

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 31/12/18.

HIGHLIGHTS

Properties 96.1% let at 31 December 2018.

Valuations as at 31 December 2018 were £3,276.5 M

LMCTV Ratio 44.4%

Recent activity regarding the mortgaged properties

- On 23rd October 2018, an agreement for lease was concluded with UAE Exchange UK Limited in respect of 1,892 sq ft on floor 10, One Canada Square. The lease is for a 5 year term commencing on 3rd January 2019.
- On 3rd November 2018, The Financial Service Authority's lease for 82,492 sq ft on floors 18, 26 and 27, One Canada Square expired.
- On 3rd December 2018, Newland Chase's lease for 3,957 sq ft on part floor 10, One Canada Square expired.
- On 12th December 2018, an agreement for lease was concluded with Valero Energy Limited for 27,497 sq ft on floor 27, One Canada Square. The lease is for a 15 year term commencing 24th January 2020 with no break.
- Subsequent to the period end, a lease was agreed with Level39 Limited for 27,764 sq ft on floor 26, One Canada Square. 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 Q4 2018.

Property Portfolio Summary

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	£5.1 m	£20.3 m	£408.0
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,059,123 sq ft	£7.8 m	£50.3 m	£885.0
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6 m	£26.2 m	£522.0
40 Bank Street	607,400 sq ft	607,400 sq ft	607,400 sq ft	£5.5 m	£25.5 m	£451.0
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£5.8 m	£24.4 m	£539.0
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£4.9 m	£20.7 m ⁽⁵⁾	£471.5
Subtotal	4,153,800 sq ft	4,138,300 sq ft	3,976,723 sq ft	£35.6 m	£167.5 m ⁽⁴⁾	£3,276.5 m

Notes:

- (1) Area let as at 31st December 2018.
- (2) MV based on valuation of the properties at 31st December 2018.
- (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 31st December 2018 after expiry of rent-free periods and including potential rental income on unlet space, where applicable.
- (5) 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.

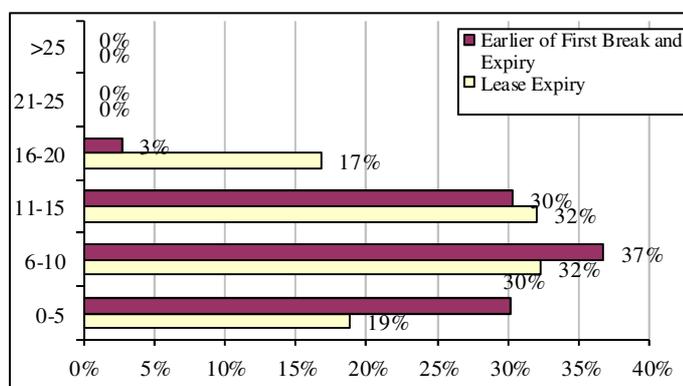
Occupancy

At 31st December 2018 the securitised property portfolio was 96.1% let.

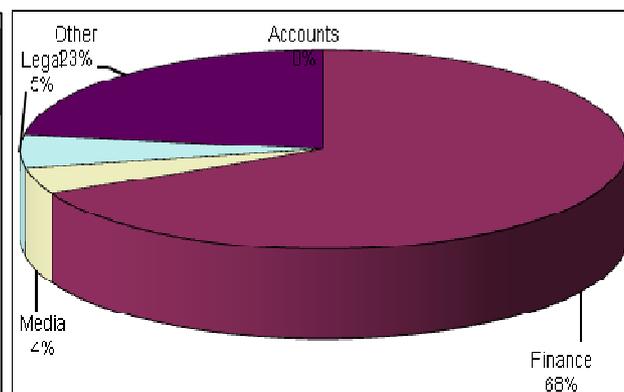
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	786,278 sq ft	£36,712,209

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 10.6 years. The weighted average lease term reflecting all break options was 8.5 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

	Q4 2018 Actuals
Gross Rental	£35.6 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£35.6 m
B3 Defeasance	(£0.3 m)
C2 Defeasance	(£0.4 m)
Senior Expenses ⁽¹⁾	(£1.0m)
	£33.8 m
Gross Debt	£1,465.5 m
Cash Reserves	(£12.2 m)
Net Debt	£1,453.3 m

Quarter 4 2018 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	£261.0 m	(£4.3 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£883.0 m	(£13.3 m)			2.60 x	1.79 x	26.6%
AA							
- B	£140.0 m	(£2.4 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£217.9 m	(£3.5 m)			2.06 x	1.40 x	33.2%
A							
- C2	£239.7 m	(£3.8 m)			2.06 x	1.40 x	40.5%
BBB							
- D2	£125.0 m	(£2.2 m)			1.52 x	1.12 x	44.4%
	£1,465.5 m	(£22.8 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	£4.4 m	£0.3 m	£4.7 m
C2 Defeasance Ledger	£6.0 m	£0.4 m	£6.4 m
Subtotal Coverage Reserves	£10.4 m	£0.7 m	£11.1 m
Cash Collateral	£0.9 m ⁽⁶⁾	£0.1m	£1.0 m
Total Reserves	£11.3 m	£0.9 m	£12.2 m

Notes:

- Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- Total outstanding debt at 22nd January 2019 interest payable date.
- Interest paid on 22nd January 2019 comprises bond interest of £15.9m and payments under interest rate swaps of £6.9m.
- Amortisation paid on 22nd January 2019.
- Opening balance is as at 22nd October 2018, closing balance is at 22nd January 2019.
- Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.