

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 31/03/15.

HIGHLIGHTS

Properties 99.2% let at 31 March 2015.

Valuations as at 31 December 2014 were £3,086.0 M

LMCTV Ratio 50.8%

Briefing Note

Sale and release of 10 Upper Bank Street

In accordance with Clause 17.20(a)(ii)(Substitution, release and addition of new Mortgaged Property) of the Intercompany Loan Agreement, 10 Upper Bank Street (the "Released Property"), which used to be a Mortgaged Property in respect of the securitisation, was released from the securitisation on 20 June 2014.

The Released Property was disposed of for consideration of £795,000,000.00 on that date and the Release Prepayment Amount (as defined below) out of such consideration was used to fund a partial redemption of Class A1 Notes.

On 22 July 2014 (the "Redemption Date"), the Issuer redeemed £577,900,000.00 (being the Release Prepayment Amount for the Released Property) in aggregate principal amount of the Class A1 Notes at a price equal to the Release Prepayment Amount, together with all accrued interest to, but excluding, the Redemption Date (the "Redemption").

As required by Condition 5 (Redemption, Purchase and Cancellation), confirmation was obtained from the Rating Agencies that the current ratings assigned by them in respect of the Notes will not be adversely affected by the Redemption.

As a result of the Redemption, the Amortisation Amounts of the Class A1 Notes payable on each Interest Payment Date falling after the Redemption Date up to 22 April 2030 have been reduced.

The Issuer is of the opinion that it is entitled to redeem the Class A1 Notes in accordance with Condition 5(b)(iv) and that, accordingly, the amount payable to the holders of the Class A1 Notes pursuant to the Redemption will be the amount stipulated in Condition 5(c)(ii)(A), which will be the Release Prepayment Amount, plus accrued interest.

The Trustee indicated to the Issuer that it is unclear to the Trustee as to whether the Redemption should take place under Condition 5(b)(iv) or Condition 5(c) of the Intercompany Loan Agreement.

If Redemption were to take place under Condition 5(c), then the price at which the Class A1 Notes would be redeemed would be 129.20 per cent., so that an additional amount of £168,746,800 (the "Premium") would be payable to the holders of the Class A1 Notes.

The Issuer has made an application to Court for a declaration as to whether, on a true construction of the Conditions and other relevant contractual documentation, the Class A1 Notes should be redeemed under Condition 5(b)(iv) or Condition 5(c). The Court has now scheduled a hearing in July 2015.

CW Lending II Limited (the "Borrower") agreed, without prejudice to its interpretation of the Conditions (including Condition 5(b)(iv) and the amount payable pursuant to the Redemption), to place on deposit with Deutsche Bank AG, London Branch (in its capacity as an escrow agent, the "Note Premium Escrow Agent") an amount (the "Note Premium Escrow Amount") equal to the Premium together with interest at the rate of 6.455 per cent. per annum for the period from (and including) the Redemption Date to (but excluding) the next Interest Payment Date. The Note Premium Escrow Agent shall hold the Note Premium Escrow Amount in an account with itself (the "The Note Premium Escrow Account"). The Note Premium Escrow Agent shall release amounts standing to the credit of the Note Premium Escrow Account if and/or when:

- (i) a final order is made that the Redemption should be under Condition 5(b)(iv) or the Issuer and the Trustee agree that the redemption of the Class A1 Notes should be under Condition 5(b)(iv), in which case the amount standing to the credit of the Note Premium Escrow Account shall be paid to the Borrower;

(ii) a final order is made that the Redemption should be under Condition 5(c) or the Issuer and the Trustee agree that the redemption of the Class A1 Notes should be under Condition 5(c), in which case an amount equal to the Premium together with accrued interest from (and including) the Redemption Date to (but excluding) the Premium Payment Date (as defined below) shall be paid to the Issuer from the Note Premium Escrow Account for payment to the holders of the Class A1 Notes. If the balance of the Note Premium Escrow Account is less than any amount payable to the holders of the Class A1 Notes, the Borrower shall pay to the issuer an amount equal to the difference, but if the balance of the Note Premium Escrow Account is more than any amount payable to the holders of the Class A1 Notes, then the surplus amount will be paid to the Borrower; and

(iii) the Issuer and the holders of the Class A1 Notes (acting by an Extraordinary Resolution) agree on an amount payable in relation to the Redemption, in which case the amount agreed to be paid to the holders of the Class A1 Notes will be paid from the Note Premium Escrow Account to the Issuer for payment to the holders of the Class A1 Notes and the remaining balance will be paid to the Borrower.

A final order shall be deemed to have been made when an order, judgement, award, decision or decree which represents a final adjudication by a court of competent jurisdiction has been made as to whether redemption of the Class A1 Notes should be under Condition 5(b)(iv) or 5(c) and the time for appeal from such order, judgement, award, decision or decree has expired without an appeal having been made.

Upon the occurrence of any of the events specified at paragraphs (i) to (iii) (inclusive) above, the Issuer will, as soon as reasonably practicable after the occurrence of such event, give notice to holders of the Class A1 Notes in accordance with Condition 14 (Notice to Noteholders) of the occurrence of such event and, where applicable, of the amount which is payable to the holders of the Class A1 Notes (the "Premium Payment Notice"). If an amount is required to be paid to holders of the Class A1 Notes, as described at paragraphs (ii) or (iii) above, the Issuer shall pay the relevant amount to the holders of the Class A1 Notes on the later of (i) the Redemption Date; and (ii) the date falling 10 Business Days after the date of the Premium Payment Notice (the "Premium Payment Date"), with interest calculated up to, but excluding, the Premium Date (where the latter falls after the Redemption Date).

The release by the Trustee of the Security held by it over the Released Property was made on the condition that the Borrower places the Note Premium Escrow Amount with the Note Premium Escrow Agent on the terms of the Escrow Documents referred to and summarised above.

On 20 June 2014, the Issuer also entered into a transaction with, inter alios, Canary Wharf Finance (Investments) Limited ("CWFIL"). Canary Wharf Holdings Limited ("CWHL") and the Borrower whereby (i) CWFIL has released the Issuer from its obligations (including the obligation to pay interest accrued for the Interest Period ending on the Interest Payment Date falling in July 2014 and unpaid as of the date of the notice) under the Class B3 Notes and Class C2 Notes held by CWFIL immediately prior to the Redemption Date and having the Principal Amount Outstanding of £26,101,000 and £35,338,000, respectively (the "Cancelled Notes"), and (ii) the Cancelled Notes were subsequently cancelled.

In connection with such cancellation, the Issuer has: (i) paid consideration for the release (the "Release Consideration") to CWHL; (ii) effected partial termination of the Class B3 Swap Transaction and the Class C2 Swap Transaction to reflect the cancellation of the Cancelled Notes and made a payment of the associated termination amounts to Barclays Bank plc in its capacity as the Class B3 Swap Counterparty and the Class C2 Swap Counterparty; and (iii) partially released the Borrower from its obligations under the Borrower Loans by reducing the principal amount outstanding of the B3 Loans and the C2 Loans by £26,101,000 and £35,338,000, respectively (the "Borrower Loan Release"), such partial release being in consideration for the payment by the Borrower of an amount equal to the aggregate of the Release Consideration and the amounts required to be paid by the issuer to the Class B3 Swap Counterparty and the Class C2 Swap Counterparty in connection with the termination of the Swap Transactions as described in paragraph (ii) above. Such payment by the Borrower has been financed, ultimately, by a new subordinated loan made by Canary Wharf Limited to the Intermediate Borrower.

Capitalised terms not otherwise defined in this section ("Sale and release of 10 Upper Bank Street") have the meanings given to them in the Seventh Restated Master Definitions Agreement entered into between amongst others, the Issuer and the Trustee on 20 June 2014.

Amendments to Master Definitions Agreement

On 18 July 2014, notice was given to the holders of the Notes that certain amendments were, with the agreement of the Trustee and with effect from 17 July 2014, made to the seventh restated master definitions agreement dated 17 June 2014 (as amended and restated from time to time) (the "Seventh Restated Master Definitions Agreement" or "MDA"), to the eighth supplemental agreement relating to the intercompany loan agreement dated 17 June 2014 (as amended and restated from time to time) (the "Eighth Restated Intercompany Loan Agreement" or "ICLA") and to the Conditions, to correct the following errors:

- A. *Step-Up Rates*: The Step-Up Rates (as defined in Condition 4(e)) were amended so that the total margin payable on the Class A7 Notes, the Class B3 Notes, the Class C2 Notes and the Class D2 Notes from the relevant Step-Up Date, after taking into account the Step-Up Rates (which are payable in addition to the original margins), is amended from being 3.5 times the original margin to 2.5 times the original margin to reflect the true intention of the parties; and
- B. *Fixed Rate*: the fixed rate of interest payable on the A7, B3, C2 and D2 Loans, from (and including) a Step-Up Date, under the ICLA, as set out in the definition of "Fixed Rate" in the MDA and ICLA, were amended to take into account the 0.01 per cent. per annum required pursuant to Clause 9.1 (b) of the ICLA, which had been omitted.

The Class A7 Notes, the Class B3 Notes, the Class C2 Notes and the Class D2 Notes are subject to the amendments.

1. Condition 4(e) (*Step-up Fees*) of the Notes set out in Schedule 4 to the Sixth Supplemental Trust Deed has been amended so as to be in the following form:

"(e) Step-up Fees

The Step-up Fees payable from time to time in respect of Floating Rate Notes of each class will be determined by the Agent Bank as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date.

The Class A7 Step-up Rate for each Interest Period beginning on the Class A7 Step-up Date shall be 0.285 per cent. per annum.

The Class B3 Step-up Rate for each Interest Period beginning on the Class B3 Step-up Date shall be 0.42 per cent. per annum.

The Class C2 Step-up Rate for each Interest Period beginning on Class C2 Step-up Date shall be 0.825 per cent. per annum.

The Class D2 Step-up Rate (and together with Class A7 Step-up Rate, the Class B3 Step-up Rate and the Class C2 Step-up Rate, the Step-up Rates) for each Interest Period beginning on the Class D2 Step-up Date shall be 1.26 per cent. per annum."

2. The Eighth Restated Intercompany Loan Agreement has been amended as follows:

- 2.1 The definition of Fixed Rate has been deleted and replaced with the following:

"Fixed Rate" means:

- (a) in relation to an A1 Loan, 6.465% per annum;
- (b) in relation to an A3 Loan, 5.962% per annum;

- (c) in relation to an A7 Loan:
 - (i) from (and including) the Sixth Effective Date to (but excluding) the Class A7 Step-Up Date, 5.1235% per annum;
 - (ii) from (and including) the Class A7 Step-Up Date, 5.4085% per annum;
- (d) in relation to a B Loan, 6.81% per annum;
- (e) in relation to a B3 Loan:
 - (i) from (and including) the Sixth Effective Date, to (but excluding) the Class B3 Step-Up Date, 5.1725% per annum; and
 - (ii) from (and including) the Class B3 Step-Up Date, 5.5925% per annum;
- (f) in relation to a C2 Loan:
 - (i) from (and including) the Sixth Effective Date, to (but excluding) the Class C2 Step-Up Date, 5.4516% per annum; and
 - (ii) from (and including) the Class C2 Step-Up Date, 6.2766% per annum; and
- (g) in relation to a D2 Loan:
 - (i) from (and including) the Sixth Effective Date, to (but excluding) the Class D2 Step-Up Date 5.8105% per annum; and
 - (ii) from (and including) the Class D2 Step-Up Date, 7.0705% per annum."

3. The Seventh Restated Master Definitions Agreement has been amended to reflect the amendments referred to in sections 1 and 2 above.

Capitalised terms not otherwise defined in this notice shall have the meanings given to them in the Seventh Restated Master Definitions Agreement entered into between, amongst others, the Issuer and the Trustee on 17 June 2014.

Recent activity regarding the mortgaged properties

- On 22nd January 2015 Run Wild Media Limited signed a lease for 3,640 sq ft on part level 6, One Canada Square. The lease is for a term of 5 years at a rent of £40.00psf.
 - On 30th January 2015 Novartis Pharmaceuticals signed a lease renewal for 1,995 sq ft on part level 34, One Canada Square. The lease is for a term of 5 years commencing 1st February 2015 at a rent of £46.00psf.
 - On 30th January 2015 Pension Online Services completed a lease for 1,311 sq ft on part level 19 40 Bank Street. The lease is for a term of 5 years at a rent of £45.00psf.
 - On 28th February 2015 Pirean Limited relocated from part level 34 to part level 28 One Canada Square. The new lease is for 5,814 sq ft at a rent of £45.00psf over a 5 year term. As part of the relocation their previous lease of 2,259 sq ft has been surrendered.
 - On 23rd March 2015 a reversionary lease of part of the space occupied by State Street in One Canada Square was signed with Rational Foreign Exchange Limited comprising 6,240 sq ft on level 32. The lease commences 1st July 2018 for a term of 2 years at a rent of £46.00psf.
 - Subsequent to the period end
 - On 28th April 2015 XTB Limited signed a lease for 2,259 sq ft on part floor 34, One Canada Square. The lease is for a term of 5 years at a rent of £48.00psf.
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Canary Wharf Finance II plc

The rental income figures for the properties below are based on actual receipts for Q1 2015.

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	£5.0 m	£20.1 m	£426.0
One Canada Square	1,236,200 sq ft	1,220,700 sq ft	1,189,167 sq ft	£9.0 m	£48.0 m	£820.0
20 Bank Street	546,500 sq ft	546,500 sq ft	546,500 sq ft	£6.6 m	£26.2 m	£510.0
40 Bank Street	607,400 sq ft	607,400 sq ft	605,838 sq ft	£6.5 m	£24.9 m	£412.0
10 Cabot Sq/5 North Colonnade	639,000 sq ft	639,000 sq ft	639,000 sq ft	£6.3 m	£21.5 m ⁽⁵⁾	£490.0
20 Cabot Sq/10 South Colonnade	562,000 sq ft	562,000 sq ft	562,000 sq ft	£5.4 m	£18.4 m ⁽⁵⁾	£428.0
Subtotal	4,153,800 sq ft	4,138,300 sq ft	4,105,205 sq ft	£38.8 m	£159.1 m ⁽⁴⁾	£3,086.0

Property Portfolio Summary

Notes:

- (1) Area let as at 31st March 2015.
- (2) MV based valuation of the properties at 31st December 2014.
- (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 March 2015 after expiry of rent-free periods and including potential rental income on unlet space, where applicable.
- (5) Building substantially let to Barclays Bank Plc. The rent is subject to an RPI increases with a 0% floor and a 5% cap compounded annually over the 5 years to January 2015 with subsequent annual RPI increases over the rest of the term until the expiry of the lease in June 2032.

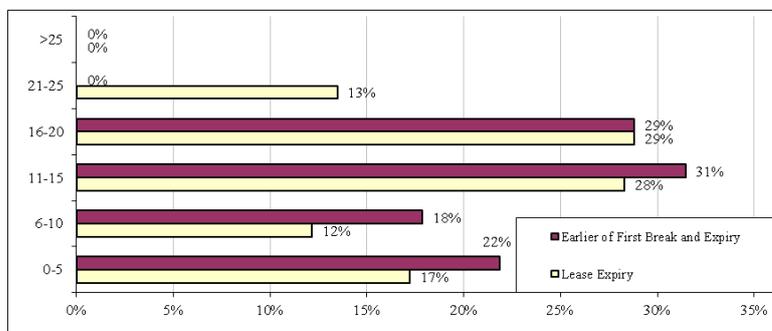
Occupancy

At 31st March 2015 the securitised property portfolio was 99.2% let.

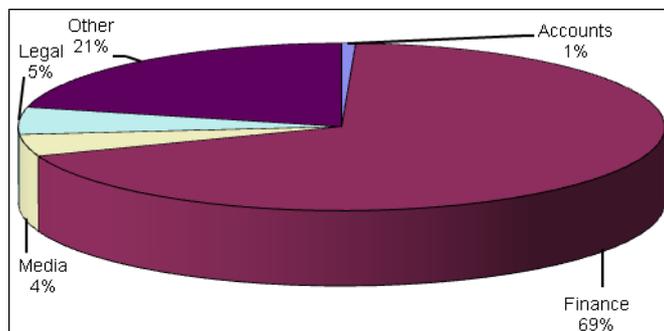
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	570,538 sq ft	£20,180,303

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 12.8 years. The weighted average lease term reflecting all break options was 10.5 years.

Major Tenants:

33 Canada Square

Citigroup

One Canada Square

Bank of New York Mellon
Mirror Group Newspapers
Moody's Investor Services
State Street
FCA
BBVA
European Banking Authority
National Bank of Abu Dhabi

20 Bank Street

Morgan Stanley UK Group

40 Bank Street

Skadden Arps
Allen & Overy
BGC International
Barclays Bank plc
Shell International Limited
Australia and New Zealand Bank

5 North Colonnade

Barclays Bank Plc

10 South Colonnade

Barclays Bank Plc

Canary Wharf Finance II plc

Financial Considerations

	Q1 2015 Actuals
Gross Rental	£38.8 m
Interest on collateral accounts and other releases	£0.0 m
Gross Rental	£38.8 m
B3 Defeasance	(£0.1 m)
C2 Defeasance	(£0.3 m)
Senior Expenses ⁽¹⁾	(£1.1m)
	£37.3 m
Gross Debt	£1,575.5 m
Cash Reserves	(£7.9 m)
Net Debt	£1,567.6 m

Quarter 1 2015 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	£345.0 m	(£5.7 m)	(£5.6 m)				
- A3	£400.0 m	(£6.0 m)					
- A7	£222.0 m	(£2.8 m)					
	£967.0 m	(£14.4 m)			2.61 x	1.86 x	31.1%
AA							
- B	£165.9 m	(£2.9 m)	(£1.7 m)				
- B3	£77.9 m	(£1.0 m)					
	£243.8 m	(£3.8 m)			2.06 x	1.46 x	39.0%
A							
- C2	£239.7 m	(£3.7 m)			1.71 x	1.27 x	46.7%
BBB							
- D2	£125.0 m	(£2.2 m)			1.56 x	1.18 x	50.8%
	£1,575.5 m	(£24.2 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	£0.2 m	£0.1 m	£0.3 m
C2 Defeasance Ledger	£0.8 m	£0.3 m	£1.1 m
Subtotal Coverage Reserves	£1.0 m	£0.4 m	£1.4 m
Cash Collateral	£7.1 m	(£0.5 m)	£6.5 m
Total Reserves	£8.0 m	(£0.1 m)	£7.9 m

Notes:

- Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
- Total outstanding debt at 22nd April 2015 interest payable date.
- Interest paid on 22nd April 2015 comprises bond interest of £17.0m and payments under interest rate swaps of £7.1m.
- Amortisation paid on 22nd April 2015.
- Opening balance is as at 22nd January 2015, closing balance is at 22nd April 2015.