

Colonnade Global 2018-1 S.à r.l.

Société à responsabilité limitée

ANNUAL ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2019

6, Rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg: B 217.297

Colonnade Global 2018-1 S.à r.l.

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Colonnade Global 2018-1 S.à r.l.

Other information

Mr. Povilas Valencius
(as from 30 May 2019)

Mr. Oliver Cloess
(as from 22 January 2019 until 30 May 2019)

Board of Managers

Mr. Tomasz Bieniek
(as from 16 August 2017 until 22 January 2019)

Mr. Salvatore Rosato
(as from 16 August 2017)

Mr. Paolo Perin
(as from 8 November 2018)

Corporate Service Provider

Intertrust (Luxembourg) S.à r.l.

Principal Paying Agent, Note Calculation Agent, Cash Administrator and Account Bank

Elavon Financial Services DAC

Custodian

Elavon Financial Services DAC, UK Branch

Trustee

US Bank Trustees Limited

Calculation Agent and Collateral Manager for Guaranteed Portfolio

Barclays Bank Plc

Verification Agent for Financial Guarantee Agreement

KPMG LLP
Ernst & Young LLPs

Independent Auditor

KPMG Luxembourg, Société coopérative



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39, Avenue John F. Kennedy
L-1855 Luxembourg

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Internet: www.kpmg.lu

To the Shareholder of
Colonnade Global 2018-1 S.à r.l.
6, rue Eugène Ruppert
L-2453, Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of Colonnade Global 2018-1 S.à r.l. ("the Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the «Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts» section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Completeness, existence and accuracy of claims payable on the Financial Guarantee (Amounts owed to affiliated undertakings)

a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the period ended 31 December 2019

The Company entered into a Financial Guarantee agreement with Barclays Bank Plc (“the Beneficiary”) for credit risk protection of the Beneficiary’s loan portfolio (“the Guaranteed Portfolio”), for an amount of USD 34,200,000.

In accordance with the terms of the Financial Guarantee agreement, the Company has a commitment for credit losses determined in respect of a relevant defaulted guaranteed obligation and the Company is obliged to reimburse the Beneficiary after the verification of the claim by the Verification Agent.

The Company issued portfolio credit linked notes, the proceeds of which were utilised to acquire securities which serve as collateral for the Financial Guarantee. Claims payable by the Company under the Financial Guarantee agreement are ultimately borne by the noteholders.

We refer to the accounting policies in Note 2.2.6 ‘Non-convertible loans’, Note 2.2.7 ‘Financial Guarantee contracts’, and to Note 18 ‘Off balance sheet’ to the annual accounts for further disclosures on the Financial Guarantee.

Due to the significance of the Company’s commitment under the Financial Guarantee agreement, we consider completeness, existence and accuracy of claims payable on the Financial Guarantee (recorded in the caption ‘Amounts owed to affiliated undertakings’) as a key audit matter.

b) How the matter was addressed in our audit

Our procedures over the completeness, existence and accuracy of claims payable on the Financial Guarantee (Amounts owed to affiliated undertakings) included, but were not limited to, the following:

- We obtained an understanding of the key terms and conditions of the Financial Guarantee agreement by making inquiries of the Company’s Management and inspecting the Financial Guarantee agreement;
- We obtained details of the claim(s) submitted to the Company by the Beneficiary for the period ended 31 December 2019 (if any) and inquired of Management on claims notified to the Company by the Beneficiary subsequent to the period ended 31 December 2019 but related to period ended 31 December 2019 (if any);
- We obtained confirmation from the Beneficiary for claim(s) submitted to the Company for the period ended 31 December 2019 (if any) and outstanding amounts payable by the Company in respect of those submitted claims as at 31 December 2019 (if any);
- In cases where a claim is notified to the Company by the Beneficiary, we inspected the respective claim documentation and reviewed the report of the Verification Agent for eligibility and appropriateness of the amount payable to the Beneficiary under the Financial Guarantee agreement;
- We further inspected the Company’s bank statements for evidence of payment of claim amounts, if any, by the Company to the Beneficiary related to the financial period ended 31 December 2019.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our report of “Réviseur d’Entreprises agréé” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d’Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises agréé” 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 Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

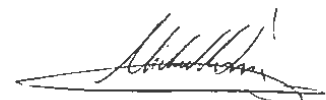
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Luxembourg, 14 July 2020

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



M. Eichmüller de Souza
Partner

Annual Accounts Helpdesk :**Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu****RCSL Nr. : B217297****Matricule : 2017,2445,323****BALANCE SHEET****Financial year from** ⁰¹ 01/01/2019 **to** ⁰² 31/12/2019 **(in** ⁰³ USD **)****Colonnade Global 2018-1 S.à r.l.****6 rue Eugene Ruppert****L-2453 Luxembourg****ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 <u>0.00</u>	102 <u>0.00</u>
I. Subscribed capital not called	1103 _____	103 <u>0.00</u>	104 <u>0.00</u>
II. Subscribed capital called but unpaid	1105 _____	105 <u>0.00</u>	106 <u>0.00</u>
B. Formation expenses	1107 _____	107 <u>0.00</u>	108 <u>0.00</u>
C. Fixed assets	1109 _____	109 <u>34,200,000.00</u>	110 <u>34,200,000.00</u>
I. Intangible assets	1111 _____	111 <u>0.00</u>	112 <u>0.00</u>
1. Costs of development	1113 _____	113 <u>0.00</u>	114 <u>0.00</u>
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 <u>0.00</u>	116 <u>0.00</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 <u>0.00</u>	118 <u>0.00</u>
b) created by the undertaking itself	1119 _____	119 <u>0.00</u>	120 <u>0.00</u>
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 <u>0.00</u>	122 <u>0.00</u>
4. Payments on account and intangible assets under development	1123 _____	123 <u>0.00</u>	124 <u>0.00</u>
II. Tangible assets	1125 _____	125 <u>0.00</u>	126 <u>0.00</u>
1. Land and buildings	1127 _____	127 <u>0.00</u>	128 <u>0.00</u>
2. Plant and machinery	1129 _____	129 <u>0.00</u>	130 <u>0.00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B217297

Matricule : 2017,2445,323

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 0.00	132 0.00
4. Payments on account and tangible assets in the course of construction	1133	133 0.00	134 0.00
III. Financial assets	1135 3	135 34,200,000.00	136 34,200,000.00
1. Shares in affiliated undertakings	1137	137 0.00	138 0.00
2. Loans to affiliated undertakings	1139	139 0.00	140 0.00
3. Participating interests	1141	141 0.00	142 0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 0.00	144 0.00
5. Investments held as fixed assets	1145	145 34,200,000.00	146 34,200,000.00
6. Other loans	1147	147 0.00	148 0.00
D. Current assets	1151	151 669,762.81	152 683,792.50
I. Stocks	1153	153 0.00	154 0.00
1. Raw materials and consumables	1155	155 0.00	156 0.00
2. Work in progress	1157	157 0.00	158 0.00
3. Finished goods and goods for resale	1159	159 0.00	160 0.00
4. Payments on account	1161	161 0.00	162 0.00
II. Debtors	1163	163 556,616.71	164 570,366.16
1. Trade debtors	1165	165 0.00	166 0.00
a) becoming due and payable within one year	1167	167 0.00	168 0.00
b) becoming due and payable after more than one year	1169	169 0.00	170 0.00
2. Amounts owed by affiliated undertakings	1171	171 0.00	172 0.00
a) becoming due and payable within one year	1173	173 0.00	174 0.00
b) becoming due and payable after more than one year	1175	175 0.00	176 0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177 0.00	178 0.00
a) becoming due and payable within one year	1179	179 0.00	180 0.00
b) becoming due and payable after more than one year	1181	181 0.00	182 0.00
4. Other debtors	1183 4	183 556,616.71	184 570,366.16
a) becoming due and payable within one year	1185	185 556,616.71	186 570,366.16
b) becoming due and payable after more than one year	1187	187 0.00	188 0.00

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B217297

Matricule : 2017,2445,323

	Reference(s)	Current year	Previous year
III. Investments	1189	0.00	0.00
1. Shares in affiliated undertakings	1191	0.00	0.00
2. Own shares	1209	0.00	0.00
3. Other investments	1195	0.00	0.00
IV. Cash at bank and in hand	1197	113,146.10	113,426.34
E. Prepayments	1199	9,297.55	0.00
TOTAL (ASSETS)		34,879,060.36	34,883,792.50

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 7	301 14,156.40	302 14,156.40
I. Subscribed capital	1303 7.1	303 14,156.40	304 14,156.40
II. Share premium account	1305	305 0.00	306 0.00
III. Revaluation reserve	1307	307 0.00	308 0.00
IV. Reserves	1309	309 0.00	310 0.00
1. Legal reserve	1311 7.2	311 0.00	312 0.00
2. Reserve for own shares	1313	313 0.00	314 0.00
3. Reserves provided for by the articles of association	1315	315 0.00	316 0.00
4. Other reserves, including the fair value reserve	1429	429 0.00	430 0.00
a) other available reserves	1431	431 0.00	432 0.00
b) other non available reserves	1433	433 0.00	434 0.00
V. Profit or loss brought forward	1319	319 0.00	320 0.00
VI. Profit or loss for the financial year	1321	321 0.00	322 0.00
VII. Interim dividends	1323	323 0.00	324 0.00
VIII. Capital investment subsidies	1325	325 0.00	326 0.00
B. Provisions	1331 8	331 4,941.70	332 5,559.76
1. Provisions for pensions and similar obligations	1333	333 0.00	334 0.00
2. Provisions for taxation	1335 8.1	335 4,941.70	336 5,559.76
3. Other provisions	1337	337 0.00	338 0.00
C. Creditors	1435 9	435 34,777,008.84	436 34,823,045.52
1. Debenture loans	1437	437 34,756,616.71	438 34,770,366.16
a) Convertible loans	1439	439 0.00	440 0.00
i) becoming due and payable within one year	1441	441 0.00	442 0.00
ii) becoming due and payable after more than one year	1443	443 0.00	444 0.00
b) Non convertible loans	1445 9.1	445 34,756,616.71	446 34,770,366.16
i) becoming due and payable within one year	1447	447 556,616.71	448 570,366.16
ii) becoming due and payable after more than one year	1449	449 34,200,000.00	450 34,200,000.00
2. Amounts owed to credit institutions	1355	355 0.00	356 0.00
a) becoming due and payable within one year	1357	357 0.00	358 0.00
b) becoming due and payable after more than one year	1359	359 0.00	360 0.00

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B217297

Matricule : 2017,2445,323

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	0.00	0.00
a) becoming due and payable within one year	1363	0.00	0.00
b) becoming due and payable after more than one year	1365	0.00	0.00
4. Trade creditors	1367 9.2	14,773.27	52,679.36
a) becoming due and payable within one year	1369	14,773.27	52,679.36
b) becoming due and payable after more than one year	1371	0.00	0.00
5. Bills of exchange payable	1373	0.00	0.00
a) becoming due and payable within one year	1375	0.00	0.00
b) becoming due and payable after more than one year	1377	0.00	0.00
6. Amounts owed to affiliated undertakings	1379	0.00	0.00
a) becoming due and payable within one year	1381	0.00	0.00
b) becoming due and payable after more than one year	1383	0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	0.00	0.00
a) becoming due and payable within one year	1387	0.00	0.00
b) becoming due and payable after more than one year	1389	0.00	0.00
8. Other creditors	1451 9.3	5,618.86	0.00
a) Tax authorities	1393	5,618.86	0.00
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397	0.00	0.00
i) becoming due and payable within one year	1399	0.00	0.00
ii) becoming due and payable after more than one year	1401	0.00	0.00
D. Deferred income	1403 10	82,953.42	41,030.82
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	34,879,060.36	34,883,792.50

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

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RCSL Nr. : B217297

Matricule : 2017,2445,323

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2019 to ⁰² 31/12/2019 (in ⁰³ USD)

Colonnade Global 2018-1 S.à r.l.

6 rue Eugene Ruppert

L-2453 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>0.00</u>	702 <u>0.00</u>
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 <u>0.00</u>	704 <u>0.00</u>
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 <u>0.00</u>	706 <u>0.00</u>
4. Other operating income	1713 <u>11</u>	713 <u>82,885.40</u>	714 <u>169,804.97</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-84,250.61</u>	672 <u>-165,843.47</u>
a) Raw materials and consumables	1601 _____	601 <u>0.00</u>	602 <u>0.00</u>
b) Other external expenses	1603 <u>12</u>	603 <u>-84,250.61</u>	604 <u>-165,843.47</u>
6. Staff costs	1605 _____	605 <u>0.00</u>	606 <u>0.00</u>
a) Wages and salaries	1607 _____	607 <u>0.00</u>	608 <u>0.00</u>
b) Social security costs	1609 _____	609 <u>0.00</u>	610 <u>0.00</u>
i) relating to pensions	1653 _____	653 <u>0.00</u>	654 <u>0.00</u>
ii) other social security costs	1655 _____	655 <u>0.00</u>	656 <u>0.00</u>
c) Other staff costs	1613 _____	613 <u>0.00</u>	614 <u>0.00</u>
7. Value adjustments	1657 _____	657 <u>0.00</u>	658 <u>0.00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>0.00</u>	660 <u>0.00</u>
b) in respect of current assets	1661 _____	661 <u>0.00</u>	662 <u>0.00</u>
8. Other operating expenses	1621 <u>13</u>	621 <u>-5,558.34</u>	622 <u>-222.68</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B217297

Matricule : 2017,2445,323

	Reference(s)	Current year	Previous year
9. Income from participating interests			
	1715	0.00	0.00
a) derived from affiliated undertakings	1717	0.00	0.00
b) other income from participating interests	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets			
	1721	4,296,762.60	2,178,442.31
a) derived from affiliated undertakings	1723	3,250,781.25	1,629,843.75
b) other income not included under a)	1725	1,045,981.35	548,598.56
11. Other interest receivable and similar income			
	1727	7,724.88	1,820.94
a) derived from affiliated undertakings	1729	0.00	0.00
b) other interest and similar income	1731	7,724.88	1,820.94
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665	0.00	0.00
14. Interest payable and similar expenses			
	1627	-4,296,762.60	-2,178,442.31
a) concerning affiliated undertakings	1629	0.00	0.00
b) other interest and similar expenses	1631	-4,296,762.60	-2,178,442.31
15. Tax on profit or loss			
	1635	0.00	0.00
16. Profit or loss after taxation			
	1667	801.33	5,559.76
17. Other taxes not shown under items 1 to 16			
	1637	-801.33	-5,559.76
18. Profit or loss for the financial year			
	1669	-0.00	-0.00

The notes in the annex form an integral part of the annual accounts

Colonnade Global 2018-1 S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS

For the year ended December 31, 2019

NOTE 1 – GENERAL INFORMATION

Colonnade Global 2018-1 S.à r.l. (“the Company”) is a Luxembourg public limited liability company (Société à responsabilité limitée) incorporated in Luxembourg on August 16, 2017 for an unlimited duration and governed by the laws of August 10, 1915 on commercial companies, as subsequently amended. The Company is also subject to the Luxembourg Law of March 22, 2004 on securitisation (the "Securitisation Law"), as subsequently amended.

On April 30, 2018, the Sole Partner resolved to change the corporate name from “Colonnade Global 2017-5 S.à r.l.” to “Colonnade Global 2018-1 S.à r.l.”.

The registered office of the Company is established at 6, rue Eugène Ruppert, L-2453 Luxembourg, with Luxembourg Trade and Companies Register number B 217297.

The Company’s financial year starts on January 1 and ends on December 31 of each year.

The corporate objects of the Company are to enter into, perform and serve as a vehicle for any securitisation transactions as permitted under the Securitisation Law.

The Company may issue securities of any nature and in any currency and borrow and raise funds in any form for the acquisition, the management and the disposal of assets described above, and to the largest extent permitted by the Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations.

In accordance with the Company’s articles of incorporation the Board of Managers (the Board) is entitled to create one or more compartments, each corresponding to a separate part of the Company's assets and liabilities.

On June 28, 2018 the Company entered into a Financial Guarantee agreement with Barclays Bank Plc (“the Beneficiary”) for credit risk protection of the Beneficiary’s loan portfolio (the Guaranteed Portfolio). The Company issued Portfolio Credit Linked Notes, the proceeds of which were utilised to acquire securities which serve as collateral for the financial guarantee under the terms of the Guarantee agreement.

As at December 31, 2019, the Company has no compartment (2018: NIL).

The Company is included in the consolidated financial statements of Barclays Bank PLC with a registered office located at 1 Churchill Place, London, E14 5HP forming the smallest body of undertakings of which the Company forms a part as a structured entity. The largest body of undertakings which draws up consolidated financial statements is Barclays Plc with a registered office located at 1 Churchill Place, London, E14 5HP. The consolidated financial statements of Barclays Bank PLC and Barclays Plc are available for consultation at its registered office.

In accordance with the legal provisions in Title II of the Law of December 19, 2002, these annual accounts are presented on a non-consolidated basis for the approval of the shareholder during the Annual General Meeting.

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The Annual Accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. The Company's performance has been reviewed, including the implications from the COVID-19 outbreak and the available banking facilities, and the Managers are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Managers have adopted the going concern basis in preparing these annual accounts.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and its results fairly.

The Company makes estimates and assumptions that affect the reported amount of assets and liabilities in the next financial year. Estimates and judgment are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Company maintains its books and records in US Dollars (USD) and the Annual Accounts have been prepared in accordance with the valuation rules and accounting policies described below.

2.2 Significant accounting policies

2.2.1 Financial assets

Financial assets acquired by the Company which are intended for use on a continuing basis for the purpose of the Company's activity is classified as Investments held as fixed assets. Investments held as fixed assets are initially recorded at their historical acquisition cost, including the costs to purchase the asset.

In case the Board of Managers deems that there is a durable depreciation in value of the financial assets, value adjustments are booked in the Profit and Loss Account under "Value adjustments in respect of financial assets and of investments held as current assets" so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Reversals of value adjustment are also recorded in the Profit and Loss Account under "Value adjustments in respect of financial assets and of investments held as current assets".

2.2.2 Assets and liabilities

Unless stated otherwise, assets have been stated at their historical cost less any durable impairment and liabilities have been stated at their repayable amount.

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

2.2.3 Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.4 Foreign currency translation

The presentation currency of the Company is USD.

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the Balance Sheet date. Foreign exchange differences on these items are recognised in the Profit and Loss Account of the year.

Financial assets and Non-convertible loans, expressed in foreign currencies, are translated into USD at the exchange rate effective at the time of the transaction. At the Balance Sheet date, these assets and liabilities are converted at the exchange rates effective at the Balance Sheet date. As there is an economic link between these assets and liabilities, these are valued in total and the net unrealised exchange losses are recorded in the Profit and Loss Account whereas the net unrealised exchange gains are not recognised. The realised exchange gains and losses are recorded in the Profit and Loss Account.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the Balance Sheet date. Solely the unrealised exchange losses are recorded in the Profit and Loss Account. The exchange gains are recorded in the Profit and Loss Account at the moment of their realisation.

2.2.5 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the Balance Sheet, are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

Provisions may also be created to cover charges which originated in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

At the Balance Sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to settle that liability.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial year are recorded under the caption “Provisions for taxation”.

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

2.2.6 Non-convertible loans

Non-convertible loans are comprised of Portfolio Credit Linked Notes (“Notes”) issued on The International Stock Exchange (“TISE”) in the Channel Islands. The Notes are initially recorded at issue price and subsequently measured at their reimbursement value. The reimbursement value of the Notes is determined by taking into account the value adjustment on financial assets and claims payable by the Company under the Financial Guarantee agreement (see Note 2.2.7).

Reduction in the amount payable for outstanding Notes is recorded as equalisation provision with corresponding income recorded in the Profit and Loss account as contribution from noteholders under the caption “other interest and similar income”.

Reversals of equalisation adjustments are recorded in the Profit and Loss account as “other interest and similar expenses”.

2.2.7 Financial Guarantee contracts

Financial guarantee contracts are contracts that require the Company to reimburse the Beneficiary as a result of credit losses determined in respect of a relevant defaulted Guaranteed Obligation as explained in the Financial Guarantee agreement. If an event of default occurs, a borrower default notice is then raised by the Beneficiary to the Issuer and a claim is recorded with the Company which is payable by the Company after the verification of the claim by the Verification Agent as per the Financial Guarantee agreement.

The Company makes provision for claims notified to it which is only paid after the verification of the claim by the Verification Agent.

In the case where no default has occurred in accordance with the Financial Guarantee agreement, however the Beneficiary has estimated the credit loss due in the future on the Guaranteed Portfolio of the Beneficiary by the application of estimated credit loss model, such estimated credit losses on the Guaranteed Portfolio of the Beneficiary are not provisioned for, but are solely disclosed by the Company in the Annual Accounts.

2.2.8 Interest income and expenses

Interest income and expenses are recorded on an accrual basis in the Profit and Loss Account.

2.2.9 Deferred income

This liability item includes income received during the financial year but related to a subsequent financial year.

2.2.10 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

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NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 3 – FINANCIAL ASSETS

Financial Assets represent money market securities acquired for use on a continuing basis and to be held as collateral under the Financial Guarantee agreement.

The Company acquired collateral securities which were financed by the Company out of the issuance of Portfolio Credit Linked Notes for an aggregate notional amount of USD 34,200,000.00.

The Financial Assets which are floating rate securities (“FRS”) serve as collateral under the Financial Guarantee Agreement are presented as follows:

ISIN	Type	Cost	Nominal Value at maturity	Realised and receivable interest in the period (Note 14)	Interest rate	Maturity date	Amount outstanding as at 31 December 2019
		USD	USD	USD			USD
XS1787780300	FRS	34,200,000.00	34,200,000.00	1,045,981.35	USD LIBOR 3M + 0.60%	19/12/2025	34,200,000.00

Maturity analysis

Financial assets

becoming due and receivable after more than one year

December 31, 2019
USD

December 31, 2018
USD

34,200,000.00	34,200,000.00
34,200,000.00	34,200,000.00

The Board of Managers have assessed that there is no indication of permanent diminution in value of financial assets and consequently no value adjustment was recognized as at the year ended December 31, 2019 (2018: USD Nil).

NOTE 4 – OTHER DEBTORS

	December 31, 2019 USD	December 31, 2018 USD
Guarantee fee receivable from the Beneficiary (refer to Note 14)	445,312.50	436,406.25
Interest Receivable on Financial Assets (refer to Note 14)	111,304.21	133,959.91
	556,616.71	570,366.16

NOTE 5 – PREPAYMENTS

	December 31, 2019 USD	December 31, 2018 USD
Listing agent fees	1,789.75	-
Trustee fees	3,128.25	-
Paying agent fees	625.65	-
Custodian fees	1,251.30	-
Cash manager fees	1,251.30	-
Account bank fees	1,251.30	-
	9,297.55	-

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 6 – OWN SHARES

During the year ended December 31, 2019, the Company did not acquire or hold any of its own shares.

NOTE 7 – CAPITAL AND RESERVES

7.1 Subscribed Capital

As at December 31, 2019, the Company has an issued and fully paid up capital of USD 14,156.40 (equivalent of EUR 12,000.00) and is comprised of 1,200 ordinary shares with a nominal value of EUR 10.00 each.

7.2 Legal Reserve

Under Luxembourg law, an amount equal to at least 5% of the annual net income must be allocated to a legal reserve until such reserve equals 10% of the paid-in share capital. This reserve is not available for distribution.

NOTE 8 – PROVISIONS

8.1 Provisions for taxation

	December 31, 2019 USD	December 31, 2018 USD
Net Wealth Tax	4,941.70	5,559.76
	4,941.70	5,559.76

NOTE 9 – CREDITORS

9.1 Non-convertible loans

On June 28, 2018 the Company issued Portfolio Credit Linked Notes for an aggregate notional amount of USD 34,200,000.00. The proceeds of the note issuance were utilised to acquire collateral securities (refer Note 3) for the Company's obligations under the Financial Guarantee agreement.

The notes are listed on The International Stock Exchange (TISE) in the Channel Islands.

ISIN	Issuance date	Maturity date	Outstanding Principal balance as at December 31, 2019	Outstanding Principal balance as at December 31, 2018
			USD	USD
XS1849468159 – Rule 144A	28/06/2018	17/05/2026	34,200,000.00	34,200,000.00
XS1849466021 – Regulation S				
Accumulated losses – Contribution from Noteholders (refer Note 2.2.6)			-	-
Net notes outstanding			34,200,000.00	34,200,000.00
Accrued return payable to Noteholders			556,616.71	570,366.16
Total Non-Convertible Loans			34,756,616.71	34,770,366.16

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 9 – CREDITORS (continued)

9.1 Non –convertible loans (continued)

Non-convertible loans becoming due and payable are detailed below:

	December 31, 2019	December 31, 2018
	USD	USD
Maturity analysis		
becoming due and payable within one year	556,616.71	570,366.16
becoming due and payable after more than one year	34,200,000.00	34,200,000.00
	<u>34,756,616.71</u>	<u>34,770,366.16</u>

9.2 Trade creditors

Trade creditors are composed of accruals of audit fees amounting to USD 11,522.92 (2018: USD 11,458.85) and other trade payables amounting to USD 3,250.35 (2018: USD 41,220.51).

9.3 Other creditors

	December 31, 2019	December 31, 2018
	USD	USD
Value Added Tax	5,618.86	-
	<u>5,618.86</u>	<u>-</u>

NOTE 10 – DEFERRED INCOME

Deferred income represents an advance from the Beneficiary to support all other expenses of the Company for an amount of USD 82,953.42 (2018: USD 41,030.82).

NOTE 11 – OTHER OPERATING INCOME

Other operating income represents reimbursement of operational expenses by the Beneficiary:

	2019	2018
	USD	USD
Reimbursement from Beneficiary for operational expenses*	82,885.40	169,804.97
	<u>82,885.40</u>	<u>169,804.97</u>

*In accordance with the Information Memorandum of the transaction entered into between the Company and the Beneficiary, the latter supports other external expenses of the Company.

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NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 12 – OTHER EXTERNAL EXPENSES

Other external expenses are composed of:

	2019	2018
	USD	USD
Management and administration fees	(45,921.98)	(69,985.30)
Audit fees	(11,527.94)	(11,252.48)
Legal fees	(6,494.20)	(37,176.81)
Bank fees	(1,595.48)	(3,584.12)
Custody fees	(4,474.66)	(6,897.69)
Paying agent fees	(625.65)	(1,319.47)
Acceptance fees	-	(2,638.94)
Cash manager fees	(1,251.30)	(2,638.94)
Trustee fees	(3,128.25)	(6,597.35)
Notary fees	-	35.23
Process agent fees	-	(4,271.87)
Listing agent fees	(1,588.23)	(19,108.22)
Other professional fees	(7,642.92)	(407.51)
	<u>(84,250.61)</u>	<u>(165,843.47)</u>

NOTE 13 – OTHER OPERATING EXPENSES

	December 31, 2019	December 31, 2018
	USD	USD
Net foreign exchange charge	-	(222.68)
Value Added Tax	(5,558.34)	-
	<u>(5,558.34)</u>	<u>(222.68)</u>

NOTE 14 – INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS

Income from other investments and loans forming part of the fixed assets is composed of the accrued interest receivable and interest received on Note Payment Dates as well as the guarantee fee received/receivable from the Beneficiary:

	2019	2018
	USD	USD
<i>Guarantee fee on Financial Guarantee agreement</i>		
Guarantee fee received during the year	2,805,468.75	1,193,437.50
Guarantee fee receivable (refer Note 4)	445,312.50	436,406.25
Derived from affiliated undertakings	<u>3,250,781.25</u>	<u>1,629,843.75</u>
<i>Interest on Financial Assets</i>		
Realised interest on Note Payment Dates (refer Note 3)	934,677.14	414,638.65
Interest receivable on Financial Assets (refer Notes 3 and 4)	111,304.21	133,959.91
Other income not included in a)	<u>1,045,981.35</u>	<u>548,598.56</u>
Total Income from other investments and loans forming part of the fixed assets	<u>4,296,762.60</u>	<u>2,178,442.31</u>

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NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 15 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	USD	USD
Interest received on cash account balance	1,709.94	1,820.94
Net foreign exchange result	6,014.94	-
	<u>7,724.88</u>	<u>1,820.94</u>

NOTE 16 – INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are comprised of return paid and payable to Noteholders (classified as other interest and similar expenses) made up of Guarantee fee received and receivable on Financial Guarantee Agreement (refer Note 14) for an amount of USD 3,250,781.25 (2018: USD 1,629,843.75) and Interest received and receivable on Financial Assets (refer Note 14) for an amount of USD 1,045,981.35 (2018: USD 548,598.56).

NOTE 17 – TAX ON PROFIT OR LOSS AND OTHER TAXES NOT SHOWN UNDER ITEMS 1 TO 16

The Company is subject to all Luxembourg tax regulations as applicable to companies incorporated under the Luxembourg Securitization Law.

The net wealth tax expenses for the financial year under review amount to USD 801.33 (2018: USD 5,559.76).

NOTE 18 – OFF BALANCE SHEET

On June 28, 2018 the Company entered into the Guarantee agreement with the Beneficiary for credit risk protection of the Guaranteed Portfolio. The financial guarantee is provided for maximum credit loss of USD 34,200,000.00 on the Guaranteed Portfolio of Beneficiary. The Company issued Portfolio Credit Linked Notes, the proceeds of which were utilised to acquire securities which serve as collateral for the financial guarantee under the terms of the Guarantee agreement. The Company is entitled to a guarantee fee at a rate of 9.375% p.a. of the total financial guarantee amount (refer Note 14).

At each financial year end, the Calculation Agent presents to the Board the impairment provision calculation attributable to the Guaranteed Portfolio of the Beneficiary. The impairment provision calculated on the Guaranteed Portfolio of the Beneficiary is based on an expected credit loss model which takes into account the probability of an event of default and the default amount and applies this to the forecasted exposure at such point of default. Accordingly, this method gives an estimate of the expected credit losses over the life of each item in the Guaranteed Portfolio. As at December 31, 2019 such expected credit losses on the Guaranteed Portfolio of Beneficiary amounted to USD 1,864,802.09 (equivalent to GBP 1,413,532.00) (2018: USD 850,211.00 (equivalent to GBP 664,227.00)).

Colonnade Global 2018-1 S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS (continued)
For the year ended December 31, 2019

NOTE 18 – OFF BALANCE SHEET (continued)

In accordance with the terms of the Guarantee agreement, the Company only has commitment for credit losses determined in respect of a relevant defaulted Guaranteed Obligation as explained in the Financial Guarantee Agreement and the Company is obliged to reimburse the Beneficiary after the verification of the claim by the Verification Agent as per the Financial Guarantee agreement. As at December 31, 2019, the Company has recorded no claim in respect of Company's obligations under the Financial Guarantee agreement (2018: NIL).

As at December 31, 2019, the total Guaranteed Portfolio for which financial guarantee was provided amounted to USD 396,827,136.78 (2018: USD 397,674,402.30).

NOTE 19 – STAFF

The Company had no employee during the financial year (2018: None).

**NOTE 20 – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE
MANAGEMENT AND SUPERVISORY BODIES**

During the financial year, no loan or advance was granted to members of the Board of Managers or other administrative bodies (2018: None).

**NOTE 21 – REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS
ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER
BOARD MEMBERS**

During the financial year, there was no emolument or obligation arising or entered into in respect of retirement pensions for former members of the Board (2018: None).

NOTE 22 – RELATED PARTY TRANSACTIONS

During the financial year, there were no significant transactions entered into with shareholders and the members of the administrative, management and supervisory bodies of the Company (2018: None).

The Company is consolidated at the level of Barclays Bank PLC on account of control. Barclays Bank PLC is therefore a related party for the entity. Refer to Notes 4, 9, 10, 11, 14 and 18.

NOTE 23 – SUBSEQUENT EVENTS

In the first months of 2020 a pandemic of coronavirus disease 2019 (COVID-19) spread around the world, leading to numerous cases and casualties and causing an economic instability.

A board meeting was held on April 27, 2020 in order for the managers to assess the current situation in the light of the above mentioned context. During the meeting the Board acknowledged the analysis made by Barclays regarding the potential credit stress on the portfolio, that also shows the expected credit loss (ECL) for which the Company may have to pay the protection amount. The ECL and the related protection amount is monitored by Barclays on a continuous basis and the credit score matrix applied to forecast impacts on cash-flow of the reference portfolio. Overall, Barclays is committed to maintain current standard and risk mitigation strategies. In addition, the guarantee fee amount paid periodically by the Beneficiary is considered at this point sufficient to mitigate any exposure to the potential ECL.

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NOTES TO THE ANNUAL ACCOUNTS (continued and end)
For the year ended December 31, 2019

NOTE 23 – SUBSEQUENT EVENTS (continued)

The valuation of the Company's collateral securities held as at 31 December, 2019, as disclosed in the annual accounts reflects the economic conditions in existence at that date.

On April 15, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

On May 7, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

On May 26, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

On June 25, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

On June 26, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

On July 3, 2020, a Borrower Default Notice was issued by the Beneficiary in respect of a claim payable by the Company to the Beneficiary. As of the date of the issuance of these Annual Accounts the Verification Agent has not completed the verification report.

No other matters or events have occurred subsequent to December 31, 2019, which would materially affect the Annual Accounts and the related disclosures for the year ended December 31, 2019.