

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 30/09/17.

HIGHLIGHTS

Properties 96.9% let at 30 September 2017.

Valuations as at 30 June 2017 were £3,278.5 M

LMCTV Ratio 45.5%

Recent activity regarding the mortgaged properties

- On 16th May 2017 a reversionary lease was concluded with Doyle Clayton for 1,066 sq ft on part floor 10, One Canada Square. The lease is for a 5 year term at a rent of £56psf commencing on 1st May 2018.
- On 22nd June 2017 a reversionary lease was concluded with Bellway Properties for 1,339sq ft on part floor 36, One Canada Square. The lease is for a 3 year term at a rent of £61psf commencing on 19th November 2017.
- On 6th September 2017 the leases of floors 7, 8 and 9, One Canada Square, let to HSBC, terminated in accordance with the break options exercised on 31st May, 1st June and 2nd June.
- Elsewhere on the estate, an agreement for lease was concluded with Digital Shadows on 18th October 2017 for 15,509 sq ft on floor 6 , 7 Westferry Circus. The lease is for a 10 year term at a rent of £46psf with a 10 month rent free incentive.

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Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA	Actual Quarterly Rental Income	Estimated Annualised after rent free ⁽¹⁾⁽³⁾	Market Value ⁽²⁾
33 Canada Square	562,700 sq ft	562,700 sq ft	562,700 sq ft	£5.4 m	£20.3 m	£408.0
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,117,433 sq ft	£12.2 m	£49.2 m	£910.0
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6 m	£26.2 m	£533.0
40 Bank Street	607,400 sq ft	607,400 sq ft	584,051 sq ft	£6.2 m	£25.1 m	£440.0
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£5.7 m	£22.8 m	£525.0
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£4.9 m	£19.2 m ⁽⁵⁾	£462.5
Subtotal	4,153,800 sq ft	4,138,300 sq ft	4,011,684 sq ft	£40.9 m	£162.8 m ⁽⁴⁾	£3,278.5 m

The rental income figures for the properties below are based on actual receipts for Q3 2017.

Property Portfolio Summary

Notes:

- (1) Area let as at 30th September 2017.
- (2) MV based on valuation of the properties at 30th June 2017.
- (3) Rent receivable after expiry of rent-free periods and including potential rental income on unlet space, where applicable.
- (4) Estimated annual rental income based on annualised rent as at 30th September 2017 after expiry of rent-free periods and including potential rental income on unlet space, where applicable.
- (5) Building substantially let to Barclays Bank Plc. The rent is subject to an RPI increases with a 0% floor and a 5% cap compounded annually over the 5 years to January 2015 with subsequent annual RPI increases over the rest of the term until the expiry of the lease in June 2032.

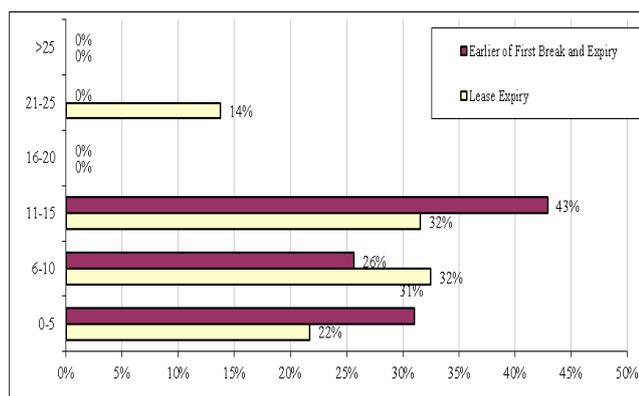
Occupancy

At 30th September 2017 the securitised property portfolio was 96.9% let.

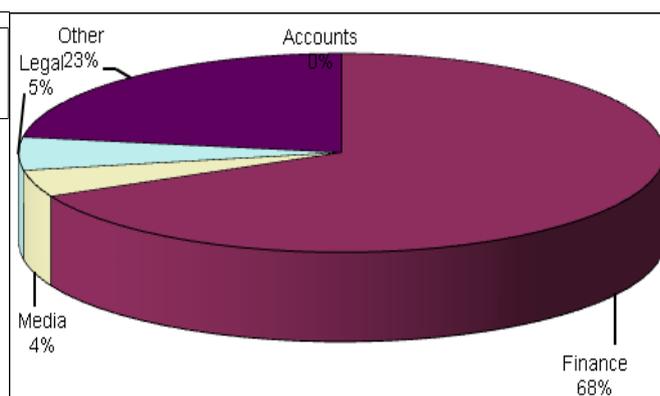
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	896,701 sq ft	£39,544,338

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 10.4 years. The weighted average lease term reflecting all break options was 8.3 years.

Major Tenants:

33 Canada Square

Citigroup

One Canada Square

Bank of New York Mellon
Mirror Group Newspapers
Moody's Investor Services
State Street
FCA
BBVA
European Banking Authority
National Bank of Abu Dhabi

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

Barclays Bank Plc

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Financial Considerations

	Q3 2017 Actuals
Gross Rental	£40.9 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£40.9 m
B3 Defeasance	(£0.3 m)
C2 Defeasance	(£0.4 m)
Senior Expenses ⁽¹⁾	(£1.0m)
	£39.2 m
Gross Debt	£1,502.2 m
Cash Reserves	(£9.1 m)
Net Debt	£1,493.1 m

Quarter 3 2017 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 ⁽²⁾	Interest ⁽³⁾	Principal ⁽⁴⁾	Reserve Release	Interest Cover Ratio	Debt Service Cover Ratio	LMCTV
AAA							
- A1	£289.0 m	(£4.9 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£911.0 m	(£13.8 m)			2.83 x	1.98 x	27.5%
AA							
- B	£148.6 m	(£2.6 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£226.5 m	(£3.7 m)			2.24 x	1.55 x	34.4%
A							
- C2	£239.7 m	(£3.7 m)			2.24 x	1.55 x	34.4%
BBB							
- D2	£125.0 m	(£2.2 m)			1.67 x	1.25 x	45.5%
	£1,502.2 m	(£23.4 m)	(£7.3 m)				

Reserve	Opening Balance ⁽⁵⁾	Period Movement	Closing Balance ⁽⁵⁾
Void Costs Ledger			
Cash Ledger	£0.0 m	£0.0 m	£0.0 m
B3 Defeasance Ledger	£2.8 m	£0.3 m	£3.1 m
C2 Defeasance Ledger	£4.1 m	£0.4 m	£4.5 m
Subtotal Coverage Reserves	£6.9 m	£0.7 m	£7.6 m
Cash Collateral	£2.7 m ⁽⁶⁾	(£1.2 m)	£1.5 m
Total Reserves	£9.6 m	(£0.5 m)	£9.1 m

Notes:

- Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- Total outstanding debt at 21st October 2017 interest payable date.
- Interest paid on 21st October 2017 comprises bond interest of £15.8m and payments under interest rate swaps of £7.6m.
- Amortisation paid on 21st October 2017.
- Opening balance is as at 22nd July, closing balance is at 21st October 2017.
- Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.