

# *Canary Wharf Finance II plc*

*Issued June 2000/June 2001/February 2002/October 2002/May 2005/April 2007*

*Class A1 6.455% Fixed Rate First Mortgage Debentures due 2033*

*Class A3 5.952% Fixed Rate First Mortgage Debentures due 2037*

*Class A7 Floating Rate First Mortgage Debentures due 2037*

*Class B 6.800% Fixed Rate First Mortgage Debentures due 2033*

*Class B3 Floating Rate First Mortgage Debentures due 2037*

*Class C2 Floating Rate First Mortgage Debentures due 2037*

*Class D2 Floating Rate First Mortgage Debentures due 2037*

## **QUARTERLY UPDATE**

*Canary Wharf Group updates information on the securitisation quarterly.*

*The enclosed statistics are as at 30/06/19*

## **HIGHLIGHTS**

*Properties 95.3% let at 30 June 2019.*

*Valuations as at 30 June 2019 were £3,255.5 M*

*LMCTV Ratio 44.1%*

**Recent activity regarding the mortgaged properties**

- On 21<sup>st</sup> May 2019, Secure Trading surrendered their leases in respect of 9,248 sq ft on part floor 19, 40 Bank Street.
- On 21<sup>st</sup> June 2019, Hamran Accountancy Limited (formerly Kingsley Hamilton) surrendered their lease in respect of 3,788 sq ft on part floor 10, One Canada Square.
- Subsequent to the period end, on 23<sup>rd</sup> July 2019, a lease was concluded with St James's Place Wealth Management Group Limited in respect of 14,302 sq ft on floor 29, One Canada Square. The lease is for a 10 year term commencing on 23<sup>rd</sup> July 2019 with a tenant break after 5 years.
- Elsewhere on the estate, an agreement for lease was concluded on 26<sup>th</sup> July 2019 with Revolut for 24,016 sq ft on floor 3, 7 Westferry Circus. The lease is for a 5 year term.

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The rental income figures for the properties below are based on rents billed for Q2 2019.

### Property Portfolio Summary

Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA <sup>(1)</sup>	Actual Quarterly Rental Income	Estimated Annualised after rent free <sup>(3)</sup>	Market Value <sup>(2)</sup>
33 Canada Square	562,700 sq ft	562,700 sq ft	562,700 sq ft	£5.1 m	£20.3 m	£403.0 m
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,040,890 sq ft	£7.2 m	£50.4 m	£885.0 m
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6 m	£26.2 m	£522.0 m
40 Bank Street	607,400 sq ft	607,400 sq ft	591,374 sq ft	£6.0 m	£25.5 m	£435.0 m
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£6.1 m	£24.3 m <sup>(4)</sup>	£539.0 m
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£5.0 m	£20.5 m <sup>(4)</sup>	£471.5 m
<b>Subtotal</b>	<b>4,153,800 sq ft</b>	<b>4,138,300 sq ft</b>	<b>3,942,464 sq ft</b>	<b>£35.9 m</b>	<b>£167.2 m</b>	<b>£3,255.5 m</b>

Notes:

- (1) Area let as at 30<sup>th</sup> June 2019.
- (2) MV based on valuation of the properties at 30<sup>th</sup> June 2019.
- (3) Estimated annual rental income based on annualised rent as at 30<sup>th</sup> June 2019 after expiry of rent-free periods and including potential rental income on unlet space, where applicable.
- (4) The office rent on 10 Cabot Sq and 20 Cabot Sq is subject to annual RPI increases over the remaining term until the expiry of the lease in June 2032.

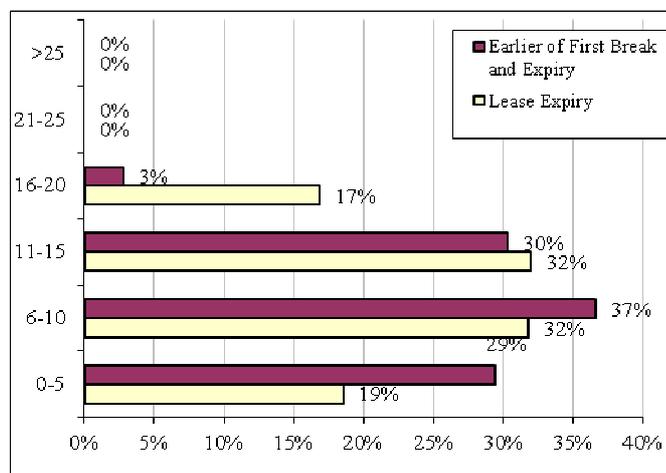
### Occupancy

At 30<sup>th</sup> June 2019 the securitised property portfolio was 95.3% let.

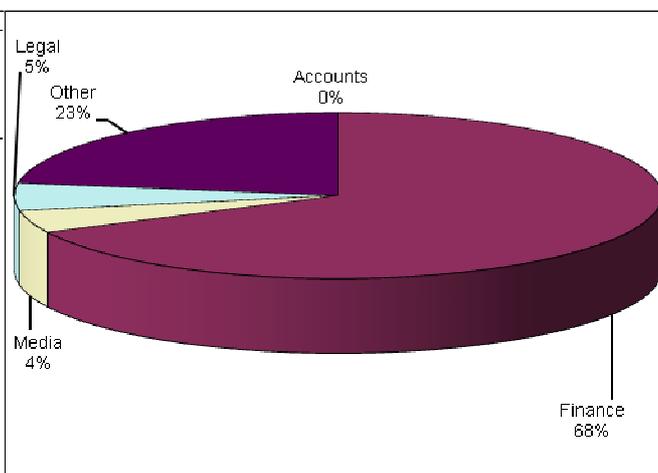
### Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	544,173 sq ft	£24,020,948

### Analysis of Office Lease Expiries and Breaks (Note 1)



### Concentration of Leases by Area



(1) The weighted average unexpired lease term of the securitised office portfolio (by sq ft) was 10.1 years. The weighted average lease term reflecting all break options was 8.0 years.

### Major Tenants:

#### 33 Canada Square

Citigroup

#### One Canada Square

Bank of New York Mellon  
The Office Group  
Moody's Investor Services  
BBVA  
European Banking Authority  
First Abu Dhabi Bank

#### 20 Bank Street

Morgan Stanley UK Group

#### 40 Bank Street

Skadden Arps  
Allen & Overy  
BGC International  
Shell International Limited  
Australia and New Zealand Bank

#### 5 North Colonnade

Barclays Bank Plc

#### 10 South Colonnade

The Secretary of State for Communities and Local Government

## Canary Wharf Finance II plc

### Financial Considerations

	Q2 2019 Actuals
Gross Rental	£35.9 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£35.9 m
B3 Defeasance	(£0.3 m)
C2 Defeasance	(£0.4 m)
Senior Expenses <sup>(1)</sup>	(£1.0m)
	£34.2 m
Gross Debt	£1,450.8 m
Cash Reserves	(£14.6 m)
Net Debt	£1,436.2 m

### Quarter 2 2019 Actuals

The Interest Cover and Debt Service Cover ratios have been calculated on the basis of total interest costs, including payments to interest swap providers for the quarter.

Class	Amount post repayments <sup>(2)</sup>	Interest <sup>(3)</sup>	Principal <sup>(4)</sup>	Reserve Release	Interest Cover Ratio	Debt Service Cover Ratio	LMCTV
<b>AAA</b>							
- A1	£249.8 m	(£4.2 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£871.8 m	(£13.2 m)			2.65 x	1.82 x	26.3%
<b>AA</b>							
- B	£136.5 m	(£2.4 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£214.4 m	(£3.5 m)			2.10 x	1.43 x	32.9%
<b>A</b>							
- C2	£239.7 m	(£3.8 m)			2.10 x	1.43 x	40.3%
<b>BBB</b>							
- D2	£125.0 m	(£2.2 m)			1.55 x	1.14 x	44.1%
	<b>£1,450.8 m</b>	<b>(£22.6 m)</b>	<b>(£7.3 m)</b>				

Reserve	Opening Balance <sup>(5)</sup>	Period Movement	Closing Balance <sup>(5)</sup>
Void Costs Ledger			
Cash Ledger	£0.0 m	£0.0 m	£0.0 m
B3 Defeasance Ledger	£5.0 m	£0.3 m	£5.3 m
C2 Defeasance Ledger	£6.9 m	£0.4 m	£7.3 m
Subtotal Coverage Reserves	£11.9 m	£0.8 m	£12.7 m
Cash Collateral	£1.3 m	£0.6 m	£2.0 m
Total Reserves	£13.2 m	£1.4 m	£14.6 m

#### Notes:

- (1) Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- (2) Total outstanding debt at 23<sup>rd</sup> July 2019 interest payable date.
- (3) Interest paid on 23<sup>rd</sup> July 2019 comprises bond interest of £15.95m and payments under interest rate swaps of £6.6m.
- (4) Amortisation paid on 23<sup>rd</sup> July 2019.
- (5) Opening balance is as at 22<sup>nd</sup> April 2019, closing balance is at 23<sup>rd</sup> July 2019.
- (6) Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.