Mortgages and Loans Receivable

Contractual mortgages and loans receivable as at June 30, 2020 and December 31, 2019 are comprised of the following:

(thousands of dollars)	Contractual interest rates Low	High	Weighted average interest rate		**June 30, 2020**		December 31, 2019
Mezzanine financing to co-owners	4.20%	6.35%	5.73%	**$**	**169,558**	$	155,399
Vendor-take-back and other	5.00%	6.35%	5.52%		**29,303**		20,552
Total	4.20%	6.35%	5.70%	**$**	**198,861**	$	175,951

All of the $198.9 million of mortgages and loans receivable as at June 30, 2020 are carried at amortized cost.

RioCan's Declaration of Trust contains provisions that have the effect of limiting the aggregate value of the investment by the Trust in mortgages, other than mortgages taken back on the sale of RioCan's properties, to a maximum of 30% of consolidated Unitholders' equity. Additionally, RioCan is limited in the amount of capital that can be invested in greenfield developments and development properties held for resale to no more than 15% of the book value of RioCan's total consolidated Unitholders' equity, and this limitation also applies to any mortgages receivable to fund the co-owners' share of such developments referred to as mezzanine financing. At June 30, 2020, RioCan was in compliance with these restrictions.

CAPITAL RESOURCES AND LIQUIDITY

Capital Management Framework

RioCan defines capital as the aggregate of Unitholder and preferred unitholders' equity and debt. The Trust's capital management framework is designed to maintain a level of capital that:

- complies with investment and debt restrictions pursuant to the Trust's Declaration;
- complies with debt covenants;
- enables RioCan to achieve target credit ratings;
- funds the Trust's business strategies; and
- builds long-term Unitholder value.

The key elements of RioCan's capital management framework are set out in the Declaration of Trust, and/or approved by the Trust's Board, through the Board's annual review of the strategic plan and budget, supplemented by periodic Board and related committee meetings. Capital adequacy is monitored by management of the Trust by assessing performance against the approved annual plan throughout the year, which is updated accordingly, and by monitoring adherence to investment and debt restrictions contained in the Declaration of Trust and debt covenants (refer to Note 24 of RioCan's Condensed Consolidated Financial Statements). In selecting appropriate funding choices, RioCan's objective is to manage its capital structure such that it diversifies its funding sources while minimizing its funding costs and risks. RioCan expects to be able to satisfy all of its financing requirements through the use of some or all of the following: cash on hand, cash generated by operations, refinancing of maturing debt, utilization of its operating line of credit, credit facilities, construction financing facilities, sale of non-core properties and secondary markets properties, and through public offerings of unsecured debentures and common equity. In challenging market conditions, the Trust could finance certain assets currently unencumbered by debt or issue preferred units.

Credit Ratings

RioCan intends to maintain strong debt service coverage and fixed charge coverage ratios as part of its commitment to maintaining its investment-grade debt ratings from Standard and Poor's (S&P) and from DBRS Morningstar (DBRS). A credit rating generally provides an indication of the risk that the borrower will not fulfill its obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from the highest credit quality (generally AAA) to default payment (generally D). The addition of a rating outlook modifier, such as "Positive", "Negative", "Stable" or "Developing" assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

The following table summarizes RioCan's credit ratings as at June 30, 2020:

	S&P		**DBRS**	
	Credit Rating	**Outlook**	**Credit Rating**	**Trend**
Issuer Credit Rating	BBB	Stable	BBB (high)	Stable
Senior Unsecured Debentures	BBB	N/A (i)	BBB (high)	Stable

(i) S&P does not provide an Outlook on the Debentures.

An obligor with a credit rating of BBB by S&P exhibits adequate capacity to meet its financial obligations, however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A credit rating of BBB- or higher is an investment grade rating.

A credit rating of BBB by DBRS is generally an indication of adequate credit quality, the capacity for the payment of financial obligations is considered acceptable but the entity may be vulnerable to future events.

Capital Structure

RioCan's capital structure is as follows:

(thousands of dollars)	IFRS		RioCan's proportionate share	
As at	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Capital:				
Debentures payable	**$ 3,091,273**	$ 2,891,648	**$ 3,091,273**	$ 2,891,648
Mortgages payable	**2,721,930**	2,412,451	**2,829,167**	2,514,178
Lines of credit and other bank loans	**856,355**	1,086,719	**878,000**	1,106,105
Total debt	**$ 6,669,558**	$ 6,390,818	**$ 6,798,440**	$ 6,511,931
Total equity	**7,768,842**	8,305,211	**7,768,842**	8,305,211
Total capital	**$ 14,438,400**	$ 14,696,029	**$ 14,567,282**	$ 14,817,142
Total assets	**$ 15,070,648**	$ 15,188,326	**$ 15,211,142**	$ 15,317,298
Cash and cash equivalents	**$ 80,458**	$ 93,516	**$ 81,609**	$ 96,564
Ratio of total debt to total assets (net of cash and cash equivalents)	**44.0%**	41.7%	**44.4%**	42.1%
Ratio of floating rate debt to total debt	**2.4%**	6.1%	**2.8%**	6.4%

The Trust's leverage ratio at RioCan's proportionate share increased from December 31, 2019, mainly due to the impacts of the pandemic on the Trust's property operations and valuations. The Trust remains committed to maintaining a strong balance sheet.

The Trust reduced its floating interest rate debt exposure to 2.8% as at June 30, 2020 (December 31, 2019 - 6.4%) mainly through the issuance of a $350.0 million unsecured senior debenture green bond at a fixed rate in March 2020 and obtaining additional fixed rate mortgages with a significant portion of the net proceeds used to pay down floating rate debt such as the Trust's unsecured revolving line of credit. Refer to the *Debentures Payable* and *Mortgages Payable* sections of this MD&A for further details.

Liquidity

Liquidity refers to the Trust having credit availability under committed credit facilities and/or generating sufficient amounts of cash and cash equivalents to fund the ongoing operational commitments, distributions to Unitholders and planned growth in the business. RioCan retains a portion of its operating cash flows to help fund ongoing maintenance capital expenditures including tenant improvements costs and long-term contractual obligations, among other items.

Cash on hand, borrowings under the revolving unsecured operating line of credit, non-revolving unsecured credit facilities, construction financing facilities, debt and equity capital markets, secured financing and the potential sale of assets also provide the necessary liquidity to fund ongoing and future capital expenditures and obligations.

As at June 30, 2020, RioCan had approximately $1.0 billion of liquidity as summarized in the following table:

(thousands of dollars, except where otherwise noted)	IFRS		RioCan's proportionate share	
As at	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Cash and cash equivalents	**$ 80,458**	$ 93,516	**$ 81,609**	$ 96,564
Undrawn revolving unsecured operating line of credit	**872,000**	658,000	**872,000**	658,000
Undrawn construction lines of credit and other bank loans	**41,237**	58,327	**91,000**	110,339
Liquidity	**$ 993,695**	$ 809,843	**$ 1,044,609**	$ 864,903
Contractual debt:				
Debentures payable	**$ 3,100,000**	$ 2,900,000	**$ 3,100,000**	$ 2,900,000
Mortgages payable	**2,721,748**	2,409,917	**2,829,248**	2,511,930
Lines of credit and other bank loans	**859,263**	1,090,172	**880,940**	1,109,600
Total contractual debt	**$ 6,681,011**	$ 6,400,089	**$ 6,810,188**	$ 6,521,530
Percentage of total contractual debt:				
Liquidity	**14.9%**	12.7%	**15.3%**	13.3%
Unsecured debt	**58.8%**	61.6%	**57.7%**	60.4%
Secured debt	**41.2%**	38.4%	**42.3%**	39.6%

In addition, RioCan has unencumbered investment properties with a fair value of $8.7 billion on a proportionate share basis, which give RioCan the potential to obtain additional mortgages to bolster liquidity, if needed, and preserve the revolving unsecured line of credit, which is essentially undrawn or little drawn, while maintaining debt metrics. Refer to the *Business Overview* section of this MD&A for various initiatives the Trust is undertaking to conserve cash and enhance liquidity under the current COVID-19 pandemic.

Our liquidity is impacted by contractual debt commitments and committed expenditures on active development projects. Our contractual debt commitments and committed development expenditures for the next five years are as follows:

(thousands of dollars)	2020 (i)	2021	2022	2023	2024	Thereafter	Total
Contractual obligations:							
Lines of credit and other bank loans	$ —	$ 31,263	$ —	$ 200,000	$ 628,000	$ —	$ 859,263
Mortgages payable	167,841	448,524	189,549	304,858	258,195	1,352,781	2,721,748
Unsecured debentures	250,000	550,000	550,000	500,000	300,000	950,000	3,100,000
Lease liabilities (ii)	864	1,549	1,621	1,668	1,669	27,912	35,283
Other lease obligations	338	306	206	80	23	4	957
Total	$ 419,043	$ 1,031,642	$ 741,376	$ 1,006,606	$ 1,187,887	$ 2,330,697	$ 6,717,251
Active committed developments (iii)	126,573	443,859	222,852	136,165	109,066	—	1,038,515
Total	$ 545,616	$ 1,475,501	$ 964,228	$ 1,142,771	$ 1,296,953	$ 2,330,697	$ 7,755,766

(i) Amounts pertain to the remaining six months of 2020.

(ii) Represents the discounted minimum lease payments of lease liabilities under IFRS 16.

(iii) Represents estimated development costs to complete committed properties under active development and active residential inventory projects. A project is committed only when all major planning issues have been resolved, anchor tenant(s) for the commercial components has/have been secured, and/or construction is about to commence or has commenced. The costs of additional projects will be added to this schedule once a project becomes committed. The amounts are presented net of projected proceeds from dispositions including air rights sale proceeds related to its 5th & THIRD project in Calgary, Alberta and a portion of The Well in Toronto, Ontario, which currently remain on plan to close in 2020.

The Trust's contractual debt obligations and projected development expenditures can be funded by net proceeds from the sale of non-core and secondary market assets (including, but not limited to, sale of excess land and potential air rights), existing cash on hand, our revolving unsecured operating line of credit, proceeds from mortgage refinancing and proceeds from the issuance of unsecured debentures or issuance of equity Units.

As of July 28, 2020, only approximately $81.8 million of RioCan's mortgage maturities for the remainder of 2020 have yet to be refinanced or have refinancing commitments in place. They are all due in the last quarter of 2020 and are expected to be refinanced in due course. On June 1, 2020, RioCan redeemed, in full, its $150.0 million 3.62% Series U unsecured debentures in accordance with their terms. RioCan's remaining 2020 debenture maturity of $250 million, due in August 2020, has been effectively refinanced with the $350.0 million, 7-year inaugural Green Bond issuance on March 10, 2020 at an annual coupon rate of 2.361%.

RioCan has also entered into purchase obligations to acquire certain interests from its partners as further described in Note 3 in the Condensed Consolidated Financial Statements.

RioCan, as a mutual fund trust, expects to make monthly distributions to Unitholders with the cash generated from ongoing operating activities. Our Unitholder dividend reinvestment plan ("DRIP") allows us to conserve liquidity by issuing additional Units, as opposed to paying cash distributions. Although RioCan suspended its DRIP effective November 1, 2017, RioCan can elect to reinstate the DRIP in the future, should we decide that it is beneficial to do so.

Unencumbered Assets

At RioCan's proportionate share, the fair value of the unencumbered investment property assets as at June 30, 2020 is estimated at $8.7 billion or 60.7% of total fair value of investment properties compared to fair value of $8.9 billion as at December 31, 2019. This has resulted in approximately 62.0% of NOI at RioCan's proportionate share being generated by unencumbered assets (December 31, 2019 - 58.5%). The decrease in the unencumbered assets from the previous quarter was due to mortgages obtained during the quarter on certain formerly unencumbered assets, as well as fair value write-down this quarter as a result of the pandemic. The increase in NOI generated from unencumbered assets was due to changes in the composition of the unencumbered assets pool relative to the composition of the encumbered assets pool.

The table below presents RioCan's unencumbered assets and unsecured debt:

		IFRS		RioCan's proportionate share	
(thousands of dollars, except where otherwise noted) As at	Targeted Ratios	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Unencumbered assets		**$ 8,656,602**	$ 8,895,777	**$ 8,696,843**	$ 8,936,721
Unsecured debt:					
Debentures		**$ 3,100,000**	$ 2,900,000	**$ 3,100,000**	$ 2,900,000
Amounts drawn on revolving unsecured operating line of credit		**128,000**	342,000	**128,000**	342,000
Amounts drawn on non-revolving unsecured credit facilities		**700,000**	700,000	**700,000**	700,000
Total unsecured debt outstanding		**$ 3,928,000**	$ 3,942,000	**$ 3,928,000**	$ 3,942,000
Unsecured debt to total debt	60.0%	**58.8%**	61.6%	**57.7%**	60.4%
Unencumbered assets to unsecured debt	> 200%	**220%**	226%	**221%**	227%
NOI generated from unencumbered assets (i)	> 50.0%	**61.6%**	58.2%	**62.0%**	58.5%

(i) Refer to the *Non-GAAP Measures* section of this MD&A for further details.

Debt Metrics

RioCan's debt metrics are tracked and disclosed on a quarterly basis to help facilitate financial statement users' and stakeholders' understanding of RioCan's ability to service its debt and fixed charges. Presented below are the Trust's key debt metrics presented on both an IFRS and RioCan's proportionate share basis in comparison to our targeted ratios:

		Rolling 12 months ended			
		IFRS		RioCan's proportionate share	
	Targeted Ratios	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Debt to Adjusted EBITDA (i)	<8.0x	**8.85**	8.05	**8.80**	8.06
Interest coverage (i)	>3.00x	**3.30**	3.52	**3.30**	3.50
Debt service coverage (i)	>2.25x	**2.78**	2.98	**2.78**	2.96
Fixed charge coverage (i)	>1.10x	**1.08**	1.15	**1.09**	1.16

(i) Refer to the *Non-GAAP Measures* section of this MD&A for further details. See tables below for the calculation of Adjusted EBITDA for the respective periods.

The Trust's Debt to Adjusted EBITDA at RioCan's proportionate share increased to 8.80x for the rolling twelve months ended June 30, 2020 compared to the same period ended December 31, 2019. The increase was primarily due to lower Adjusted EBITDA as a result of the COVID-19 pandemic related provision for rent abatements and bad debts, lower residential inventory gains due to timing of inventory sales, lower fee income and higher average debt.

The interest coverage ratio at RioCan's proportionate share for the rolling twelve months ended June 30, 2020 remained well above the RioCan target of 3.0x but declined compared to December 31, 2019, mainly due to lower Adjusted EBITDA as noted earlier and higher interest costs from higher debt balances.

For similar reasons, debt service coverage at RioCan's proportionate share for the rolling twelve months ended June 30, 2020 declined to an extent but remained well above the RioCan target of 2.25x when compared to December 31, 2019.

The fixed charge coverage ratio at RioCan's proportionate share for the rolling twelve months ended June 30, 2020 is lower compared to December 31, 2019, primarily as a result of lower Adjusted EBITDA, higher interest costs and higher distributions as a result of a private placement of Units in August 2019 and a public Unit offering completed in October 2019.

The following tables present a reconciliation of consolidated net income attributable to Unitholders to Adjusted EBITDA:

	12 months ended			
	IFRS		RioCan's proportionate share	
(thousands of dollars)	**June 30, 2020**	December 31, 2019	**June 30, 2020**	December 31, 2019
Net income attributable to Unitholders	**$ 80,392**	$ 775,834	**$ 80,392**	$ 775,834
Add (deduct) the following items:				
Income tax expense (recovery):				
Current	**630**	(699)	**630**	(699)
Deferred	**(16)**	2,064	**(16)**	2,064
Fair value losses (gains) on investment properties, net	**413,211**	(247,624)	**426,008**	(239,294)
Change in unrealized fair value on marketable securities (i)	**14,811**	15,637	**14,811**	15,637
Internal leasing costs	**11,175**	11,309	**11,175**	11,309
Non-cash unit based compensation expense	**7,800**	6,478	**7,800**	6,478
Interest costs	**182,762**	182,780	**187,754**	187,871
Depreciation and amortization	**4,431**	4,381	**4,431**	4,381
Transaction losses on the sale of investment properties, net (ii)	**1,517**	1,066	**1,517**	1,066
Transaction costs on investment properties	**6,058**	7,989	**6,058**	7,989
Operational lease revenue and expenses from ROU assets (iii)	**2,408**	1,963	**2,382**	1,939
Adjusted EBITDA	**$ 725,179**	$ 761,178	**$ 742,942**	$ 774,575
Debt, net of cash and cash equivalents is calculated as follows:				
Average debt outstanding	**$ 6,500,468**	$ 6,206,562	**$ 6,620,409**	$ 6,324,391
Less: average cash and cash equivalents	**(83,896)**	(75,705)	**(86,099)**	(78,599)
Debt, net of cash and cash equivalents	**$ 6,416,572**	$ 6,130,857	**$ 6,534,310**	$ 6,245,792
Debt to Adjusted EBITDA	**8.85**	8.05	**8.80**	8.06

(i) Adjustment is a result of adopting IFRS 9 on January 1, 2018 without prior period restatement. The fair value gains on marketable securities under IFRS 9 include both the change in unrealized fair value and realized gains on sale of marketable securities. By adding back the change in unrealized fair value on marketable securities, RioCan effectively continues to include realized gains or losses on the sale of marketable securities in Adjusted EBITDA and excludes unrealized fair value gains (losses) on marketable securities in Adjusted EBITDA. Refer to the *Non-GAAP Measures* section of this MD&A for more detailed discussion on Adjusted EBITDA and IFRS 9's impact on Adjusted EBITDA.

(ii) Includes transaction gains and losses realized on the disposal of investment properties.

(iii) The Trust has also included adjustments for certain subleases or leases that are classified as finance leases under IFRS 16 effective January 1, 2019, consistent with the adjustments in the REALPAC definitions of FFO and ACFO that were recently released in February 2019. The adjustment relates to operational revenue and expenses from ROU assets as a result of certain subleases and leases that were classified as operating leases under IAS 17 and are classified as finance leases under IFRS 16, such that the principal portion of the relevant lease receipt and/ or lease payment continues to be reflected in Adjusted EBITDA upon the adoption of IFRS 16 on January 1, 2019.

Total Debt Profile

RioCan's fixed and floating rate debt as a percentage of total debt, and term to maturity are as follows:

(thousands of dollars) As at June 30, 2020		Total debt	Percentage of total RioCan's aggregate debt	Weighted average term to maturity in years	Weighted average contractual interest rate	Weighted average effective interest rate
Total debt at:						
Fixed rate	$	6,512,405	97.6%	3.87	3.25%	3.33%
Floating rate		157,153	2.4%	3.33	1.69%	1.71%
Total debt	**$**	**6,669,558**	**100.0%**	**3.86**	**3.21%**	**3.29%**

(thousands of dollars) As at December 31, 2019		Total debt	Percentage of total RioCan's aggregate debt	Weighted average term to maturity in years	Weighted average contractual interest rate	Weighted average effective interest rate
Total debt at:						
Fixed rate	$	6,003,200	93.9%	3.67	3.35%	3.46%
Floating rate		387,618	6.1%	3.95	3.14%	3.16%
Total debt	**$**	**6,390,818**	**100.0%**	**3.69**	**3.34%**	**3.44%**

The following table summarizes the activity in total debt, for the six months ended June 30, 2020:

(thousands of dollars) Six months ended June 30, 2020		Debentures		Mortgages Payable		Lines of Credit and Other Bank Loans		Total
Contractual obligations, beginning of period	$	2,900,000	$	2,409,917	$	1,090,172	**$**	**6,400,089**
Borrowings		350,000		562,946		13,211		**926,157**
Scheduled amortization		—		(20,249)		—		**(20,249)**
Repayments		(150,000)		(234,455)		(244,120)		**(628,575)**
Disposed on the sale of properties		—		(12,112)		—		**(12,112)**
Assumed on the acquisition of properties		—		15,701		—		**15,701**
Contractual obligations, end of period	**$**	**3,100,000**	**$**	**2,721,748**	**$**	**859,263**	**$**	**6,681,011**
Unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses		—		5,347		546		**5,893**
Unamortized debt financing costs, net of premiums and discounts		(8,727)		(5,165)		(3,454)		**(17,346)**
Balance, end of period	**$**	**3,091,273**	**$**	**2,721,930**	**$**	**856,355**	**$**	**6,669,558**

RioCan's debt maturity profile and future repayments are as outlined below:

	Contractual principal maturities and interest rates							
(thousands of dollars)	Debentures payable	Weighted average interest rate	Mortgages payable	Weighted average interest rate	Lines of credit and other bank loans	Weighted average interest rate	Total aggregate debt	Weighted average interest rate
Year of debt maturity								
2020 (i)	$ 250,000	2.19%	$ 167,841	3.57%	$ —	—%	$ 417,841	2.74%
2021	550,000	2.89%	448,524	3.94%	31,263	1.58%	1,029,787	3.30%
2022	550,000	3.25%	189,549	3.29%	—	—%	739,549	3.26%
2023	500,000	3.42%	304,858	3.47%	200,000	3.28%	1,004,858	3.41%
2024	300,000	3.29%	258,195	3.45%	628,000	3.03%	1,186,195	3.19%
Thereafter	950,000	2.85%	1,352,781	3.39%	—	—%	2,302,781	3.17%
	$ 3,100,000	3.01%	$ 2,721,748	3.50%	$ 859,263	3.04%	$ 6,681,011	3.21%
Unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses	—		5,347		546		5,893	
Unamortized debt financing costs, net of premiums and discounts	(8,727)		(5,165)		(3,454)		(17,346)	
Balance, end of period	$ 3,091,273		$ 2,721,930		$ 856,355		$ 6,669,558	

(i) Amounts pertain to the remaining six months of 2020.

Debentures Payable

RioCan's debentures maturity profile and future repayments are as outlined below:

Year of debenture maturity	Weighted average contractual interest rate	Principal maturities
2020 (i)	2.19%	$ 250,000
2021	2.89%	550,000
2022	3.25%	550,000
2023	3.42%	500,000
2024	3.29%	300,000
Thereafter	2.85%	950,000
Contractual obligations		$ 3,100,000
Unamortized debt financing costs		(8,727)
		$ 3,091,273

(i) Amounts pertain to the remaining six months of 2020.

The unsecured debentures have covenants similar to our 60% debt to Aggregate Assets limit as set out in RioCan's Declaration of Trust, the maintenance of at least $1.0 billion in consolidated Unitholders' equity and maintenance of an interest coverage ratio of 1.65 times or better. There are no requirements under the unsecured debenture covenants that require RioCan to maintain unencumbered assets. The Series I debentures, which are due in 2026 and are $100 million in aggregate, have an additional provision that provides RioCan with the right, at any time, to convert these debentures to mortgage debt, subject to the acceptability of the security given to the debenture holders. In such an event, the covenants relating to the 60% leverage limit, minimum consolidated Unitholders' equity and interest coverage ratio would be eliminated for this series of debentures.

Issuance

On March 10, 2020, RioCan issued $350.0 million of Series AC senior unsecured debentures. These debentures were issued at par, carry a coupon rate of 2.361% per annum and will mature on March 10, 2027. These Series AC debentures are RioCan's inaugural Green Bond issuance and the first Green Bond issued by a REIT in Canada.

Redemption

On June 1, 2020, RioCan redeemed, in full, its $150.0 million 3.62% Series U unsecured debentures in accordance with their terms.

Mortgages Payable

Mortgages payable and mortgages on properties held for sale consist of the following:

(thousands of dollars) As at		**June 30, 2020**		December 31, 2019
Mortgages payable (ii)	**$**	**2,721,930**	$	2,412,451
Fixed rate mortgages (i) (ii)	**$**	**2,721,930**	$	2,412,451

(i) Includes hedged floating rate mortgages.

(ii) Amount outstanding includes total of $0.2 million in unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses, net of unamortized financing costs.

At the outset of 2020, RioCan had $503.9 million of mortgage principal maturing in 2020 at a weighted average contractual interest rate of 3.64%. For the six months ended June 30, 2020, RioCan completed new term mortgage borrowings of $562.9 million and renewals at maturity balance of $88.0 million at a weighted average interest rate of 3.02% and a weighted average term of six years, repaid $254.7 million of mortgage balances and scheduled amortization and assumed $15.7 million of mortgage financing pursuant to the completion of acquisitions at a weighted average interest rate of 3.30%.

During the six months ended June 30, 2020, the Trust closed on its first CMHC insured mortgage, a $28.6 million loan (at RioCan's interest) at its Frontier property in Ottawa, bearing interest at an annual rate of 2.63%, with a 10-year term. In addition, the Trust also had $150.0 million of financing for eCentral and the retail component of ePlace in Toronto, Ontario, at a fixed contractual interest rate of 2.58% for an 11-year term. It is anticipated that the loan will become CMHC insured in Q3 2020, at which time the contractual interest rate of such advance will be reduced to 2.33%. Furthermore, a second tranche of funding will be advanced for the property at an interest rate to be determined at such time. Maximizing CMHC insured mortgages is a key component of the Trust's debt strategy as it provides access to a new source of financing and lowers its overall cost of debt.

The majority of our mortgage debt provides recourse to the assets of the Trust, as opposed to only having recourse to the specific property charged. We follow this policy as it generally results in lower interest rates for the Trust.

Lines of Credit and Other Bank Loans

Lines of credit and other bank loans consist of the following:

(thousands of dollars) As at		**June 30, 2020**		December 31, 2019
Revolving unsecured operating line of credit (i)	**$**	**125,890**	$	339,446
Non-revolving unsecured credit facilities (i)		**699,202**		699,101
Construction lines and other bank loans		**31,263**		48,172
	$	**856,355**	$	1,086,719

(i) Amount outstanding is net of a total of $2.9 million in unamortized financing costs and unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses.

Revolving Unsecured Operating Line of Credit

RioCan had a drawn balance of $128.0 million and $872.0 million of credit availability to be drawn from its revolving unsecured operating line of credit at June 30, 2020. The weighted average contractual interest rate on amounts drawn under this facility was 1.72% (December 31, 2019 - 3.19%).

Non-revolving Unsecured Credit Facilities

The Trust has a $200 million non-revolving unsecured credit facility with two financial institutions (consisting of a Schedule I and a Schedule III bank), with a maturity date of January 31, 2023 and a weighted average annual all-in fixed interest rate of 3.28% through interest rate swaps.

In addition, the Trust has a $150 million non-revolving unsecured credit facility with two financial institutions (consisting of a Schedule I and a Schedule III bank), with a maturity date of June 27, 2024 and fixed annual all-in interest rate of 3.43% through an interest rate swap.

The Trust also has a $350.0 million five-year non-revolving unsecured credit facility with three financial institutions (consisting of two Schedule I banks and one Schedule III bank). This credit facility matures on February 7, 2024 and, through an interest rate swap, bears an annual all-in fixed interest rate of 3.34%.

As of June 30, 2020, all of the Trust's non-revolving unsecured credit facilities are fully drawn.

Construction Lines of Credit and Other Bank Loans

In addition to the revolving unsecured operating line of credit and non-revolving unsecured credit facilities, the Trust has secured credit facilities and other bank loans, which include variable rate non-revolving secured construction facilities for the funding of certain development properties. At June 30, 2020, these secured facilities and other bank loans have an aggregate maximum borrowing capacity of $72.5 million (December 31, 2019 - $106.5 million) and mature in 2021, of which the Trust had drawn $31.3 million (December 31, 2019 - $48.2 million). The weighted average contractual interest rate on the aggregate amounts outstanding is 1.58% (December 31, 2019 - 2.93%).

Letter of Credit Facilities

The Trust has aggregate letter of credit facilities with certain Schedule I banks totaling $91.2 million (December 31, 2019 - $76.4 million). As at June 30, 2020, the Trust’s outstanding letters of credit under these facilities was $75.2 million (December 31, 2019 - $54.8 million).

Guarantees

As at June 30, 2020, the maximum exposure to loss resulting from the Trust's debt guarantees, on behalf of certain of our co-owners' interests and mortgages assumed by purchasers on property dispositions, is $185.5 million (December 31, 2019 - $163.2 million), with expiries between 2020 and 2025. The maximum exposure to credit risk relating to a guarantee is the maximum risk of loss if there was a total default, without consideration of recoveries under recourse provisions against the aforementioned parties or the properties secured.

As at and for the six months ended June 30, 2020, there have been no defaults by the primary obligors for debts on which we have provided guarantees and no provision for expected losses on these guarantees has been recognized in our Condensed Consolidated Financial Statements.

The parties on behalf of which RioCan has outstanding guarantees are as follows:

(thousands of dollars)

As at		**June 30, 2020**		December 31, 2019
Partners and co-owners				
HBC (RioCan-HBC JV)	**$**	**41,775**	$	42,349
Bayfield		**26,709**		26,709
Other		**61,089**		37,497
	$	**129,573**	$	106,555
Assumption of mortgages by purchasers on property dispositions		**55,932**		56,644
	$	**185,505**	$	163,199

Hedging Activities

Interest Rate Risk

As at June 30, 2020, the outstanding notional amount of floating-to-fixed interest rate swaps was $1.3 billion (December 31, 2019 – $1.3 billion) and the term to maturity of these agreements ranges from September 2020 to November 2028. We assess the effectiveness of the hedging relationship on a quarterly basis and have determined there is no ineffectiveness in the hedging of interest rate exposures as at June 30, 2020. Refer to Note 23 of the Condensed Consolidated Financial Statements for further details.