

# 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

**31 December 2024**

**Property and leasing**

**Recent activity regarding the mortgaged properties**

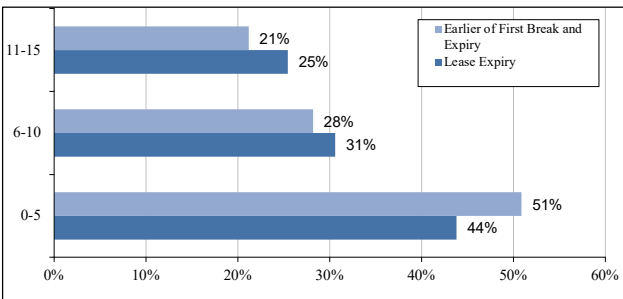
- On 29 October 2024, Hexaware Technologies UK Limited signed a 9.7-year lease in respect of a single 6,240 sq ft unit on level 32 in One Canada Square. The lease commenced 28 October 2024 with expiry on 30 June 2034.
- On 25 October 2024, Hershey UK Finance Limited signed a 2-year lease in respect of a single 2,386 sq ft unit on level 10 in One Canada Square. The lease commenced 23 December 2024 with expiry on 22 December 2026.
- On 25 November 2024, Equilend Europe Limited signed a 2-year lease renewal in respect of a single 5,100 sq ft unit on level 36 in One Canada Square. The lease commenced 25 December 2024 with expiry on 24 December 2026.
- On 18 December 2024, General Optical Council signed a 5-year lease in respect of a single 5,027 sq ft unit on level 29 in One Canada Square. The lease is due to commence on 5 May 2025 with expiry on 4 May 2030.
- On 19 December 2024, University College London signed a 15.6-year lease in respect of a single 22,061 sq ft unit on level 49 in One Canada Square. The lease commenced 17 January 2025 with expiry on 31 August 2040. They also signed a 15-year lease in respect of a single 22,040 sq ft unit on level 48 in One Canada Square. The lease is due to commence on 01 September 2025 with expiry on 31 August 2040. They also signed a regear of levels 38 (28,391 sf ft) and 50 (22,072 sq ft), extending these leases to 31 August 2040.
- Bellway Homes Limited surrendered their lease of 2,386 sq ft on level 10 in One Canada Square on 7 November 2024. This was to facilitate the lease to Hershey UK Finance Limited.
- Citibank N.A. London Branch surrendered two of their leases totalling 37,683 sq ft on levels 14 and 15 in 40 Bank Street on 31 December 2024.

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

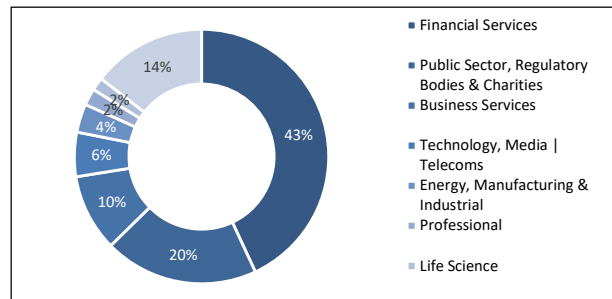
Property:	Total property NIA (sq ft) <sup>(2)</sup>	Area let NIA (sq ft)	Occupancy (%)	Actual	Estimated	Market value (£ million) <sup>(5)</sup>	Outstanding rent reviews	
				quarterly rental income (£ million) <sup>(3)</sup>	annualised after rent free (£ million) <sup>(4)</sup>		Area (sq ft)	Passing rent (£ million)
20 Bank Street	546,538	546,538	100	6.6	26.2	375.0	-	-
40 Bank Street	606,937	389,283	64	4.8	32.9	348.5	-	-
20 Cabot Square <sup>(6)</sup>	555,779	555,779	100	6.1	24.4	344.5	-	-
One Canada Square	1,197,244	917,199	77	10.1	60.5	725.0	-	-
33 Canada Square	562,745	562,745	100	5.1	20.5	220.0	-	-
<b>Total portfolio</b>	<b>3,469,243</b>	<b>2,971,544</b>	<b>86</b>	<b>32.7</b>	<b>164.5</b>	<b>2,013.0</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 6.9 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>

**Property and leasing (continued)**

- (1) All data is as at 31 December 2024 unless otherwise stated.
- (2) The whole of each property is securitised.
- (3) The rental income figures for the properties listed are based on rents billed in Q4 2024.
- (4) Estimated annual rental income based on annualised rent at 31 December 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 31 December 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 January 2025, 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>(2)</sup>	Debt Service Cover Ratio <sup>(2)</sup>	Loan Minus Cash to Value
AA	A1	65.8	(1.1)	(2.9)			
AA	A3	208.0	(3.1)				
AA	A7	222.0	(3.0)				
AA	Total	495.8	(7.2)	(2.9)	4.43 x	3.16 x	21.84%
A+	B	98.5	(1.7)	(1.7)			
A+	B3	77.9	(1.1)				
A+	Total	176.4	(2.8)	(1.7)	3.19 x	2.19 x	30.61%
BBB+	C2	239.7	(3.8)				
BBB+	Total	239.7	(3.8)		2.32 x	1.74 x	42.51%
BBB	D2	125.0	(2.2)				
BBB	Total	125.0	(2.2)		2.00 x	1.55 x	48.72%
		1,036.9	(16.0)	(4.6)			

**Cash available for debt service**

£ million	Q4 2024
Gross rental income	32.7
Interest on collateral accounts and other releases	0.1
	32.8
B3 defeasance	(0.3)
C2 defeasance	(1.6)
Large lease provision <sup>(3)</sup>	(3.0)
Senior expenses <sup>(4)</sup>	(0.8)
Cash available for debt service	27.1

**Net debt**

£ million	at 22 January 2025
Gross debt	1,036.9
Cash reserves	(56.1)
Net debt	980.8

**Cash reserves**

£ million	Opening balance at 22 October 2024	Movement	Closing balance at 22 January 2025
Void costs ledger	-	-	-
Cash ledger	-	-	-
B3 defeasance ledger	11.8	0.3	12.1
C2 defeasance ledger	26.9	1.6	28.5
Subtotal coverage reserves	38.7	1.9	40.6
Cash collateral	12.5	3.0	15.5
Total reserves	51.2	4.9	56.1

- (1) Interest paid on 22 January 2025 comprises bond interest of £16.0m and net payments under interest rate swaps of £0.0m.
- (2) The B3 and C2 defeasance amounts are not deducted in calculating the interest cover ratio or debt service cover ratio.
- (3) 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 2024 IPD until lease expiry.
- (4) Senior expenses principally include the DS6 facility fees and the liquidity facility fee.