

# ***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 31/03/21*

## **HIGHLIGHTS**

*Properties 92.2% let at 31 March 2021.*

*Valuations as at 31 December 2020 were £3,234M*

*LMCTV Ratio 42.6%*

**Recent activity regarding the mortgaged properties**

- On the 11<sup>th</sup> February 2021, a deed of variation was agreed with Regus in respect of 28,435 sq ft L37, One Canada Square. This is for a 10-year lease with a guaranteed rent, subject to review, commencing February 2021.
- On the 18<sup>th</sup> January, an agreement for a lease was concluded with Brookfield in respect of 6,135 sq ft part L26, One Canada Square. This is for a 12-year lease commencing February 2021. Level 39, a Canary Wharf Group Company, surrendered the 6,135 sq ft and now occupy 21,629 sq ft on L26, One Canada Square.
- On the 30<sup>th</sup> March 2021, an agreement for a lease was concluded with World Fuels in respect of 11,267 sq ft part L28, One Canada Square. This is for a 10-year lease commencing June 2021.

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The rental income figures for the properties below are based on rents billed for Q1 2021.

### Property Portfolio Summary

Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA	Actual Quarterly Rental Income	Estimated Annualised after rent free <sup>(1)(3)</sup>	Market Value <sup>(2)</sup>
33 Canada Square	562,700 sq ft	562,745 sq ft	562,745 sq ft	£5.1 m	£20.3 m	£383.0m
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,066,659 sq ft	£8.1 m	£50.3 m	£920.0m
20 Bank Street	546,500 sq ft	546,538 sq ft	546,538 sq ft	£6.6 m	£26.2 m	£522.0m
40 Bank Street	607,400 sq ft	607,400 sq ft	442,314 sq ft	£3.5 m	£26.6 m	£400.0m
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£6.1 m	£24.7 m	£530.0m
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£5.2 m	£21.0 m	£478.5m
<b>Subtotal</b>	<b>4,153,800 sq ft</b>	<b>4,138,383 sq ft</b>	<b>3,819,256 sq ft</b>	<b>£34.5 m</b>	<b>£169.2 m</b>	<b>£3,233.5m</b>

(1) Area let as at 31<sup>st</sup> March 2021.

(2) MV based on valuation of the properties at 31<sup>st</sup> December 2020.

(3) Estimated annual rental income based on annualised rent as 31<sup>st</sup> March 2021 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.

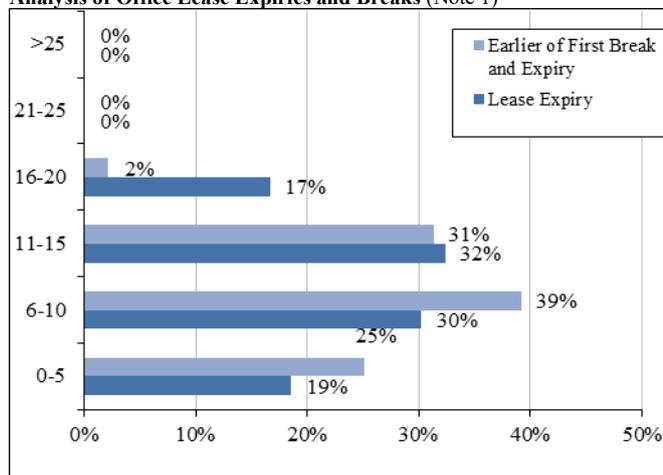
### Occupancy

At 31<sup>st</sup> March 2021 the securitised property portfolio was 92.2% let.

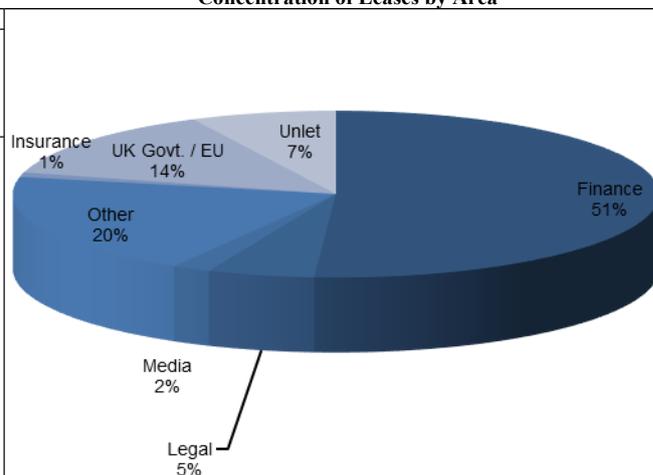
### Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	630,543 sq ft	£22,648,236

### 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 8.79 years. The weighted average lease term reflecting all break options was 6.89 years.

### Major Tenants:

#### 33 Canada Square

Citigroup

#### One Canada Square

Bank of New York Mellon  
The Office Group  
Moody's Investor Services  
BBVA

#### 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

	Q1 2021 Actuals
Gross Rental	£34.5 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£34.5 m
B3 Defeasance	(£0.6 m)
C2 Defeasance	(£0.2 m)
Senior Expenses <sup>(1)</sup>	(£1.0 m)
	£32.7 m
Gross Debt	£1,399.5 m
Cash Reserves	(£21.6 m)
Net Debt	£1,378.0 m

### Quarter 1 2021 Actuals

The Interest Cover and Debt Service Cover ratios have been calculated based on 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	£210.5 m	(£3.5 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£3.0 m)					
	£832.5 m	(£12.4 m)			2.70 x	1.82 x	25.1%
<b>AA</b>							
- B	£124.4 m	(£2.1 m)	(£1.7 m)				
- B3	£77.9 m	(£1.1 m)					
	£202.3 m	(£3.2 m)			2.14 x	1.42 x	31.3%
<b>A</b>							
- C2	£239.7 m	(£3.7 m)			1.73 x	1.23 x	38.7%
<b>BBB</b>							
- D2	£125.0 m	(£2.2 m)			1.56 x	1.13 x	42.6%
	£1,399.5 m	(£21.5 m)	(£7.3 m)				

Reserve	Opening Balance <sup>(5)</sup>	Period Movement	Closing Balance <sup>(5)</sup>
Void Costs Ledger	£0.0 m	£0.0 m	£0.0 m
Cash Ledger	£0.0 m	£0.0 m	£0.0 m
B3 Defeasance Ledger	£7.5 m	£0.3 m	£7.8 m
C2 Defeasance Ledger	£10.0 m	£0.6 m	£10.6 m
Subtotal Coverage Reserves	£17.5 m	£0.9 m	£18.4 m
Cash Collateral	£3.8 m	(£0.6 m)	£3.2 m
Total Reserves	£21.3 m	£0.3 m	£21.6 m

#### Notes:

- (1) Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- (2) Total outstanding debt at 22<sup>nd</sup> April 2021 interest payable date.
- (3) Interest paid on 22<sup>nd</sup> April 2021 comprises bond interest of £13.49m and payments under interest rate swaps of £7.99m.
- (4) Amortisation paid on 22<sup>nd</sup> April 2021
- (5) Opening balance is as at 22<sup>nd</sup> January 2021, closing balance is at 22<sup>nd</sup> April 2021.
- (6) Opening balance on Cash Collateral account corrected to reflect additions to the account in earlier periods in respect of lease surrenders.