

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 31/03/13, except for the LMCTV ratio which is based on valuations as at 31/12/12.

HIGHLIGHTS

Properties 95.0% let at 31 March 2013.

Valuations as at 31 December 2012 were £3,263.0 M

Briefing Note

The following update refers to the period up to the April 2013 interest payment date.

Recent activity regarding the mortgaged properties include –

- In February 2013, The University of East London leased 2,620 sq ft on floor 10, One Canada Square for a term of 1 year.
- In April 2013, Adamson Associates leased a further 1,163 sq ft on floor 6, One Canada Square for a term of 3.4 years (to end concurrently with their existing lease). There is no break clause.
- On 18 March 2018 a deed of surrender was completed with Clearstream Banking in respect of their leases of Floor 42 and Suite B Floor 34 in One Canada Square. On completion the tenant paid an amount equivalent to all rent and outgoings to 8 May 2013, being the original lease expiry date.

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The rental income figures for the pre-asset substitution properties below are based on actual receipts for Q1 2013.

Property Portfolio Summary

Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA ⁽¹⁾	Actual Quarterly Rental Income Q1 2013	Estimated Annual Rental Income	Market Value ⁽²⁾
33 Canada Square	562,700 sq ft	562,700 sq ft	562,700 sq ft	£5.0m	£20.1m	£385.0m
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	979,147 sq ft	£9.5m	£46.8m ⁽³⁾	£640.0m
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6m	£26.2m	£440.0m
40 Bank Street	607,400 sq ft	607,400 sq ft	591,964 sq ft	£6.9m	£25.1m ⁽³⁾	£370.0m
10 Upper Bank Street	1,000,400 sq ft	1,000,400 sq ft	1,000,400 sq ft	£11.1m	£44.3m	£675.0m
10 Cabot Sq/5 North Colonade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£5.0m	£19.5m ⁽⁵⁾	£400.0m
20 Cabot Sq/10 South Colonade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£4.0m	£15.9m ⁽⁵⁾	£353.0m
Subtotal post substitution	5,154,200 sq ft	5,138,700 sq ft	4,881,711 sq ft	£48.1m	£197.9m ⁽⁴⁾	£3,263.0m

Notes:

- (1) Area let as at 31st March 2013.
- (2) MV based valuation of the properties at 31st December 2012.
- (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 for the quarter to 31st March 2013.
- (5) Building substantially let to Barclays Bank Plc. The rent will be subject to RPI increases with a 0% floor and a 5% cap compounded annually over the first 5 years in 2015 with subsequent annual RPI increases over the rest of the term until the expiry of the lease in June 2032.

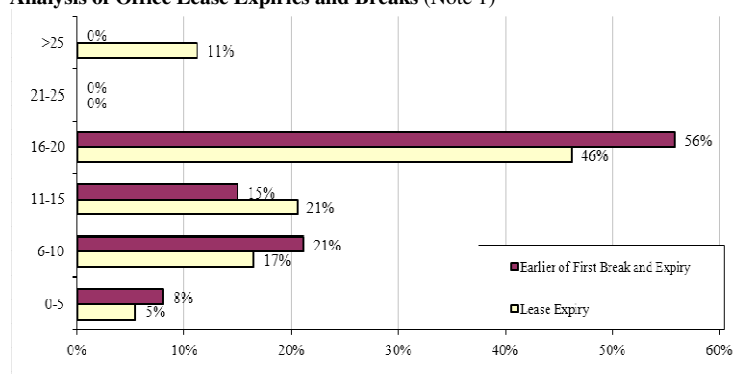
Occupancy

At 31st March 2013 the securitised property portfolio was 95.0% let.

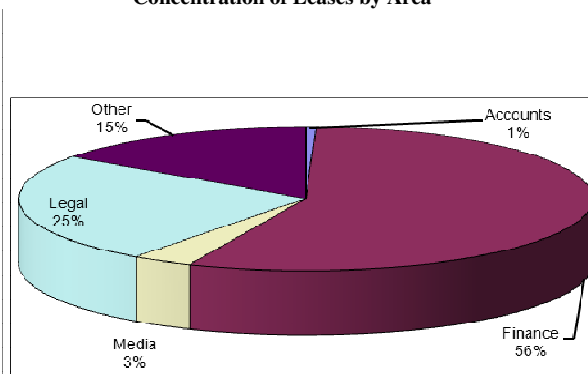
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	0 sqft	0

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 sqft) was 15.1 years. The weighted average lease term reflecting all break options was 13.4 years.

Major Tenants:

33 Canada Square

Citigroup

One Canada Square

Bank of New York Mellon
Mirror Group Newspapers
Moody's Investor Services
State Street
FSA
BBVA

20 Bank Street

Morgan Stanley UK Group

40 Bank Street

Skadden Arps
Allen & Overy
BGC International
Barclays Bank plc
Shell International Limited

10 Upper Bank Street

Clifford Chance LLP

5 North Colonade

Barclays Bank Plc

10 South Colonade

Barclays Bank Plc

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Financial Considerations

	Q1 2013 actuals
Gross Rental (cash received in Q1 2013)	£48.1 m
B3 Defeasance	(£0.1 m)
C2 Defeasance	(£0.1 m)
Senior Expenses ⁽¹⁾	(£1.0 m)
Gross Debt	£2,318.2 m
Cash Reserves	(£36.0 m)
Net Debt	<u>£2,276.2 m</u>

Quarter 1 2013 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 ⁽²⁾	Interest ⁽³⁾	Principal ⁽⁴⁾	Reserve Releases	Interest Cover Ratio	Debt Service Cover Ratio	LMCTV
AAA	£1,634.5 m	(£25.39 m)	(£12.7 m)		1.85 x	1.33 x	48.8%
AA	£283.7 m	(£4.42 m)	(£1.7 m)		1.58 x	1.13 x	57.5%
A	£275.0 m	(£3.70 m)		£1.09 m	1.40 x	1.04 x	65.9%
BBB	£125.0 m	(£1.79 m)		£1.79 m	1.33 x	1.00 x	69.8%
	<u>£2,318.2 m</u>	<u>(£35.24 m)</u>	<u>(£14.4 m)</u>	<u>£2.9 m</u>			

Reserve	Opening Balance ⁽⁵⁾	Period Movement	Closing Balance ⁽⁵⁾
Void Costs Ledger			
Cash Ledger	£24.5 m	(£2.8 m)	£21.7 m
B3 Defeasance Ledger	£0.9 m	£0.1 m	£1.0 m
C2 Defeasance Ledger	£1.5 m	£0.1 m	£1.6 m
Subtotal Coverage Reserves	£26.9 m	(£2.6 m)	£24.3 m
Cash Collateral	£13.9 m	(£2.2 m)	£11.7 m
Total Reserves	£40.8 m	(£4.8 m)	£36.0 m

Notes:

- (1) Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- (2) Total outstanding debt at 22nd April 2013 interest payable date.
- (3) Interest paid on 22nd April 2013 comprises bond interest of £27.3m and payments under interest rate swaps of £7.9m.
- (4) Amortisation paid on 22nd April 2013.
- (5) Opening balance is as at 22nd January 2013, closing balance is at 22nd April 2013.