

# *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 30/06/20*

## **HIGHLIGHTS**

*Properties 92.9% let at 30 June 2020.*

*Valuations as at 30 June 2020 were £3,290M*

*LMCTV Ratio 42.7%*

**Recent activity regarding the mortgaged properties**

- On the 5<sup>th</sup> April 2020 Runwild's lease in respect of 3,640 sq ft on part L06, One Canada Square expired.
- On the 27<sup>th</sup> April 2020 XTB's lease in respect of 2,259 sq ft on part L34, One Canada Square expired.
- On 5<sup>th</sup> May 2020, an agreement for lease was concluded with Ibbuy in respect of 1,311sq ft L11, One Canada Square. The lease is for a 5-year term commencing October 2020.
- On 28<sup>th</sup> May 2020, an agreement for lease was concluded with IPC in respect of 17,924sq ft part L19, 40 Bank Street. The lease is for a 5-year term commencing December 2020.
- On 15<sup>th</sup> May 2020, Diligence International renewed their lease in respect of 4,552 sq ft part L10, One Canada Square. The lease is for a 1-year term commencing May 2020.
- On 4<sup>th</sup> June 2020, Kingsley Hamilton terminated their lease in respect of 2,620 sq ft on L10, One Canada Square.
- Shell's lease in respect of a total of 186,903sq ft on L8-L17, 40 Bank Street terminated on 8<sup>th</sup> June 2020. Herbert Smith Freehills have taken a lease in respect of 37,680 sq ft on L16 and L17, 40 Bank Street. The lease is for an 8-year term commencing on 9th June 2020.

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The rental income figures for the properties below are based on rents billed for Q2 2020.

### 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	£394.0 m
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,108,329 sq ft	£9.5 m	£49.1 m	£925.0 m
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6 m	£26.2 m	£533.0 m
40 Bank Street	607,400 sq ft	607,400 sq ft	424,370 sq ft	£4.7 m	£25.5 m	£420.0 m
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£5.9 m	£24.7 m	£539.0 m
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£5.0 m	£21.1 m	£479.0 m
<b>Subtotal</b>	<b>4,153,800 sq ft</b>	<b>4,138,300 sq ft</b>	<b>3,842,899 sq ft</b>	<b>£36.7 m</b>	<b>£166.9 m</b>	<b>£3,290.0 m</b>

Notes:

- (1) Area let as at 30<sup>th</sup> June 2020.
- (2) MV based on valuation of the properties at 30<sup>th</sup> June 2020.
- (3) Estimated annual rental income based on annualised rent as at 30<sup>th</sup> June 2020 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.

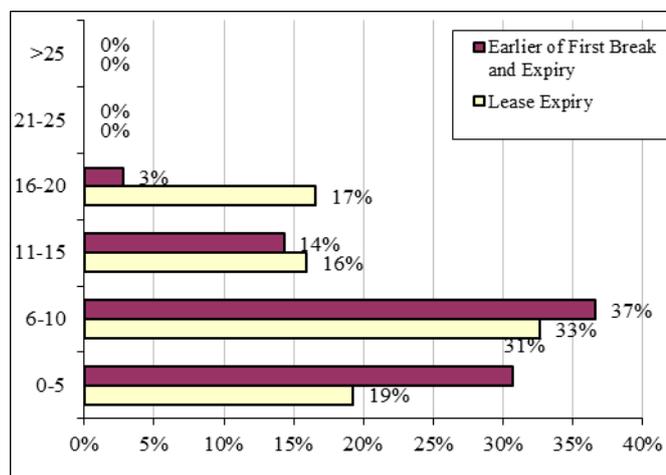
### Occupancy

At 30<sup>th</sup> June 2020 the securitised property portfolio was 92.9% let.

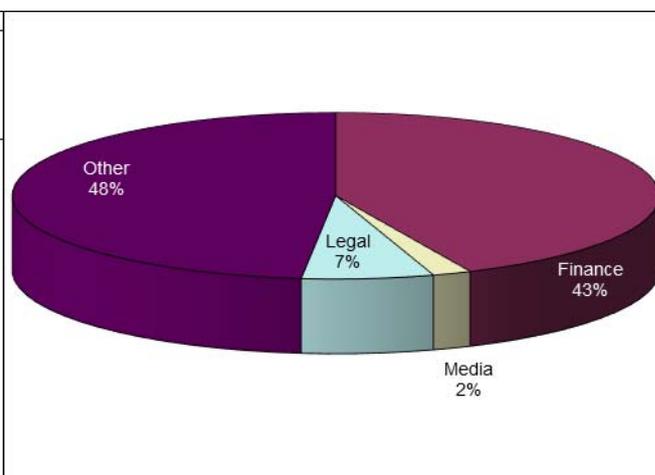
### Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	623,329 sq ft	£22,396,502

### 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 9.3 years. The weighted average lease term reflecting all break options was 7.43 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  
Herbert Smith  
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 2020 Actuals
Gross Rental	£36.7 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£36.7 m
B3 Defeasance	(£0.6 m)
C2 Defeasance	(£0.2 m)
Senior Expenses <sup>(1)</sup>	(£1.0 m)
	£34.9 m
Gross Debt	£1,421.5 m
Cash Reserves	(£17.4 m)
Net Debt	<b>£1,404.1 m</b>

### Quarter 2 2020 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	£227.3 m	(£3.9 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£849.3 m	(£12.8 m)			2.78 x	1.89 x	25.3%
<b>AA</b>							
- B	£129.6 m	(£2.3 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£207.5 m	(£3.4 m)			2.21 x	1.49 x	31.6%
<b>A</b>							
- C2	£239.7 m	(£3.7 m)			1.79 x	1.28 x	38.9%
<b>BBB</b>							
- D2	£125.0 m	(£2.2 m)			1.61 x	1.19 x	42.7%
	<b>£1,421.5 m</b>	<b>(£22.1 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	£6.5 m	£0.3 m	£6.8 m
C2 Defeasance Ledger	£8.5 m	£0.5 m	£9.0 m
Subtotal Coverage Reserves	£15.0 m	£0.8 m	£15.8 m
Cash Collateral	£1.7 m	(£0.1 m)	£1.6 m
Total Reserves	£16.7 m	£0.7 m	£17.4 m

#### Notes:

- Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- Total outstanding debt at 23<sup>rd</sup> July 2020 interest payable date.
- Interest paid on 23<sup>rd</sup> July 2020 comprises bond interest of £14.9m and payments under interest rate swaps of £7.1m.
- Amortisation paid on 23<sup>rd</sup> July 2020.
- Opening balance is as at 22<sup>nd</sup> April 2020, closing balance is at 23<sup>rd</sup> July 2020.
- Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.