

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 30/09/19

HIGHLIGHTS

Properties 95.0% let at 30 September 2019.

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

LMCTV Ratio 43.8%

Recent activity regarding the mortgaged properties

- On 21st June 2019, an agreement for lease was agreed with FE International in respect of 3,788 sq ft on part floor 10, One Canada Square. The lease is for a 5 year term commencing on 21st December 2019.
- On the 21st July 2019, BGC International exercised its break option in respect of 19,092 sq ft on part floor 1, 40 Bank Street.
- On the 23rd July 2019, an agreement for lease was agreed with St James Place Wealth Management in respect of 14,302 sq ft on part floor 29, One Canada Square. The lease is for a 10 year term commencing on 23rd September 2020.
- On 1st September the lease for First Data terminated, following the exercise of their break option in respect of 7,106sq ft on part floor 29, One Canada Square.
- Elsewhere on the estate and subsequent to the period end, an agreement for lease was concluded on 23rd October 2019 with Revolut for 32,248 sq ft on part floor 1 and floor 2, 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 Q3 2019.

Property Portfolio Summary

Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA ⁽¹⁾	Actual Quarterly Rental Income	Estimated Annualised after rent free ⁽³⁾	Market Value ⁽²⁾
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	1,051,874 sq ft	£8.8 m	£50.6 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	572,282 sq ft	£5.1 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	£6.0 m	£24.3 m ⁽⁴⁾	£539.0 m
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£5.1 m	£20.6 m ⁽⁴⁾	£471.5 m
Subtotal	4,153,800 sq ft	4,138,300 sq ft	3,934,356 sq ft	£36.6 m	£167.5 m	£3,255.5 m

Notes:

- (1) Area let as at 30th September 2019.
- (2) MV based on valuation of the properties at 30th September 2019.
- (3) Estimated annual rental income based on annualised rent as at 30th September 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.

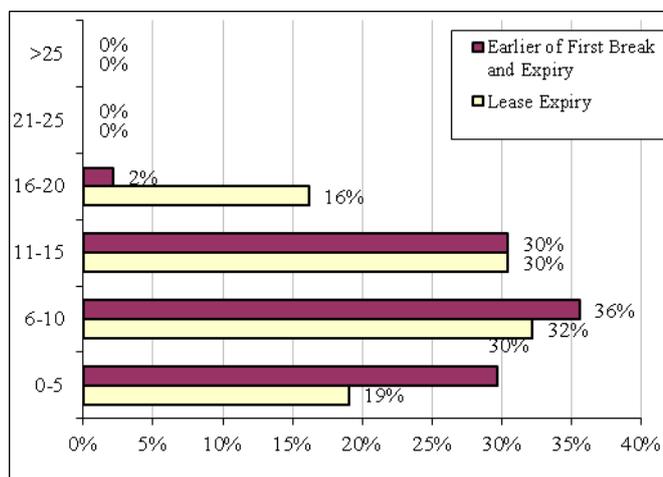
Occupancy

At 30th September 2019 the securitised property portfolio was 95.1% let.

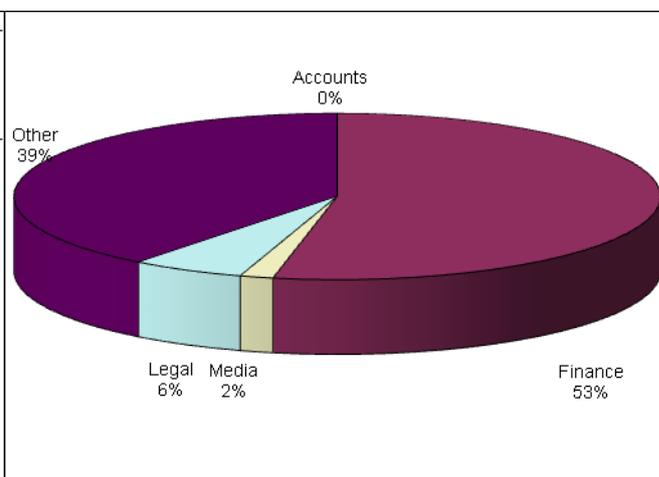
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	165,635 sq ft	£7,055,225

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 9.8 years. The weighted average lease term reflecting all break options was 7.8 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
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

	Q3 2019 Actuals
Gross Rental	£36.6 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£36.6 m
B3 Defeasance	(£0.3 m)
C2 Defeasance	(£0.5 m)
Senior Expenses ⁽¹⁾	(£1.0m)
	£34.8 m
Gross Debt	£1,443.5 m
Cash Reserves	(£15.7 m)
Net Debt	£1,427.8 m

Quarter 3 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 ⁽²⁾	Interest ⁽³⁾	Principal ⁽⁴⁾	Reserve Release	Interest Cover Ratio	Debt Service Cover Ratio	LMCTV
AAA							
- A1	£244.2 m	(£4.2 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£866.2 m	(£13.2 m)			2.70 x	1.86 x	26.1%
AA							
- B	£134.8 m	(£2.4 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£212.7 m	(£3.5 m)			2.14 x	1.45 x	32.7%
A							
- C2	£239.7 m	(£3.8 m)			2.14 x	1.45 x	40.0%
BBB							
- D2	£125.0 m	(£2.2 m)			1.58 x	1.16 x	43.9%
	£1,443.5 m	(£22.6 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	£5.3 m	£0.3 m	£5.6 m
C2 Defeasance Ledger	£7.3 m	£0.5 m	£7.8 m
Subtotal Coverage Reserves	£12.7 m	£0.8 m	£13.4 m
Cash Collateral	£2.0 m	£0.3 m	£2.3 m
Total Reserves	£14.6 m	£1.1 m	£15.7 m

Notes:

- (1) Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- (2) Total outstanding debt at 23rd October 2019 interest payable date.
- (3) Interest paid on 23rd October 2019 comprises bond interest of £15.5m and payments under interest rate swaps of £7.0m.
- (4) Amortisation paid on 23rd October 2019.
- (5) Opening balance is as at 22nd July 2019, closing balance is at 23rd October 2019.
- (6) Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.