

# Canary Wharf Finance II plc

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

**Issued June 2000/June 2001/February 2002/October 2002/May 2005/April 2007**

Quarterly update

**30 September 2024**

**Property and leasing**

**Recent activity regarding the mortgaged properties**

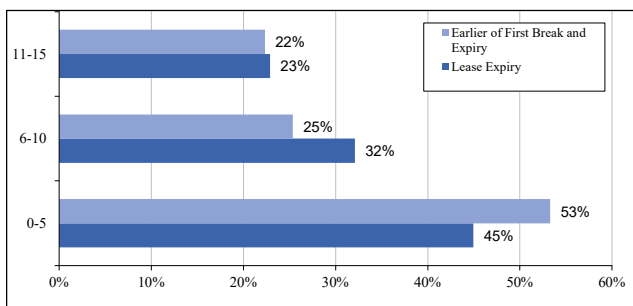
- On 3 July 2024, SSV Capital PLC signed a 5-year lease in respect of a single 1,997 sq ft unit on level 18 in 40 Bank Street. The lease commenced 15 July 2024 with expiry on 14 July 2029.
- On 5 July 2024, Sipral UK Limited signed a 2-year lease in respect of a single 1,331 sq ft unit on level 19 in 40 Bank Street. The lease commenced 10 July 2024 with expiry on 31 July 2026.
- On 21 August 2024, OKX signed a 2-year lease in respect of a single 2,384 sq ft unit on level 28 in One Canada Square. The lease commenced 28 August with expiry on 20 August 2026.
- St James's Place Wealth Management Group exercised a break on their lease on 22 July 2024.

**Property Portfolio Summary <sup>(1)</sup>**

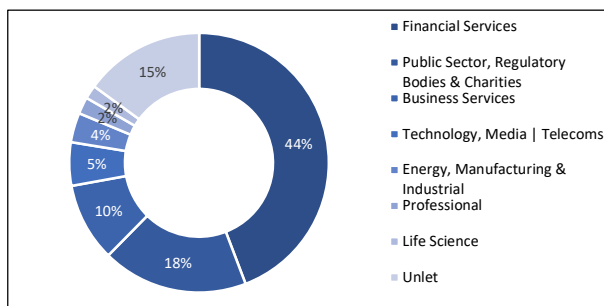
Property:	Total property NIA (sq ft) <sup>(2)</sup>	Area let NIA (sq ft)	Occupancy (%)	Actual quarterly rental income (£ million) <sup>(3)</sup>	Estimated annualised after rent free (£ million) <sup>(4)</sup>	Market value (£ million) <sup>(5)</sup>	Outstanding rent reviews	
							Area (sq ft)	Passing rent (£ million)
20 Bank Street	546,538	546,538	100	6.6	26.2	376.6	-	-
40 Bank Street	606,937	426,966	70	5.6	33.0	354.0	-	-
20 Cabot Square <sup>(6)</sup>	555,779	554,519	100	6.2	24.4	344.5	-	-
One Canada Square	1,197,040	861,831	72	10.7	60.1	740.0	-	-
33 Canada Square	562,745	562,745	100	5.1	20.5	230.0	-	-
<b>Total portfolio</b>	<b>3,469,039</b>	<b>2,952,599</b>	<b>85</b>	<b>34.2</b>	<b>164.2</b>	<b>2,045.1</b>	-	-

**Analysis of Office Lease Expiries and Breaks <sup>(1)</sup>**

The weighted average unexpired lease term of the securitised office portfolio (by sq ft) was 6.7 years. The weighted average lease term reflecting all break options was 6.1 years.



**Office Leases NIA by Sector**



**Major Tenants**

20 Bank Street	40 Bank Street	20 Cabot Square	One Canada Square	33 Canada Square
<ul style="list-style-type: none"> <li>Morgan Stanley UK Group</li> </ul>	<ul style="list-style-type: none"> <li>Citigroup</li> <li>Herbert Smith</li> <li>hVIVO</li> </ul>	<ul style="list-style-type: none"> <li>The Secretary of State for Communities and Local Government</li> </ul>	<ul style="list-style-type: none"> <li>Moody's Investor Services</li> <li>Fisher Investments Europe</li> <li>The Office Group</li> <li>Reach Plc</li> <li>University College London</li> <li>Brookfield Global Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>Citigroup</li> </ul>

(1) All data is as at 30 September 2024 unless otherwise stated.  
 (2) The whole of each property is securitised.  
 (3) The rental income figures for the properties below are based on rents billed in Q3 2024.  
 (4) Estimated annual rental income based on annualised rent at 30 September 2024 after expiry of rent-free periods and includes potential rental income on unlet space, where applicable, using market rate at £55/sq ft.  
 (5) Properties are valued at 30 June and 31 December each year. Latest valuation as at 30 June 2024.  
 (6) The office rent on 20 Cabot Square is subject to annual RPI increases over the remaining term until the expiry of the leases in June 2032.

**Debt balances and ratios**

Debt balances are as at 22 October 2024, the latest IPD, following payments of interest and principal repayments made on that date.

Rating	Class	Debt balance post repayments (£ million)	Interest paid (£ million) <sup>(1)</sup>	Principal repaid (£ million)	Interest Cover Ratio <sup>(3)</sup>	Debt Service Cover Ratio <sup>(3)</sup>	Loan Minus Cash to Value
AA	A1	68.7	(1.2)	(2.9)			
AA	A3	208.0	(3.1)				
AA	A7	222.0	(3.0)				
AA	Total	498.7	(7.3)	(2.9)	4.61 x	3.30 x	21.88%
A+	B	100.2	(1.7)	(1.7)			
A+	B3	77.9	(1.1)				
A+	Total	178.1	(2.8)	(1.7)	3.32 x	2.28 x	30.59%
BBB+	C2	239.7	(3.8)				
BBB+	Total	239.7	(3.8)		2.42 x	1.81 x	42.31%
BBB	D2	125.0	(2.2)				
BBB	Total	125.0	(2.2)		2.08 x	1.62 x	48.42%
		1,041.5	(16.1)	(4.6)			

**Cash available for debt service**

£ million	Q3 2024
Gross rental income	34.2
Interest on collateral accounts and other releases	0.1
	34.3
B3 defeasance	(0.3)
C2 defeasance	(1.5)
Large lease provision <sup>(4)</sup>	(3.1)
Senior expenses <sup>(2)</sup>	(0.8)
Cash available for debt service	28.6

**Net debt**

£ million	at 22 October 2024
Gross debt	1,041.5
Cash reserves	(51.2)
Net debt	990.3

**Cash reserves**

£ million	Opening balance at 22 July 2024	Movement	Closing balance at 22 October 2024
Void costs ledger	-	-	-
Cash ledger	-	-	-
B3 defeasance ledger	11.5	0.3	11.8
C2 defeasance ledger	25.4	1.5	26.9
Subtotal coverage reserves	36.9	1.8	38.7
Cash collateral	9.4	3.1	12.5
Total reserves	46.3	4.9	51.2

(1) Interest paid on 22 October 2024 comprises bond interest of £16.5m and receipts under interest rate swaps of £0.4m.

(2) Senior expenses principally include the DS6 facility fees and the liquidity facility fee.

(3) The B3 and C2 defeasance amounts are not deducted in calculating the interest cover ratio or debt service cover ratio.

(4) Large lease provision in respect of Citigroup departure from 33 Canada Square on 30 November 2026.

Cash collateral of c.£3.0m per quarter to be reserved from 22 January IPD until lease expiry.