

**Crusade ABS Series 2008-2 Trust**

**Financial Report**

**For the year ended 30 September 2009**

**ABN 37 253 140 996**

**Crusade ABS Series 2008-2 Trust  
Manager's Report  
For the year ended 30 September 2009**

For the purpose of this report, the "Manager" refers to Crusade Management Limited, the manager of Crusade ABS Series 2008-2 Trust (the "Trust"). The Manager has prepared this Special Purpose Financial Report under delegation of BNY Trust Company of Australia Limited (the "Trustee").

The Manager of the Trust presents its report together with the financial report of Crusade ABS Series 2008-2 Trust for the year ended 30 September 2009 and the auditor's report thereon.

**1. Principal activities**

The Trust is a special purpose vehicle that holds a portfolio of loans and has issued asset backed securities. The Trust has also entered into interest rate and cross currency swap agreements to manage its exposure to interest rate and foreign exchange risk.

**2. Operating and financial review**

**Review of financial condition**

The profit for the financial year ended 30 September 2009 was \$nil (2008: \$nil).

**Significant changes in the state of affairs**

In the opinion of the Manager there were no significant changes in the state of affairs of the Trust during the financial year.

**3. Events subsequent to reporting date**

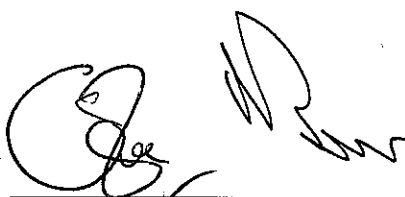

Since the end of the financial year, the Manager is not aware of any matter or circumstance not otherwise dealt with in this or in the accompanying financial statements that has significantly affected the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

**4. 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.

**For and on behalf of the manager**

  
Director **Curtis Alan Zuber**  
  
**PATRICK BRENNAN**

Crusade Management Limited

Signed at Sydney, New South Wales  
November 2009

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**Crusade ABS Series 2008-2 Trust**  
**Income Statement**  
**For the year ended 30 September 2009**

			24 July 2008 to 30 September 2008
	Note	2009 \$	2008 \$
<b>Revenue</b>			
Interest income	2	92,434,172	26,607,842
Other income	2	22,731,869	1,636,375
		<b>115,166,041</b>	<b>28,244,217</b>
<b>Expenses</b>			
Interest expense	2	78,139,907	22,346,219
Bad and doubtful debts expense	2	10,490,043	(238,798)
Custodial fees		142,319	34,365
Service fees		2,374,826	573,126
Manager fees		279,479	68,033
Trustee fees		69,473	26,457
Other expenses	2	1,069,461	231,014
		<b>92,565,508</b>	<b>23,040,416</b>
<b>Profit available for distribution</b>		<b>22,600,533</b>	<b>5,203,801</b>
Distributions paid/payable		(22,600,533)	(5,203,801)
<b>Profit before income tax</b>		<b>-</b>	<b>-</b>
Income tax expense/(benefit)		-	-
<b>Profit for the year</b>		<b>-</b>	<b>-</b>

The Income Statement should be read in conjunction with the accompanying notes to the financial statements.

**Crusade ABS Series 2008-2 Trust**  
**Balance Sheet**  
**As at 30 September 2009**

	Note	2009 \$	2008 \$
<b>Assets</b>			
Cash	4a	51,734,457	63,992,944
Loans and other receivables	5	691,525,092	1,218,305,367
<b>Total assets</b>		<b>743,259,549</b>	<b>1,282,298,311</b>
<b>Liabilities</b>			
Other liabilities	6	10,383,195	11,290,837
Asset backed securities	7	732,876,344	1,271,007,464
<b>Total liabilities</b>		<b>743,259,539</b>	<b>1,282,298,301</b>
<b>Net assets</b>		<b>10</b>	<b>10</b>
<b>Equity</b>			
Residual capital unit on issue	8	10	10
<b>Total Equity</b>		<b>10</b>	<b>10</b>

The Balance Sheet should be read in conjunction with the accompanying notes to the financial statements.

**Crusade ABS Series 2008-2 Trust**  
**Statement of Changes in Equity**  
**As at 30 September 2008**

	<b>2009</b>	<b>24 July 2008 to 30 September 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Total equity at the beginning of the year</b>	<b>10</b>	<b>-</b>
Unit issued	-	10
Net income/(expense) recognised directly in equity	-	-
Profit/(loss) after income tax for the year	-	-
<b>Total recognised income and expense for this year</b>	<b>-</b>	<b>-</b>
Transactions with unitholders in their capacity as unitholders	-	-
<b>Total equity at the end of the year</b>	<b>10</b>	<b>10</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

**Crusade ABS Series 2008-2 Trust**  
**Statement of Cash Flows**  
**For the year ended 30 September 2009**

			24 July 2008 to 30 September 2008
	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Interest received		93,569,118	24,579,200
Fees received		22,731,869	1,636,375
Interest paid		(81,100,591)	(16,634,353)
Expenses paid		(4,069,663)	(588,842)
Proceeds from bad debt recovery		415,951	4,296
Distributions paid		(20,406,682)	-
<b>Net cash from operating activities</b>	4b	<b>11,140,002</b>	<b>8,996,676</b>
<b>Cash flows from investing activities</b>			
Proceeds from loan repayments		442,099,604	87,431,619
Purchase of loans		-	(1,220,207,013)
<b>Net cash from/(used in) investing activities</b>		<b>442,099,604</b>	<b>(1,132,775,394)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of asset backed securities		-	1,187,771,642
Repayment of asset backed securities		(465,498,093)	-
Proceeds from issue of trust units		-	20
<b>Net cash (used in)/from financing activities</b>		<b>(465,498,093)</b>	<b>1,187,771,662</b>
<b>Net (decrease)/increase in cash held</b>		<b>(12,258,487)</b>	<b>63,992,944</b>
<b>Cash at the beginning of the year</b>		<b>63,992,944</b>	<b>-</b>
<b>Cash at the end of the year</b>	4a	<b>51,734,457</b>	<b>63,992,944</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

**1. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

**a) Basis of preparation**

**i) General**

In the opinion of the directors of Crusade Management Limited, being the Manager of Crusade ABS Series 2008-2 Trust (the "Trust"), the Trust is not a reporting entity because there are no users dependent on general purpose financial reports. The Trust is domiciled and registered in Australia.

Accordingly this Special Purpose Financial Report has been prepared in accordance with the requirements of the Master Trust Deed dated 14 March 2008 ("the Trust Deed"), and the basis of accounting and disclosure requirements specified by the Australian equivalents to International Financial Reporting Standards (AIFRS) and the Urgent Issues Group Interpretations, so far as they are consistent with the provision of the Trust Deed, with exception of the disclosure requirements of the following standards:

AASB 2	<i>Share-based Payment</i>
AASB 3	<i>Business Combinations</i>
AASB 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
AASB 7	<i>Financial Instruments: Disclosures</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 114	<i>Segment Reporting</i>
AASB 124	<i>Related Party Disclosures</i>
AASB 132	<i>Financial Instruments: Presentation</i>
AASB 139	<i>Financial Instruments: Recognition and Measurement</i>

**ii) Historical cost convention**

The Financial Report has been prepared under the historical cost convention. Cost is determined as the fair value of consideration given in exchange for assets.

**iii) Functional and presentation currency**

The Financial Report is presented in Australian dollars, which is the Trust's functional and presentation currency.

**iv) Comparative data**

The comparative data covered the period from 24 July 2008 to 30 September 2008, consequently the comparative data is not entirely comparable.

**b) Taxation**

The Beneficiary holds the sole beneficial interest in the Trust and is presently entitled to the distributable income of the Trust which is taxable in its hands.

Accordingly, no provision for income tax has been made in the Trust's financial statements.

The trust forms part of the Westpac Banking Corporation consolidated tax group of companies and trusts for tax purposes under a valid and effective agreement for purposes of section 721 - 725 of the Income Tax Assessment Act 1997. The head entity within the tax consolidated group is Westpac Banking Corporation ("the Bank").

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

**1. Summary of significant accounting policies (continued)**

**b) Taxation (continued)**

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using a "group allocation approach" by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries and trusts are assumed by the head entity in the tax consolidated group and are recognised as amounts payable/receivable to/from other entities in the tax-consolidation group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the Bank as an equity contribution or distribution.

The Bank recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

**c) Revenue and expense recognition**

Interest and fee income is recognised on an accrual basis.

Interest income and expense are recognised in the income statement for all interest earning assets and interest earning liabilities based upon the effective interest rate on the instrument. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the instruments. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fee income and expense that are integral part of the effective interest rate.

Unrealised profits and losses arising on the foreign currency restatement of the asset backed securities are recognised in the income statement. These profits or losses are offset by the revalued foreign currency hedges in place and therefore have no net effect on the result.

**d) Cash**

Cash comprises cash at bank. Interest income on cash at bank is recognised in the Income Statement when earned.

**e) Loans and other receivables**

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

Loans and other receivables include hire purchase, finance lease, consumer finance and related accrued interest.

Loans and other receivables are initially recognised at fair value plus direct and incremental transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

**f) Other liabilities**

Accrued expenses and other liabilities include restatement of cross currency swaps used to hedge foreign currency risk, accruals and other liabilities. These liabilities are recognised at the cash value to be realised when settled.



**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

**1. Summary of significant accounting policies (continued)**

**g) Asset backed securities**

Asset backed securities are recorded at cost less estimated impairments on the loans and other receivables backing the securities. Interest on the asset backed securities is recognised on an accrual basis.

Asset backed securities held in foreign currencies are shown in the financial statements at the exchange rate prevailing at balance date. Interest payments due in foreign currencies are hedged by a currency swap. Therefore these payments do not expose the Trust to any foreign currency fluctuation risk. These asset backed securities mature in September 2017.

**h) Derivative financial instruments**

The entity makes use of derivatives to hedge interest rate risk. Derivatives used for hedging purposes are accounted for on the same basis as the underlying exposure (i.e. on an accruals basis). The basis for adopting this policy is that the derivative financial instrument entered into perfectly matches the financial risk being hedged.

**i) Cash flows**

For the purpose of the preparation of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, bank deposits at call, current accounts with related entities and is presented net of outstanding bank overdrafts.

**j) Loan impairment**

The Trust assesses at each balance date whether there is any objective evidence of impairment. If there is objective evidence that impairment on an individual loan or portfolio of loans has occurred, an impairment assessment is performed and a loss recognised where appropriate.

The amount of the loss is measured as the difference between the loans' carrying amount and the present value of the expected future cash flows (excluding future credit losses that have not been incurred), discounted at the loans' original effective interest rate. Loans and advances are presented net of provisions for loan impairment.

The Trust has loan impairment losses which are assessed on both a specific and collective basis.

Specific loan provisions are recognised in situations where, following an assessment of an individual facility, there is objective evidence that a loan is impaired. All other loans and advances that do not have an individually assessed loan provision are assessed collectively for impairment.

Collective provisions reflect the estimated amount of losses incurred on a collective basis, but which have yet to be individually identified.

The expected future cash flows for portfolios of similar assets are estimated by management on the basis of historical loss experience, for assets with credit risk characteristics similar to those in the Trust. Loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the loss experience is based and to remove the effects of conditions in the period that do not exist at balance date. Increases or decreases in the collective provision are recognised in the income statement.

Changes in assumptions used for estimating future cash flows could result in a change in provisions for loan losses and have a direct impact on the impairment change.

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

	2009 \$	2008 \$
<b>2. Revenue and expenses</b>		
<b>Income</b>		
Interest income		
- Related party	2,973,434	2,791,831
- Other party	89,460,738	23,816,011
	<b>92,434,172</b>	<b>26,607,842</b>
<b>Other income</b>		
Unrealised profit on write down value of asset back securities	10,653,627	-
Fee income	12,078,242	1,636,375
	<b>22,731,869</b>	<b>1,636,375</b>
<b>Expense</b>		
Interest expense		
- Related party	18,504,694	1,455,579
- Other party	59,635,213	20,890,640
	<b>78,139,907</b>	<b>22,346,219</b>
Bad and doubtful debts expense		
- Bad debt expense net of recoveries	2,620,916	7,889
- Movement in provision for bad debts	7,867,532	(246,687)
- Change in present value	1,595	-
	<b>10,490,043</b>	<b>(238,798)</b>
<b>Other expense</b>		
Audit fees	3,071	-
Austraclear fees	7,670	6,800
Bank charges	1,524	46
Rating fees	1,057,196	224,168
Other fees	3,896	-
	<b>1,069,461</b>	<b>231,014</b>
<b>3. Auditor's remuneration</b>		
Auditors of the company:		
- other regulatory audit services	3,071	-

During the year PricewaterhouseCoopers assumed the role of the Trust's auditor from KPMG. All audit and review of financial reports fees are paid by the ultimate parent entity.

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

	2009 \$	2008 \$
<b>4. Notes to the statement of cash flows</b>		
<b>a) Reconciliation of cash</b>		
Cash as at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Cash at bank	51,734,457	63,992,944
<b>b) Reconciliation of cash flows from operating activities</b>		
Profit for the year:	-	-
Adjustment for:		
Impairment loss	7,867,532	(246,687)
Bad debt expense	3,036,867	12,185
Changes in:		
Accrued expenses	(136,913)	375,160
Distributions payable	2,189,955	5,203,801
Interest payable	(2,960,684)	5,711,866
Interest receivable	1,134,946	(2,028,642)
GST receivable	8,299	(31,007)
Net cash from operating activities	11,140,002	8,996,676
<b>5. Loans and other receivables</b>		
Consumer loans	255,919,185	430,781,563
Hire purchase	366,995,864	591,572,721
Finance leases	64,711,689	110,408,925
Provision for doubtful debts	(10,819,612)	(2,952,080)
Currency swap receivable	13,801,562	86,434,589
Accrued interest:		
- Bank deposits	197,144	285,604
- Loans	696,552	1,315,025
- Interest rate swap	-	428,013
GST receivable	22,708	31,007
	691,525,092	1,218,305,367

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

	2009 \$	2008 \$
<b>6. Other liabilities</b>		
Accrued expenses	238,247	375,160
Distributions payable	7,393,756	5,203,801
Interest payable:		
- Asset backed securities	853,665	4,702,086
- Interest rate swap	1,003,955	-
- Cross currency swap	893,562	1,009,780
Residual income unit issued at \$10	10	10
	<b>10,383,195</b>	<b>11,290,837</b>
<b>7. Asset backed securities</b>		
Asset backed securities	743,529,971	1,271,007,464
Unrealised profit on write down value of asset back securities	(10,653,627)	-
	<b>732,876,344</b>	<b>1,271,007,464</b>
<b>8. Equity</b>		
Residual capital unit issued at \$10	10	10

**9. Support facilities**

In accordance with the Information Memorandum, the Trust had the following support facilities during the year.

**a) Liquidity reserve**

The Trustee maintains a liquidity account with an approved bank, which is reduced each month to equal 1% of the aggregate principal outstanding of the receivables.

**b) Interest rate swap**

The Trustee maintains a interest rate swap with St.George Bank Limited for the purposes of hedging the interest rate risk between fixed rates on the receivables and the floating rate obligations of the asset backed securities. The terms of the interest rate swap allow for netting of swap payments.

**c) Foreign currency swap**

The Trustee entered into a currency swap with the currency swap provider, Royal Bank of Scotland, to hedge its foreign currency exposure.

**10. Segment reporting**

The Trust operates within the treasury and capital markets segment of the financial services industry. The Trust's operations and customers are located primarily within Australia. The Trust operates in accordance with the Trust Deed for the purposes of deriving a margin on interest income on the receivables and interest expense on asset backed securities.

**Crusade ABS Series 2008-2 Trust**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2009**

**11. Contingent liability**

For the year ended 30 September 2009, there are no material contingent assets and liabilities to be disclosed.

**12. Related party information**

**Related entities**

Effective from 17 November 2008, date of the acquisition of St.George Bank Limited by Westpac Banking Corporation, Westpac Banking Corporation is the ultimate parent entity.

St.George Bank Limited is the parent entity of the Manager and custodian of the Trust.

The Manager is Crusade Management Limited, a company incorporated in Australia.

The Trustee is BNY Trust Company of Australia Limited.


**Crusade ABS Series 2008-2 Trust**  
**Manager's Declaration**  
**For the year ended 30 September 2009**

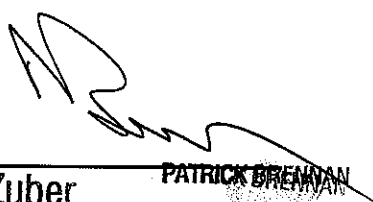
As stated in Note 1 a) i) to the financial statements, in the Manager's opinion, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports.

In the opinion of the Manager:

- (i) the Income Statement is drawn up in accordance with the Master Trust Deed and other transaction documents for the year ended 30 September 2009;
- (ii) the Balance Sheet is drawn up in accordance with the Master Trust Deed and other transaction documents as at 30 September 2009;
- (iii) the Statement of Cash Flows is drawn up in accordance with the Master Trust Deed and other transaction documents for the year ended 30 September 2009; and
- (iv) at the date of this statement, there are reasonable grounds to believe the Trust will be able to pay its debts as and when they fall due.

Signed

  
Director **Curtis Alan Zuber**

  
**PATRICK BRENNAN**

Crusade Management Limited

Signed at Sydney, New South Wales

24 November 2009

PricewaterhouseCoopers  
ABN 52 780 433 757

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**Independent auditor's report to the unitholders of  
Crusade ABS Series 2008-2 Trust**

**Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Crusade ABS Series 2008-2 Trust (the trust), which comprises the balance sheet as at 30 September 2009, the income statement, statement of changes in equity and the cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the managers' declaration.

*The responsibility of the manager for the financial report*

The manager is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the trust deed dated 14 March 2008 and are appropriate to meet the needs of the unitholders. The responsibility of the manager also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the unitholders. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 trust'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 trust's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors of the manager, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to unitholders for the purpose of fulfilling the financial reporting obligations of the directors of the manager under the trust deed. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the unitholders, or for any purpose other than that for which they were prepared.

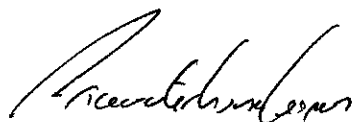
**Independent auditor's report to the unitholders of  
Crusade ABS Series 2008-2 Trust  
(continued)**

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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 Crusade ABS Series 2008-2 Trust as of 30 September 2009 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.



PricewaterhouseCoopers



Rob Spring  
Partner

24 Sydney  
November 2009