



# **£6,000,000,000 Multicurrency Programme**

## **Investor Report**

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**Last Reporting Date to current Reporting Date**

**31 March 2018 to 30 September 2018**

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**21 December 2018**

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## 1. SUMMARY

### (A) Security Group Debt Summary

Debt Instrument	Nominal Amount	Ratings		
		S&P	Fitch	Moody's
Bonds (A3 – A16 Notes)	£4,563,151,500	AA	AA	Not Rated
ACF Facilities	£225,000,000	Not Rated	Not Rated	Not Rated
ECP	£886,785,064	Not Rated	Not Rated	P-1
Unsecured Loans/Overdraft	0	Not Rated	Not Rated	Not Rated
<b>Total</b>	<b>£5,674,936,564</b>			

### (B) Security Group Debt Priority Summary\*

	Last Period 31 March 2018	Current Period 30 September 2018	Change
Priority 1 Debt	£4,791,834,500	£4,788,151,500	(0.1%)
Priority 2 Debt	0	0	0
Subordinated Debt	0	0	0
Unsecured Debt	£878,244,006	£886,785,064	1.0%
<b>Total</b>	<b>£5,670,078,506</b>	<b>£5,674,936,564</b>	<b>0.1%</b>

\* This refers to gross debt outstanding in the Security Group.

### (C) Portfolio Summary

	Last Period 31 March 2018	Current Period 30 September 2018	Change
Total Collateral Value*	£13,704,089,144	£13,523,804,832	(1.3%)
Annualised Gross Rental Income (as per P/L) for Estate	£522,765,800	£550,638,228	5.3%
Number of Further Credit Assets	6	6	0
Number of Property Holdings**	117	118	0.9%

\* After insolvency carve-out of £4.8m.

\*\*Including 22 properties held in Further Credit Assets.

### (D) Ratio Summary

	Priority 1 Debt*	Priority 2 Debt	Unsecured Debt	Total Debt
LTV	20.97%	0.0%	6.56%	27.53%

\* Principal Account Balances (refer to F) have been allocated against Priority 1 Debt.

### (E) Covenant Regime

Tier (1,2 or 3)	Tier 1
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### (F) Principal Account Balances

	Last Period	Current Period	Change
Disposal Proceeds Account	£76.61	(0.03)	(100%)
Income Replacement Account	Nil	Nil	Nil
Debt Collateralisation Account*	£1,945,067,000	£1,952,755,000	0.4%
Liquidity Reserve Account	Nil	Nil	Nil
Specific Tax Reserve Account	Nil	Nil	Nil
General Tax Reserve Account	Nil	Nil	Nil

\* Balance refers to our own bonds held in the Notes DCA Ledger



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### 2. PORTFOLIO SUMMARY

Portfolio Information				
Number of Property Holdings in Securitisation Estate <sup>1</sup>				118
Number of Further Credit Assets in Securitisation Estate				6
Additional Obligor since last Reporting Date				0
Additional Further Credit Assets since last Reporting Date				0
Additional Mortgaged Properties since last Reporting Date				2
Released/Disposed Obligor since last Reporting Date				0
Released/Disposed Mortgaged Properties since last Reporting Date				1
Released Further Credit Assets Since last Reporting Date				0
Disposal Threshold (30% of Market Value)				£4,135,479,296
Disposal Threshold Value <sup>2</sup>				£175,370,000
Aggregate Value of Mortgaged Properties (as of most recent Valuation), including Further Credit Assets				£13,528,604,832
Sector Concentration Limits	Max % TCV	% TCV as at last Reporting Date	% TCV on Reporting Date	change %
Office	85	44.0	45.6	3.6
Shopping Centres and Shops	100	41.0	39.9	(2.7)
Retail Warehouses	55	5.7	5.3	(7.0)
Industrial	20	0.0	0.0	0.0
Residential	20	0.6	0.4	(33.3)
Leisure and Hotels	25	8.7	8.8	1.1
Other	15	0.0	0.0	0.0

<sup>1</sup> This number includes 22 properties held in the 8 further credit assets in the Security Group Estate.

<sup>2</sup> The Disposal Threshold was reset during March 2018 following Rating Affirmations from Fitch and S&P, with reference to the September 2017 valuation numbers.



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Geographic Concentration Limits	Max % TCV	% TCV as at last Reporting Date	% TCV on Reporting Date	Change %
London	100	62.8	63.4	1.0
Rest of South East and Eastern	70	17.9	18.0	0.6
Midlands	40	1.2	1.2	0.0
Wales and South West	40	4.2	4.0	(4.8)
North	40	10.2	10.0	(2.0)
Scotland and Northern Ireland	40	3.7	3.4	(8.1)
Non-UK	5	0.0	0.0	0.0

### Tenant Concentration Limits

Top 10 tenants as a percentage of aggregate passing rent of Estate	22.1% of Aggregate Passing Rent of the Estate
Single largest tenant by Passing Rent and percentage of aggregate Passing Rent*	£36.4m with 6.6% of Aggregate Passing Rent of the Estate
Single tenant concentration limit	15% of Aggregate Passing Rent of the Estate
*Only applies to non-government tenants and those with ratings below AA by Fitch and/or S&P	

### Developments <sup>(1)</sup>

Number of new Board-approved Developments since last Reporting Date (incl. Non-Mortgaged Properties) <sup>(2)</sup>	Nil
Aggregate Projected Development spend from date of report to PC date <sup>(3)</sup>	£11,400,000
Aggregate percentage of Developments that are pre-let/pre-sold (based on projected annualised rental income or presales at completion of development, weighted against total development cost)	96.3%

#### Notes:

(1) Uncompleted, Board approved Developments as at 30 September 2018

(2) Last Reporting Date is 30 March 2018

(3) Refers to cash spend for uncompleted Board approved developments only.



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**3. FINANCING SUMMARY**

**(A) Bonds issued under Programme**

Notes	Bonds in issue (£)	Bonds held in treasury (£)*	Net bonds in issue (£)	Expected Maturity	Final Maturity	Ratings	
						S&P	Fitch
Class A3	255,328,000	208,830,000	46,498,000	31/03/2020	31/03/2022	AA	AA
Class A4	210,675,000	185,282,000	25,393,000	27/02/2024	27/02/2026	AA	AA
Class A5	608,225,000	421,893,000	186,332,000	31/03/2025	31/03/2027	AA	AA
Class A6	317,257,000	240,796,000	76,461,000	30/09/2027	30/09/2029	AA	AA
Class A7	321,666,500	165,845,000	155,821,500	31/07/2030	31/07/2032	AA	AA
Class A10	300,000,000	286,500,000	13,500,000	29/09/2023	29/09/2025	AA	AA
Class A11	500,000,000	443,609,000	56,391,000	07/02/2034	07/02/2036	AA	AA
Class A12	400,000,000	-	400,000,000	08/02/2029	08/02/2026	AA	AA
Class A13	300,000,000	-	300,000,000	08/02/2029	08/02/2031	AA	AA
Class A14	500,000,000	-	500,000,000	22/09/2037	22/09/2039	AA	AA
Class A15	500,000,000	-	500,000,000	22/09/2057	22/09/2059	AA	AA
Class A16	350,000,000	-	350,000,000	29/03/2027	29/03/2029	AA	AA
<b>Total</b>	<b>4,563,151,500</b>	<b>1,952,755,000</b>	<b>2,610,396,500</b>				

\* Held in DCA Notes Ledger

**(B) Other Facilities under Programme**

Facility Type	Amount (£)	Expected Maturity	Final Maturity	Ratings	
				S&P	Fitch
ACF Facility	1,530,000,000	29/03/2023	29/03/2023	Not Rated	Not Rated
ACF Facility	460,000,000	09/08/2023	09/08/2023	Not Rated	Not Rated
Bilateral Facility	125,000,000	31/01/2022	31/01/2022	Not Rated	Not Rated
<b>Total</b>	<b>2,115,000,000</b>				

**(C) Liquidity Analysis**

Liquidity Requirements

Required Liquidity Amount	£Nil
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Liquidity Facility Availability

Amount of Committed Liquidity Facilities	£Nil
Amount credited to Income Replacement Account	£Nil

Liquidity Drawings

Required Liquidity Drawings	£Nil
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Liquidity Facility Available for Drawing	£Nil
Liquidity Drawn (Lesser of Required Drawings and Available for Drawing)	£Nil

### Liquidity Facility Shortfall

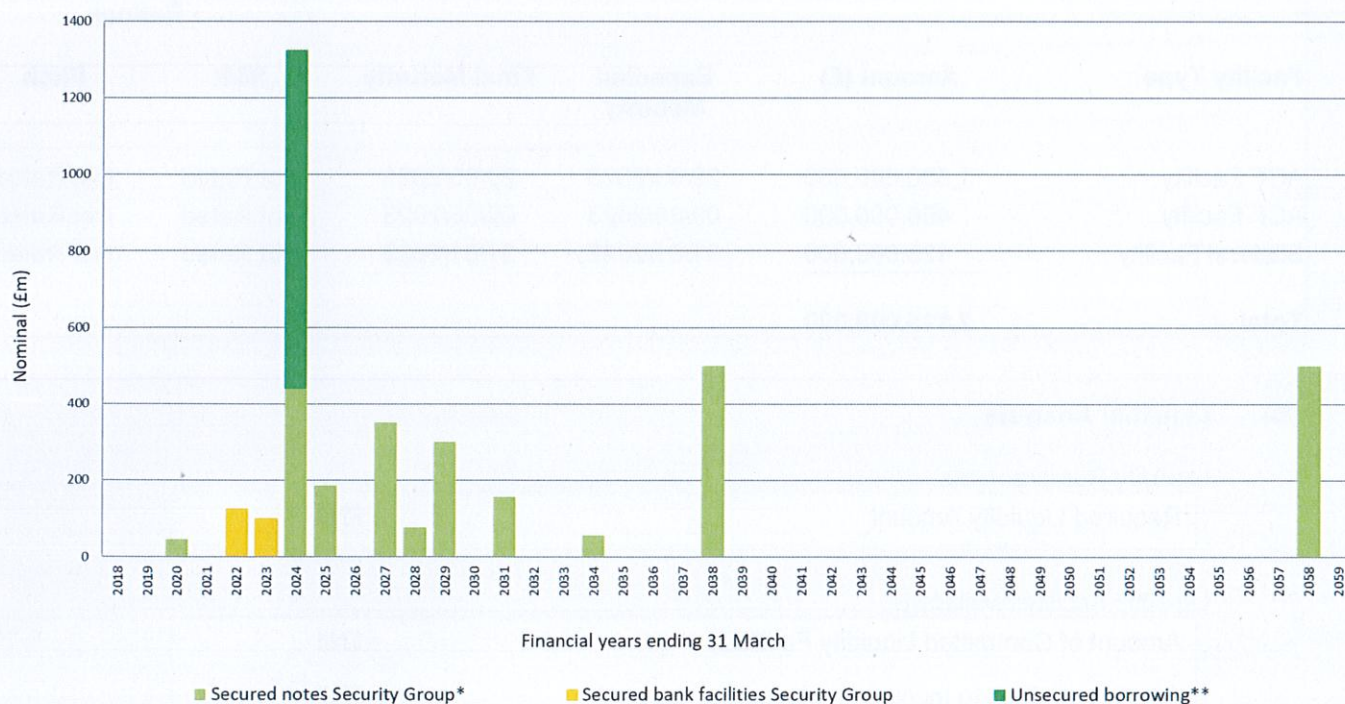
Required Liquidity Drawings	£Nil
Liquidity Facility Available for Drawing	£Nil
Shortfall (Lesser of Required Drawings less Available for Drawing and Zero)	£Nil

### Liquidity Facility Balance

Liquidity Opening Balance	£Nil
Less: Repayment	£Nil
Plus: Liquidity Drawn	£Nil
Liquidity Balance Brought Forward	£Nil

### Maturity Analysis

## Expected Debt Maturity Chart as at 30 September 2018



\*Security Group Secured Notes rated AA by both Fitch and S&P

\*\*Unsecured borrowings are commercial paper issued out of the Security Group



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## 4. COVENANTS SUMMARY

### (A) Financial Covenant Tests

Test	
<ul style="list-style-type: none"> <li><b>LTV</b></li> </ul>	<b>27.5%</b>
(Security Group Net Debt Outstanding divided by the Total Collateral Value multiplied by 100)	
<ul style="list-style-type: none"> <li> <b>Security Group Net Debt Outstanding</b>  aggregate of each Obligor's Financial Indebtedness then outstanding including loan guarantees, loan indemnities or similar instruments, Performance Bonds, ICL Loans corresponding to zero coupon or indexed notes, Guarantees of any of the above </li> </ul>	£5,674,936,564
<ul style="list-style-type: none"> <li> <b>less</b>  Amounts in Debt Collateralisation Account, Disposal Proceeds Account, Approved Blocked Account, and the value of any Eligible Investments made with funds standing to the credit of the above accounts </li> </ul>	(£1,952,755,000)
<b>Subtotal</b>	<b>£3,722,181,564</b>
<ul style="list-style-type: none"> <li> <b>Total Collateral Value</b>  the Market Value of the Estate as shown in the most recent Valuation Report on the Estate as adjusted by: </li> </ul>	£11,817,888,000
<ul style="list-style-type: none"> <li> <b>deducting</b> the Market Value of any Mortgaged Property (other than a Trading Property) valued in connection with the most recent Valuation Report on the Estate which has been Disposed of after the date thereof; and the Market Value attributable to each Mortgaged Property (the legal and beneficial title of which is owned by an Obligor which has ceased to be under Common Control) valued in connection with the most recent Valuation Report on the Estate </li> </ul>	Nil
<ul style="list-style-type: none"> <li> <b>deducting</b> insolvency carve-out </li> </ul>	Nil
<ul style="list-style-type: none"> <li> <b>adding</b> the Market Value of any Mortgaged Property (other than a Trading Property) added to, and remaining in, the Estate since the most recent Valuation Report on the Estate; an amount equal to all costs of development [incurred/spent] by the Obligors in respect of any Development Projects since the date of the most recent Valuation Reports for such Development Projects, provided that the Development Test is satisfied as of the most recent Calculation Date; and the Market Value of any Mortgaged Property which is a Trading Property </li> </ul>	£1,710,716,832
<ul style="list-style-type: none"> <li> <b>adding</b> the Agreed Value of any Further Credit Assets </li> </ul>	
<b>Subtotal</b>	<b>£13,523,804,832</b>



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- **PROJECTED ICR**

(ratio of the Projected EBITDA to the Projected Interest Charges) 6.14x

- **HISTORICAL ICR**

(means the ratio of the Historical EBITDA to the Historical Interest Charges) 6.45x

**(B) Potential Events of Default and Events of Default since last Reporting Date**

Details	Action	Rectified
None Occurred	N/A	N/A

No Obligor Event of Default, P1 Trigger Event or P2 Trigger Event has occurred as at this reporting date.

**5. RATING TESTS**

Details
N/A

**6. APPENDIX 1 - CALCULATION CERTIFICATE**

Please see attached