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**SERIES 2024-1 WST TRUST**

**ABN 71 389 981 696**

**Annual Report**

**From inception to the period ended 30 September 2024**

# SERIES 2024-1 WST TRUST

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This financial report, presented in Australian dollars, covers Series 2024-1 WST Trust (the Trust) as an individual entity. Series 2024-1 WST Trust is incorporated and domiciled in Australia.

The financial report was authorised for issue by Westpac Securitisation Management Pty Limited (the Manager) under delegation of BNY Trust Company of Australia Limited (the Trustee) on 12 December 2024. The Trustee has the power to amend and reissue the financial report.

The Manager's registered office is:

Level 18, Westpac Place  
275 Kent Street  
Sydney NSW 2000

# SERIES 2024-1 WST TRUST

## Manager's report

30 September 2024

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For the purposes of this report, the 'Manager' refers to Westpac Securitisation Management Pty Limited. The Manager has prepared this general purpose financial report under delegation of BNY Trust Company of Australia Limited (the Trustee).

The Manager of Series 2024-1 WST Trust (the Trust) presents its report together with the financial statements of the Trust from the inception to the period ended 30 September 2024.

### **Principal activities**

The Trust's principal activities during the period consisted of holding the rights to the cash flow collections, but not the obligations, in relation to a pool of Westpac Banking Corporation (Westpac) originated residential home loans secured by mortgages funded with 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 Westpac are accounted for based on the substance of the transactions (rather than the legal form) and are recognised in the accounts as part of a loan.

There have been no significant changes in the nature of the principal activities of the Trust during the period.

### **Operating and financial review**

The operating profit after income tax for the financial period ended 30 September 2024 was \$5,390,404. As the Trust distributes all taxable profits, no income tax is payable by the Trust.

### **Significant changes in state of affairs and events during and since the end of the 2024 financial period**

The Trust was established on 17 October 2023.

On 5 February 2024, the Trust issued \$2,750,000,000 of residential mortgage backed securities, the proceeds were used to acquire a pool of Westpac originated residential home loans secured by mortgages. The Trust also entered into swap agreements with Westpac, to manage its exposure to interest rate risk.

There were no other significant changes in the state of affairs of the Trust during the period.

The Manager is not aware of any matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Trust, the results of its operations or the state of affairs of the Trust in subsequent financial period.

### **Developments and expected results**

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

### **Environmental disclosure**

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 of Australia.

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

### **Rounding of amounts**

Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars, unless indicated to the contrary.

Signed in accordance with a resolution of the Directors of the Manager.



Director

Sydney  
12 December 2024

**SERIES 2024-1 WST TRUST**  
**Statement of profit or loss and other comprehensive income**  
**For the period from 17 October 2023 to 30 September 2024**

	Note	2024 \$'000
Interest income	3	99,222
Interest expense	3	(90,849)
<b>Net interest income</b>		<u>8,373</u>
Operating expenses	4	(394)
Impairment charges	6	(2,589)
<b>Operating profit before income tax</b>		<u>5,390</u>
Income tax expense		-
<b>Operating profit after income tax</b>		<u>5,390</u>
Financing costs attributable to unitholders	11	(5,390)
<b>Net profit for the period</b>		<u>-</u>
Other comprehensive income		-
<b>Total comprehensive income for the period attributable to unitholders of Series 2024-1 WST Trust</b>		<u>-</u>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the Notes to the financial statements.

# SERIES 2024-1 WST TRUST

## Balance sheet

As at 30 September

	Note	2024 \$'000
<b>Assets</b>		
Cash and cash equivalents	12(a)	30
Loan	5	2,280,743
Due from related entities	7	9,117
<b>Total assets</b>		<b>2,289,890</b>
<b>Liabilities</b>		
Due to related entities	8	7,376
Debt issues	9	2,280,095
Other financial liabilities	10	2,419
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>2,289,890</b>
Net assets attributable to unitholders	11	-
<b>Total liabilities</b>		<b>2,289,890</b>
<b>Net assets</b>		<b>-</b>

The above Balance sheet should be read in conjunction with the Notes to the financial statements.

**SERIES 2024-1 WST TRUST**  
**Statement of changes in equity**  
**For the period from 17 October 2023 to 30 September 2024**

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	<b>Total equity \$'000</b>
Balance at 17 October 2023	-
Balance at 30 September 2024	-

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Under Australian Accounting Standards (AAS), net assets attributable to unitholders are classified as financial liabilities rather than equity. As a result there was no equity at the start or the end of the period. The net assets attributable to the unitholders are disclosed in note 11 to the financial statements.

The above Statement of changes in equity should be read in conjunction with the Notes to the financial statements.

**SERIES 2024-1 WST TRUST**  
**Cash flow statement**  
**For the period from 17 October 2023 to 30 September 2024**

	2024
	\$'000
	<u>                    </u>
<b>Cash flows from operating activities</b>	
Interest received	90,105
Interest paid	(86,462)
Payments to suppliers and service providers	(376)
<b>Net cash provided by/(used in) operating activities</b>	<u>12(b) 3,267</u>
<b>Cash flows from investing activities</b>	
Loan proceeds	416,580
Loan payments	(2,699,912)
<b>Net cash provided by/(used in) investing activities</b>	<u>(2,283,332)</u>
<b>Cash flows from financing activities</b>	
Proceeds from debt issues	2,750,000
Repayments of debt issues	(469,905)
<b>Net cash provided by/(used in) financing activities</b>	<u>12(c) 2,280,095</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30</b>
Cash and cash equivalents as at the beginning of the period	-
<b>Cash and cash equivalents as at the end of the period</b>	<u>12(a) 30</u>

The above Cash flow statement should be read in conjunction with the Notes to the financial statements.

# **SERIES 2024-1 WST TRUST**

## **Notes to the financial statements**

### **30 September 2024**

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#### **1 General information**

Series 2024-1 WST Trust (the Trust) was established pursuant to a Notice of Creation of Trust under the Master Trust Deed from Westpac Securitisation Management Pty Limited (the Manager) to BNY Trust Company of Australia Limited (the Trustee) dated 17 October 2023.

The Trust's immediate and ultimate parent entity is Westpac Banking Corporation (Westpac), incorporated in Australia.

#### **2 Financial statements preparation**

##### **(a) Basis of accounting**

###### **(i) General**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS) and Interpretations as issued by the Australian Accounting Standards Board and other mandatory professional requirements of Australia.

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

The financial report also complies with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

###### **(ii) Historical cost convention**

The financial report has been prepared under the historical cost convention, except for certain assets and liabilities as described in the accounting policies below.

###### **(iii) Standards adopted during the period ended 30 September 2024**

No new accounting standards have been adopted by the Trust for the period ended 30 September 2024. There have been no amendments to existing accounting standards that have had a material impact to the Trust.

###### **(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**

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

###### **(vi) Offsetting**

Financial assets and liabilities are presented net in the balance sheet when the Trust has an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

##### **(b) Revenue recognition**

###### **Interest income**

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

The effective interest method calculates the amortised cost of a financial instrument by discounting the financial instrument's estimated future cash receipts or payments to their present value and allocates the interest income or interest expense, including any fees, costs, premiums or discounts integral to the instrument, over its expected life.

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.

##### **(c) Expense recognition**

###### **(i) Interest expense**

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

###### **(ii) Operating expenses**

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

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

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**2 Financial statements preparation (continued)**

**(c) Expense recognition (continued)**

**(iii) Impairment charges**

Impairment charges are based on an expected loss model which measures the difference between the current carrying amount and the present value of expected future cash flows, taking into account past experience, current conditions and multiple probability-weighted macroeconomic scenarios for reasonably supportable future economic conditions.

Impairment charges are recognised in the statement of profit or loss and other comprehensive income (actual write-offs are reported as a reduction in interest income and not presented separately as impairment expense), with a corresponding amount recognised as loans at amortised cost and due from related entities as a reduction of the carrying value of the financial asset through an offsetting provision account (refer Notes 5, 6 and 7).

*Uncollectable loans*

The Trust's loan recovery procedures is aligned with its ultimate parent entity, Westpac. A loan may become uncollectable in full or part if, after following Westpac's loan recovery procedures, Westpac remains unable to collect that loan's contractual repayments. Uncollectable amounts are written off against their related provision for expected credit losses (ECL), after all possible repayments have been received.

Westpac may subsequently be able to recover cash flows from loans written off. In the period which these recoveries are made, they are recognised in the statement of profit or loss and other comprehensive income.

**(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**

**Financial assets**

**Recognition**

Financial assets, other than regular way transactions, are recognised when the Trust becomes a party to the terms of the contract, which is generally on settlement date (the date payment is made or cash advanced). Purchases and sales of financial assets in regular way transactions are recognised on trade date (the date on which the Trust commits to purchase or sell an asset). Loans are recognised on settlement date, when cash is advanced to the borrowers.

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the asset have expired, or when the Trust has either transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full under a 'pass through' arrangement and transferred substantially all the risks and rewards of ownership.

**Classification and measurement**

The Trust has grouped its financial assets into the following classes: cash and cash equivalents, loan and due from related entities.

Financial assets measured at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The accounting policy for each category of financial asset mentioned above and the determination of its fair value is set out in the note for the relevant item.

**(i) Cash and cash equivalents**

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) Loan**

The Trust purchased the rights and interest in a pool of Westpac home loans backed by mortgages. The terms of this securitisation arrangement include a number of linked agreements between Westpac and the Trust, including cash flow management agreements using derivative contracts, services provided by Westpac and the underlying pool of securitised assets. Recourse is limited to the underlying pool of securitised assets.

# **SERIES 2024-1 WST TRUST**

## **Notes to the financial statements**

### **30 September 2024**

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## **2 Financial statements preparation (continued)**

### **(e) Assets (continued)**

#### ***Financial assets (continued)***

Westpac is unable to derecognise the home loans legally sold to the Trust as the terms of the transaction structure result in Westpac retaining substantially all the risk and rewards associated with the underlying home loans. Consequently, the Trust has recognised as a financial asset the receivable from Westpac representing the contractual cash flows owing under the securitisation arrangement. The linked derivative contracts form part of the financial asset as one unit of account and are not measured at fair value.

The Trust's objective is to hold the financial assets to collect the contractual cash flows, and these cash flows comprise principal and interest payments only. Therefore, the financial assets is initially recognised at the fair value of the consideration paid and is subsequently measured at amortised cost. The associated profit/interest and loss/fee items from the linked derivative contracts are included in the statement of profit or loss and other comprehensive income as the interest income from the financial assets.

#### **(iii) Provisions for expected credit losses (ECL)**

The ECL is recognised as follows:

- Loans at amortised cost and due from related entities as a reduction of the carrying value of the financial asset through an offsetting provision account.

The Manager determines the provision for ECL on the financial assets by reference to the underlying home loans from which the receivable from Westpac is derived. Westpac calculates the provision for ECL for the underlying home loans based on underlying credit risk and includes forward looking and macroeconomic information, which is then allocated to the Trust. Similarly, amounts due from related entities are also assessed against their counterparties' credit risks.

Provision for ECL is calculated based on a three-stage approach. ECL are a probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant timeframe. They are 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.

The models use three main components to determine the ECL (as well as the time value of money) including:

- Probability of default (PD): the probability that a counterparty will default;
- Loss given default (LGD): the loss that is expected to arise in the event of a default; and
- Exposure at default (EAD): the estimated outstanding amount of credit exposure at the time of the default.

#### ***Model stages***

The three stages are as follows:

##### ***Stage 1: 12 months ECL - performing***

For financial assets where there has been no significant increase in credit risk since origination a provision for 12 months ECL is recognised.

##### ***Stage 2: Lifetime ECL - performing***

For financial assets where there has been a significant increase in credit risk since origination but where the asset is still performing a provision for lifetime ECL is recognised.

##### ***Stage 3: Lifetime ECL - non-performing***

Financial assets in Stage 3 are those that are in default. A default occurs when:

- It is considered that the customer is unable to repay its credit obligations in full, irrespective of recourse by Westpac to actions such as realising security. Indicators include a breach of contract with Westpac such as a default on interest or principal payments, a borrower experiencing significant financial difficulties or observable economic conditions that correlate to defaults on an individual basis; or
- The customer is more than 90 days past due on any material credit obligation.

A provision for lifetime ECL is recognised on these financial assets.

#### ***Collective and individual assessment***

Financial assets that are in Stages 1 and 2 are assessed on a collective basis. This means that they are grouped in pools of similar assets with similar credit risk characteristics including the type of product and the customer risk grade. Financial assets in Stage 3 are assessed on an individual basis and calculated collectively for those below a specified threshold.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

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**2 Financial statements preparation (continued)**

**(e) Assets (continued)**

***Financial assets (continued)***

***Expected life***

In considering the lifetime timeframe for ECL in Stages 2 and 3, the standard generally requires use of the remaining contractual life adjusted where appropriate for prepayments, extension and other options.

***Movement between stages***

Financial assets may move in both directions through the stages of the impairment model. Financial assets previously in Stage 2 may move back to Stage 1 if it is no longer considered that there has been a significant increase in credit risk. Similarly, financial assets in Stage 3 may move back to Stage 1 or Stage 2 if they are no longer assessed to be non-performing.

**(iv) *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 the provision for ECL.

**(f) Liabilities**

***Financial liabilities***

***Recognition***

Financial liabilities, other than regular way transactions, are recognised when the Trust becomes a party to the terms of the contract, which is generally on settlement date (the date payment is made or cash advanced).

***Derecognition***

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

***Classification and measurement***

The Trust has grouped its financial liabilities into the following classes: due to related entities, debt issues and other financial liabilities.

Financial liabilities are measured at amortised cost if they are not held for trading or designated at fair value through profit or loss otherwise they are measured at fair value through the statement of profit or loss and other comprehensive income.

Financial liabilities measured at fair value through profit or loss are recognised initially at fair value. All other financial liabilities are recognised initially at fair value minus directly attributable transaction costs.

The accounting policy for each category of financial liability mentioned above and determination of fair value is set out in the note for the relevant item.

**(i) *Due to related entities***

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

**(ii) *Debt issues***

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

To the extent that the estimated payments on debt issues are revised in accordance with the waterfall payment structure, the gross carrying amount of the debt issues held at amortised cost will be adjusted to reflect the revised estimated cash flows. The resulting adjustment is recognised in the Statement of profit or loss and other comprehensive income as changes in estimated payments on debt issues.

**(iii) *Other financial liabilities***

Other financial 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.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

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**2 Financial statements preparation (continued)**

**(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 Master Trust Deed and the transaction documents of the Trust, residual income unit and residual capital units have been issued to unitholders. Residual income unitholders have a present entitlement to the distributable income of the Trust. Residual capital unitholders have no right to receive distributable income except on termination of the Trust to an amount equals to the initial subscription price, subject to availability of funds in 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/or 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. The units issued are initially recognised and subsequently measured at cost, being the fair value of consideration received.

**(h) Goods and Services Tax (GST)**

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

Revenue, 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.

**(i) Segment reporting**

The Trust operates in only one segment that is domiciled in Australia to act as a special purpose vehicle for the securitisation of the Westpac home loan mortgage portfolio. The Trust has no other operating segment.

**(j) Contingent liabilities**

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the outflow of economic resources is remote.

**(k) Critical accounting assumptions and estimates**

Applying the Trust's accounting policies requires the use of judgement, assumptions and estimates which impact the financial information.

*Provision for ECL*

Key judgements include when a significant increase in credit risk has occurred, estimation of forward-looking macroeconomic information and overlays. Other factors which can impact the provision include the borrower's financial situation, the realisable value of collateral, Westpac's position relative to other claimants, the reliability of customer information and the likely cost and duration of recovering the loan.

*Significant increase in credit risk (SICR)*

Determining when a financial asset has experienced a SICR since origination is a critical accounting judgement which is based on the change in the probability of default (PD) since origination. In determining whether a change in PD represents a significant increase in risk, relative changes in PD and absolute PD thresholds are both considered based on the portfolio of the exposure.

Westpac does not rebut the presumption that instruments that are 30 days past due have experienced a SICR but this is used as a backstop rather than the primary indicator. In addition, the deferral of payments by customers in hardship arrangements is generally treated as an indication of a SICR.

*Forward - looking macroeconomic information*

The measurement of ECL for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation of forward-looking information is a critical accounting judgement. The Trust considers a minimum of three future macroeconomic scenarios including a base case scenario along with upside and downside scenarios.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**2 Financial statements preparation (continued)**

**(k) Critical accounting assumptions and estimates (continued)**

The macroeconomic variables used in these scenarios, based on current economic forecasts, include (but are not limited to) employment to population rates, residential property price indices and cash rate.

• Base case scenario

This scenario utilises the internal Westpac economics forecast used for strategic decision making and forecasting.

• Upside scenario

This scenario represents a modest improvement on the base case scenario.

• Downside scenario

This scenario is a more severe scenario with ECL higher than those under the base case scenario. This scenario assumes a recession with a combination of declines in residential property prices and increase in the unemployment rate, which simultaneously impact ECL across all portfolios from the reporting date.

The three macroeconomic scenarios are probability weighted and together represent the Westpac's view of the forward-looking distribution of potential loss outcomes. The weighting applied to each of the three forward-looking macroeconomic scenario takes into account historical frequency, current trends, and forward-looking conditions.

*Overlays*

Where appropriate, adjustments will be made to modelled outcomes to reflect reasonable and supportable information not already incorporated in the models.

Judgements can change with time as new information becomes available which could result in changes to the provision for ECL.

**(l) Future developments in accounting standards**

*AASB 18 Presentation and Disclosure in Financial Statements* (AASB 18) was issued on 7 June 2024 and will be effective for the 30 September 2028 year end unless early adopted. AASB 18 will replace *AASB 101 Presentation of Financial Statements*. This standard will not change the recognition and measurement of items in the financial statements, but will impact the presentation and disclosure in the financial statements, including:

- new categories and subtotals in the income statement to enhance comparability;
- enhancing the disclosure of management defined performance measures; and
- changes to the grouping of information in the financial statements to provide more useful information.

The Trust is continuing to assess the impact of adopting AASB 18.

**3 Net interest income**

	<b>17 October 2023 to 30 September 2024 \$000</b>
<b>Interest income</b>	
Transactions with ultimate parent entity:	
Loan	98,796
Bank interest	426
<b>Total interest income</b>	<b>99,222</b>
<b>Interest expense</b>	
Debt issues	78,437
Transactions with ultimate parent entity:	
Debt issues	12,412
<b>Total interest expense</b>	<b>90,849</b>
<b>Net interest income</b>	<b>8,373</b>

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**4 Operating expenses**

	17 October 2023 to 30 September 2024 \$'000
Transactions with related entities:	
Management fees	161
Trustee fees	124
Other operating expenses	109
<b>Total operating expenses</b>	<b>394</b>

**5 Loan**

	Note	2024 \$'000
Balances with ultimate parent entity:		
Loan- principal		2,283,332
Provision for ECL	6	(2,589)
<b>Total loan</b>		<b>2,280,743</b>

Of the above amount, \$619,870 thousand is expected to be recovered within 12 months of the reporting date and the remaining \$1,663,462 thousand is expected to be recovered after 12 months of the reporting date by the Trust.

**6 Provision for ECL**

The following table reconciles the 30 September 2024 provision for ECL on loan for the Trust:

	Note	Total \$'000
<b>Provision for ECL as at 17 October 2023</b>		-
Movement during the period		2,589
<b>Provision for ECL as at 30 September 2024</b>	5	<b>2,589</b>

The loan is a single loan with the ultimate parent entity, Westpac. Recourse is limited to the underlying pool of securitised assets, hence the calculation of the provision for ECL, on the loan, is based on the underlying pool of securitised assets.

*Modelled provision for ECL*

The modelled provision for ECL is a probability weighted estimate based on three scenarios which together represent the Westpac's view of the forward-looking distribution of potential loss outcomes.

The base case scenario utilises the internal Westpac economic forecasts.

The downside scenario is a more severe scenario with expected credit losses higher than the base case. This scenario assumes a recession with a combination of declines in residential property prices and an increase in the unemployment rate, which simultaneously impact expected credit losses across all portfolios from the reporting date. The assumptions used in this scenario and relativities to the base case will be monitored having regard to the emerging economic conditions and updated where necessary. The upside scenario represents a modest improvement to the base case.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**6 Provision for ECL (continued)**

The following table indicates the weightings applied:

**Macroeconomic scenario weightings (%)**

	<b>2024</b>
Upside	5.0
Base	52.5
Downside	42.5

The Trust follows Westpac's definition of default which is aligned to the regulatory definition of default applied in the calculation of credit risk weighted assets.

**7 Due from related entities**

	<b>2024</b>
	<b>\$'000</b>
Balances with ultimate parent entity:	
Accrued interest receivable - loan	9,117
<b>Total due from related entities</b>	<b>9,117</b>

Receivables to be recovered within 12 months. As at 30 September 2024, there were no overdue amounts from receivables.

**8 Due to related entities**

	<b>2024</b>
	<b>\$'000</b>
Balances with ultimate parent entity:	
Accrued interest payable - debt issues	1,970
Financing costs payable to unitholders	5,390
Balances with related entities:	
Management fees payable	16
<b>Total due to related entities</b>	<b>7,376</b>

Payables to be settled within 12 months. As at 30 September 2024, there were no overdue amounts from payables.

**9 Debt issues**

	<b>2024</b>
	<b>\$'000</b>
Class A Notes	2,060,095
Class B Notes	220,000
<b>Total debt issues</b>	<b>2,280,095</b>

Debt issues balance with ultimate parent entity as at 30 September 2024 is \$220,000 thousand. Of the total debt issues balance, \$619,870 thousand is expected to be due within 12 months of the reporting date and the remaining \$1,660,225 thousand is expected to be due after 12 months of the reporting date by the Trust.

**10 Other financial liabilities**

	<b>2024</b>
	<b>\$'000</b>
Accrued interest payable – debt issues	2,417
Accrued expenses	2
<b>Total other financial liabilities</b>	<b>2,419</b>

The other financial liabilities will be settled within 12 months.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**11 Net assets attributable to unitholders**

	<b>2024</b>
	<b>\$'000</b>
Net assets attributable to unitholders	-
<b>Total net assets attributable to unitholders</b>	<b>-</b>
	<b>2024</b>
	<b>\$'000</b>
<b>Movements in net assets attributable to unitholders</b>	
Opening balance	-
Operating profit after income tax	5,390
Financing costs attributable to unitholders	(5,390)
<b>Closing balance</b>	<b>-</b>
	<b>2024</b>
	<b>Units</b>
On issue at beginning of the period	2
<b>On issue at end of the period</b>	<b>2</b>

The residual capital unit holder, Westpac, has no right to receive monies in respect of the Trust other than the right to receive, on the termination of the Trust, the entire beneficial interest of the Trust subject to the rights of the holders of the residual income unit.

Residual income and residual capital units were issued at a face value of \$10.

**12 Notes to the cash flow statement**

**(a) Reconciliation of cash**

	<b>2024</b>
	<b>\$'000</b>
Cash with ultimate parent entity	30
<b>Cash and cash equivalents at end of the period</b>	<b>30</b>

**(b) Reconciliation of net cash provided by/(used in) operating activities to operating profit for the period is set out below:**

	<b>2024</b>
	<b>\$'000</b>
Operating profit for the period	5,390
Adjustments:	
Impairment charges	2,589
Changes in operating assets and liabilities:	
(Increase)/decrease in assets	
Interest receivable	(9,117)
(Decrease)/increase in liabilities	
Interest payable	4,387
Management fees payable and accrued expenses	18
<b>Net cash provided by/(used in) operating activities</b>	<b>3,267</b>

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**12 Notes to the cash flow statement (continued)**

**(c) Reconciliation of liabilities arising from financing activities**

Movement in liabilities arising from financing activities:

	Debt issues \$'000	Financing costs payable to unitholders \$'000	Total \$'000
<b>Balance as at 17 October 2023</b>	-	-	-
Issuances	2,750,000	-	2,750,000
Repayments of debt issues	(469,905)	-	(469,905)
<b>Total cash movements</b>	<b>2,280,095</b>	<b>-</b>	<b>2,280,095</b>
Other non-cash movements	-	5,390	5,390
<b>Total non-cash movements</b>	<b>-</b>	<b>5,390</b>	<b>5,390</b>
<b>Balance as at 30 September 2024</b>	<b>2,280,095</b>	<b>5,390</b>	<b>2,285,485</b>

**13 Financial risk management**

***Risk management policies and procedures***

**Categories of risk**

The financial condition and operating results of the Trust are affected by a number of key financial and non-financial risks. These risks may include the following:

- Credit risk: the potential for financial loss where a customer or counterparty fails to meet their financial obligations to the Trust.
- Market risk: the risk to earnings from changes in market factors. The principal market risk is interest rate risk, the potential loss arising from the changes in market interest rates.
- Liquidity risk: the potential loss arising from cash outflows exceeding cash inflows over a given period.

The Trust's objectives and policies in respect of managing these risks are set out below.

**Governance framework**

The Trust operates within the governance and risk management frameworks of Westpac. These frameworks support effective and efficient decision-making through established reporting obligations to the Board of the Westpac, to the board of the Trust Manager and the committees which support the Board.

The key components of the Operational Risk Management and Compliance and Conduct Management frameworks include:

- Risk and control identification and assessment;
- Ongoing monitoring of control effectiveness;
- Internal and external assurance reviews, reporting and actions;
- Incident and issue management and reporting; and
- Regulatory breach reporting.

The Trust's risk and compliance framework is aligned with Westpac's business units rather than the individual entities that comprise the Westpac Group. Nevertheless the framework recognises the governance arrangements that are in place in relation to all Westpac Group entities and is designed to ensure that all risks and risk related issues that impact the Trust are captured, escalated and managed appropriately via the appropriate forums and committees.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**13 Financial risk management (continued)**

**(a) Credit risk**

**(i) Credit risk exposure**

The table below sets out the maximum exposure to credit risk and the credit risk concentrations to which the Trust is exposed.

	<u>2024</u> <u>\$'000</u>
<b>On-balance sheet credit exposures consist of</b>	
Cash and cash equivalents	30
Loan	2,280,743
Due from related entities	9,117
<b>Total credit risk exposures</b>	<u><b>2,289,890</b></u>
<b>Analysis of credit exposures by industry and economic sector</b>	
Financial	2,289,890
<b>Total credit risk exposures</b>	<u><b>2,289,890</b></u>

The Trust has a credit exposure of \$2,289,890 thousand comprised mainly of loan assets of \$2,280,743 thousand, concentrated in Australia. The loan is a single loan which represents the cash flows receivable from the underlying pool of securitised assets. This loan is considered Stage 1 of the ECL model. This has been determined based on the underlying assets of which 88% is in Stage 1 of the ECL model.

**(ii) Credit quality of financial assets**

There are a variety of techniques to reduce the credit risk arising on the underlying portfolio of residential mortgages. Enforceable legal documentation establishes direct, irrevocable and unconditional recourse to any collateral, security or other credit enhancements provided. All residential mortgages are secured by fixed charges over borrowers' residential properties and are subject to Westpac's credit lending policies, including lenders mortgage insurance as required.

**(b) Liquidity risk**

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with the financial liabilities due to lack of liquid assets or access to adequate funding on acceptable terms. No significant liquidity risk exposure existed at balance date. All financial liabilities are expected to mature within three months, with the exception of distributions payable which have an expected maturity of less than one year and debt issues, which have an expected maturity of greater than five years for the current period.

The table below analyse the Trust's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<u>2024</u> <u>\$'000</u>
<1 year	737,756
1-5 years	1,410,420
>5 years	506,121
	<u><b>2,654,297</b></u>

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market variables such as interest and foreign exchange rates. No significant market risk exposure existed at balance date.

The Trust does not enter or trade financial instruments for speculative purpose.

**(d) Interest rate risk**

Interest rate risk is the risk of loss resulting from changes in market interest rates. Adverse changes in market interest rates can potentially decrease returns on financial assets.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**13 Financial risk management (continued)**

**(d) Interest rate risk (continued)**

The table below demonstrates the impact on the Trust's operating profit based on 1% increase or decrease in interest rate with all other variables held constant. The impact is mainly due to changes in cash flow from a change in interest rate.

**Impact on operating profit**

	<b>2024</b>
	<b>\$'000</b>
Interest rate increase 1%	33
Interest rate decrease 1%	(33)

The Trust is not materially impacted by market interest rates due to economic hedging of interest bearing assets and interest bearing liabilities.

**(e) Fair value measurements**

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

On initial recognition, the transaction price generally represents the fair value of the financial instrument unless there is observable information from an active market to the contrary. Where unobservable information is used, the difference between the transaction price and the fair value is only recognised in the statement of profit and loss or other comprehensive income when the inputs become observable, or over the life of the instrument.

The Trust categorises all fair value instruments according to the hierarchy described below:

**Level 1 instruments**

The fair value of financial instruments traded in active markets based on recent unadjusted quoted prices. These prices are based on actual arm's length basis transactions. The valuation of Level 1 instruments requires little or no management judgement.

**Level 2 instruments**

The fair value for financial instruments that are not actively traded are determined using valuation techniques which maximise the use of observable market prices. Valuation techniques include the use of market standard discounting methodologies.

**Level 3 instruments**

Financial instruments valued where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data due to illiquidity or complexity of the product. The carrying value of financial instruments approximate their net fair value as they are based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for similar risk profiles. The financial instruments relate to intercompany balances which are deemed to have no observable market.

The table below summarises the estimated fair value and fair value hierarchy of financial instruments not measured at fair value:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 September 2024</b>				
<b>Financial assets</b>				
Cash and cash equivalents	30	-	-	30
Loan	-	-	2,371,144	2,371,144
Due from related entities	-	-	9,117	9,117
<b>Total financial assets</b>	<b>30</b>	<b>-</b>	<b>2,380,261</b>	<b>2,380,291</b>
<b>Financial liabilities</b>				
Due to related entities	-	-	7,376	7,376
Debt issues	-	2,067,367	220,000	2,287,367
Other financial liabilities	-	-	2,419	2,419
<b>Total financial liabilities</b>	<b>-</b>	<b>2,067,367</b>	<b>229,795</b>	<b>2,297,162</b>

**14 Auditor's remuneration**

The auditor's remuneration for the audit of the Trust's financial statements of \$28,000 was paid by the ultimate parent entity, Westpac.

**SERIES 2024-1 WST TRUST**  
**Notes to the financial statements**  
**30 September 2024**

**15 Related party disclosures**

The Manager of the Series 2024-1 WST Trust is Westpac Securitisation Management Pty Limited, incorporated in Australia. The Manager is a wholly owned subsidiary of Westpac, incorporated in Australia.

**(a) Parent entity**

The Trust's immediate and ultimate parent entity is Westpac, incorporated in Australia.

**(b) Key management personnel (KMP)**

Key management personnel are those who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Trust. This includes all Executive and Non-Executive Directors.

The Directors of the Manager of the Trust during the period since 17 October 2023 and up to the date of this report unless otherwise stated are:

Gaetano Volpicella  
 Joanne Dawson  
 Scott Manning

No compensation is paid to key management personnel directly by the Trust. Total key management personnel compensation is wholly borne and paid by the ultimate parent entity, Westpac.

**(c) Transactions with related parties**

The following transactions occurred with related parties:

Type of transaction	Class of related party	Note	2024 \$'000
Interest income	Ultimate parent entity	3	99,222
Interest expense	Ultimate parent entity	3	(12,412)
Operating expenses	Related entities	4	(161)
Impairment charges	Ultimate parent entity	6	(2,589)

**(d) Outstanding balances arising from sales/purchases of goods and services**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Balance type	Class of related party	Note	2024 \$'000
Cash and cash equivalents	Ultimate parent entity	12(a)	30
Loan	Ultimate parent entity	5	2,280,743
Due from related entities	Ultimate parent entity	7	9,117
Due to related entities	Ultimate parent entity	8	(7,360)
Due to related entities	Related entities	8	(16)
Debt issues	Ultimate parent entity	9	(220,000)

**(e) Terms and conditions**

The transactions with related entities were disclosed in the notes to the financial statements, and were made on normal commercial terms and conditions and at market rates except where indicated.

**16 Contingent liabilities and commitments**

The Trust does not have any contingent liabilities or commitments.

**17 Subsequent events**

No matters have arisen since the period ended 30 September 2024 which are not otherwise dealt with in this report, that have significantly affected or may significantly affect the operations of the Trust, the results of its operations or the state of affairs of the Trust in subsequent years.

**SERIES 2024-1 WST TRUST**  
**Manager's declaration**  
**30 September 2024**

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We report that in our opinion:

- (a) the Series 2024-1 WST Trust (the Trust) has operated during the period ended 30 September 2024 in accordance with the provisions of the Master Trust Deed for the Trust;
- (b) the general purpose financial report of the Trust is properly drawn up in accordance with the transaction documents for the Trust so as to present the true and fair state of affairs of the Trust at 30 September 2024 in accordance with Note 2(a) to the financial report and the results and cash flows of the Trust for the period ended at that date; and
- (c) at the date of this declaration, 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

Sydney  
12 December 2024

## SERIES 2024-1 WST TRUST

### Trustee's report

30 September 2024

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Pursuant to the Master Trust Deed for the Trust this general purpose financial report has been prepared by Westpac Securitisation Management Pty Limited (the Manager), and has been audited by PricewaterhouseCoopers, who were appointed by the Manager and whose report is attached.

The Trustee is not aware of any material matters that require disclosure and that have not been disclosed. The Trustee is not aware of any material matters that have occurred since the date of the financial report that require disclosure and that have not been disclosed.

For and on behalf of:  
BNY Trust Company of Australia Limited



I am approving this  
document, Senior  
Director, BNY.  
2024-12-13  
10:11+11:00

Director

Sydney  
12 December 2024



## Independent auditor's report

To the unitholders of Series 2024-1 WST Trust

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### Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of Series 2024-1 WST Trust (the Trust) as at 30 September 2024 and of its financial performance and its cash flows for the period 17 October 2023 to 30 September 2024 in accordance with Australian Accounting Standards to the extent described in Note 2(a) of the financial report.

#### *What we have audited*

The financial report comprises:

- the balance sheet as at 30 September 2024
- the statement of changes in equity for the period 17 October 2023 to 30 September 2024
- the cash flow statement for the period 17 October 2023 to 30 September 2024
- the statement of profit or loss and other comprehensive income for the period 17 October 2023 to 30 September 2024
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Manager's declaration.

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### 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.

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

We draw attention to Note 2(a) in the financial report, which describes the basis of accounting. The financial report has been prepared to assist the directors of the Trust Manager (the directors) to meet the requirements of the Master Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Series 2024-1 WST Trust and its unitholders and should not be used by parties other than Series 2024-1 WST Trust and its unitholders. Our opinion is not modified in respect of this matter.



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### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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### **Other information**

The directors of the Trust Manager are responsible for the other information. The other information comprises the information included in the annual report for the period 17 October 2023 to 30 September 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of the directors of the Trust Manager for the financial report**

The directors of the Trust Manager 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(a) of the financial report, and for such internal control as the directors of the Trust Manager determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The directors of the Trust Manager have determined that the basis of preparation described in Note 2(a) to the financial report is appropriate to meet the needs of the unitholders.

In preparing the financial report, the directors of the Trust Manager 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 of the Trust Manager either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.



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### 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:  
[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Jade Chong' in a cursive script.

Jade Chong  
Partner

Sydney  
12 December 2024

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