Due from parent	**33,696,453**	41,292,893
Total cash, bank & other demand deposits	**33,696,453**	41,292,893

The above amounts are expected to be recovered within 12 months of the balance date by the Trust.

Notes to the financial statements
for the financial year ended 31 March 2021 (continued)

	2021 $	2020 $
Note 5. Other assets		
Due from parent	**1,678,110**	-
Due from other related entities	**-**	13,086
Others[1]	**689**	14,915
Total other assets	**1,678,799**	28,001

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Trust.

[1]The majority of the balances represents government taxes.

Note 6. Loans and lease receivables

	2021 $	2020 $
Finance lease receivables[1]	**144,902,445**	222,861,275
Loan receivables[1]	**384,550,922**	601,975,930
Less : ECL allowance	**(13,758,667)**	(12,817,215)
Total loans and lease receivables[2]	**515,694,700**	812,019,990

[1]Included within this balance, $247,506,256 (2020: $315,027,237) is expected to be settled within 12 months of the balance date by the Trust and the remaining $268,188,444 (2020: $496,992,753) is expected to be settled after 12 months of the balance date.

[2]The assets of the Trust are pledged as security for the notes.

Note 7. Other liabilities

	2021 $	2020 $
Creditors	**201,434**	392,323
Due to parent	**348,738**	345,232
Other[1]	**-**	27,106
Total other liabilities	**550,173**	764,661

The majority of the above amounts are expected to be settled within 12 months of the balance date by the Trust.

[1]The majority of the balances represents government taxes.

Note 8. Debt issued

	2021 $	2020 $
Notes issued to external parties		
Opening balance	**689,756,438**	-
Notes issued during the year	**-**	1,000,000,000
Notes repaid during the year	**(239,893,045)**	(310,728,537)
Others	**(269,396.00)**	484,975
Closing balance	**449,593,997**	689,756,438
Notes issued to other related entities		
Opening balance	**171,661,470**	-
Notes issued during the year	**-**	176,500,000
Notes repaid during the year	**(59,598,896)**	(5,257,776)
Others	**(158,735)**	419,246
Closing balance	**111,903,839**	171,661,470
Total debt issued[1]	**561,497,836**	**861,417,908**

[1]Included within this balance, $216,041,918 (2020: $268,409,887) is expected to be settled within 12 months of the balance date by the Trust and the remaining $345,455,918 (2020: $593,008,021) is expected to be settled more than 12 months after the balance date.

[1]The final maturity date of the registered stock is 14/04/2027. There is an interest rate of BBSW+1.02% on Class A notes, an interest rate of BBSW+5% on Seller notes. Seller notes is subordinate to class A in the event of liquidation.

Class A notes are listed on Australian Securities Exchange.

The Trust have not had any defaults of principal, interest or other breaches with respect to its debt during the financial years reported.

Notes to the financial statements
for the financial year ended 31 March 2021 (continued)

	2021 $	2020 $
Note 9. Net liabilities- attributable to unitholder		
Net liabilities- attributable to unitholder is represented by:		
Opening balance	**(33,498,159)**	-
Decrease/(Increase) in net liabilities attributable to unitholder of the Trust	**8,727,919**	(33,498,159)
Total net liabilities- attributable to unitholder	**(24,770,240)**	(33,498,159)

The Trust comprises of 10 Capital units and a residual income unit. The residual income unitholder is entitled to residual income of the Trust.

Note 10. Notes to the statement of cash flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to related items in the statement of financial position as follows:

	2021	2020
Cash, bank & other demand deposits[1] (note 4)	**33,696,453**	41,292,893
Cash and cash equivalents at the end of the financial year	**33,696,453**	41,292,893

[1]Includes due from parent as per note 4.

Note 11. Related party information

The residual income unitholder for the Trust is Boston Australia Pty Limited (BAPL). The immediate parent entity is MBL and holds 10 capital units in the Trust. The ultimate parent entity is Macquarie Group Limited.

The Trust Program Manager is Macquarie Securitisation Limited (MSL). Macquarie Leasing Pty Limited (MLPL) is the servicer of the Trust.

Key Management Personnel

The Directors of the Trust Program Manager had the authority and responsibility for planning, directing and controlling activities of the Trust (Key Management Personnel – KMP) during the financial years ended 31 March 2021 and 31 March 2020 unless otherwise indicated:

Name of the Director	Appointed on	Resigned on
Andrew Hall	5 May 2014	-
Daniel McGrath	31 October 2017	-
James Casey	3 March 2010	31 May 2019
James Angus	1 August 2013	31 May 2019
Jonathan Moodie	28 February 2019	31 May 2019
Kirk Graham Kileff	31 May 2019	-

No Directors of the Trust are Directors of the ultimate parent entity.

Remuneration to key management personnel

The KMPs did not receive any benefits or consideration in connection with the management of the Trust. All benefits that were received by the KMPs were solely related to other services performed with respect to their employment by Macquarie Group Limited.

Notes to the financial statements for the financial year ended 31 March 2021 (continued)

Note 11. Related party information (continued)

Transactions with related parties

	2021	19 February 2019 to 31 March 2020
	$	$
During the financial year, the following transactions were made with the parent entity:		
Interest and similar income	**21,587**	431,986
Interest expense and similar charges	**(2,961)**	-
Net trading expense (note 3)	**(3,284,958)**	(34,293,708)
During the financial year, the following transactions were made with other related entities:		
Fees and commission expense		
Service fees (note 3)	**(1,586,536)**	(2,038,792)
Management fees (note 3)	**(216,346)**	(509,001)
Interest expense and similar charges	**(7,175,329)**	(15,689,040)
Distributions paid to unitholder	**(21,417,350)**	(29,543,977)

All other transactions between the Trust and MSL were under normal commercial terms and conditions.

Amounts receivable and payable to related entities are disclosed in notes 4, 5, 7 and 8 to the financial statements.

The Seller Notes issued by the Trust are held by BAPL (note 8).

There are derivative transactions entered for mitigating Trust's interest rate risk, on an arm's length basis with entities within the Macquarie Group.

All transactions with related entities were made on normal commercial terms and conditions and at market rates except where indicated.

Note 12. Contingent liabilities and commitments

The Trust has no contingent liabilities or commitments which are individually material or a category of contingent liabilities or commitments which are material.

Note 13. Audit and other services provided by PricewaterhouseCoopers

The cost of auditor's remuneration for auditing services of $13,700 (2020: $13,700) has been borne by Macquarie Group Services Australia Pty Limited, a wholly-owned subsidiary within the Macquarie Group. The auditors received no other benefits.

Note 14. Events after the reporting period

There were no material events subsequent to 31 March 2021 that have not been reflected in the financial statements.

SMART ABS SERIES 2019-1 Trust

Directors' Declaration

As stated in note 2(i) to the financial statements, in the opinion of the Directors of the Trust Program Manager (Directors), the Trust is not a reporting entity because there are no users dependent on general purpose Financial Reports. This is a special purpose Financial Report that has been prepared in compliance with the Trust Deed. The Financial Report has been prepared in accordance with the Australian Accounting Standards and mandatory professional reporting requirements to the extent described in note 2.

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 2 to 17 are in accordance with the the Trust Deed dated 11 March 2002, as amended, including:

   (i) complying with the Australian Accounting Standards and regulations to the extent described in note 2; and

   (ii) giving a true and fair view of SMART ABS SERIES 2019-1 Trust's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that SMART ABS SERIES 2019-1 Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

DocuSigned by:
Kirk Kileff
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Director

Sydney
28 July 2021

Marked for the purpose of identification only
PRICEWATERHOUSECOOPERS
SYDNEY

Independent auditor's report

To the unitholders of SMART ABS SERIES 2019-1 Trust

Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of SMART ABS SERIES 2019-1 Trust (the Trust) as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2(i) and the Trust Deed dated 11 March 2002.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 March 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 2(i) in the financial report, which describes the basis of accounting. The financial report has been prepared to assist the directors of the Trust Program Manager (the directors) to meet the financial reporting requirements of the Trust Deed dated 11 March 2002. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trust and its unitholders and should not be distributed to or used by parties other than the Trust and its unitholders. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers, ABN 52 780 433 757
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Responsibilities of the directors for the financial report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 2(i) and the Trust Deed dated 11 March 2002, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The directors have determined that the basis of preparation described in Note 2(i) to the financial report is appropriate to meet the needs of the unitholders.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Sam Hinchliffe
Partner

Sydney
28 July 2021