

# Magellan Mortgages No. 2 plc

Euro 930,000,000 Class A Mortgage Backed Floating Rate Notes due 2036  
Euro 40,000,000 Class B Mortgage Backed Floating Rate Notes due 2036  
Euro 25,000,000 Class C Mortgage Backed Floating Rate Notes due 2036  
Euro 5,000,000 Class D Mortgage Backed Floating Rate Notes due 2036  
Euro 14,000,000 Class E Mortgage Backed Notes due 2036

Investor Report July 2009



Banco Comercial Português, S.A  
Transaction Manager, Custodian and Servicer

## 1. Security Level Information

Issuer Name	Magellan Mortgage No. 2 plc			
	Class A	Class B	Class C	Class D
Security Class Name	Class A	Class B	Class C	Class D
ISIN	XS0177944690	XS0177945077	XS0177945234	XS0177945408
Bloomberg Ticker	MAGEL 2 A	MAGEL 2 B	MAGEL 2 C	MAGEL 2 D
Issue Date	24 Oct 2003	24 Oct 2003	24 Oct 2003	24 Oct 2003
Maturity Date	18 Jul 2036	18 Jul 2036	18 Jul 2036	18 Jul 2036
Subordination Level	Senior	ord. to Class A Notes	ord. to Class B Notes	ord. to Class C Notes
S&P Rating	AAA	AA	BBB+	BBB
Moodys Rating	Aaa	A1	Baa2	No rating
Fitch Rating	AAA	AA	A-	BBB
Currency	Euro	Euro	Euro	Euro
Total Original Balance	930,000,000.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Beginning Balance Prior to Distribution	344,737,980.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	316,949,580.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	27,788,400.00	0.00	0.00	0.00
Pool Factor	34.080600%	100.000000%	100.000000%	100.000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	1,420,110.00	198,160.00	161,775.00	39,305.00
Payment Date	20/Jul/09	20/Jul/09	20/Jul/09	20/Jul/09
Quarterly Collection Date	30/Jun/09	30/Jun/09	30/Jun/09	30/Jun/09
Calculation Period	23	23	23	23
Accrual Beginning Date	20/Apr/09	20/Apr/09	20/Apr/09	20/Apr/09
Accrual Ending Date	20/Jul/09	20/Jul/09	20/Jul/09	20/Jul/09
Accrual Period	91 days	91 days	91 days	91 days
Accrual Rate	1.630 %	1.960 %	2.560 %	3.110 %
Euro Reference Rate	1.410 %	1.410 %	1.410 %	1.410 %
Spread (bps)	22	55	115	170
Denomination	3,706.86	10,000.00	10,000.00	10,000.00
Day Basis	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	16/Jul/09	16/Jul/09	16/Jul/09	16/Jul/09
New Denomination for the next period	3,408.06	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

## 2. Collateral Level Information

CP ending 30 June 2009

**Mortgage Asset Portfolio**

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	414,761,139.86	11,757
Principal Redemption	26,956,846.05	537
Scheduled Principal Redemption	5,714,817.90	
Prepayments	5,313,525.71	
Retired Mortgages Assets for non-permitted variations	15,928,502.44	
CPR	5.30%	
Deemed Principal Losses	1,166,994.26	
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	335,635.56	
Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL's)	0.00	
Realised Losses	0.00	
Retired Mortgages Assets in excess of substitute loans	0.00	
Principal Adjustments	0.00	
Ending Principal Outstanding Balance	386,972,935.11	11,220
Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640
	<b>31 Mar 09</b>	<b>30 Jun 09</b>
WA Interest Rate	3.84306 %	2.74843 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	54.2%	53.4%
Original LTV (Initial Loan Amount/Initial Valuation)	70.2%	70.0%

**Delinquent Mortgage Loans**

	Amount	Nr of Loans
30 - 60 days	2,179,587.86	60
61 - 90 days	1,626,474.39	43
91 - 180 days	3,798,619.83	93
181 - 270 days	2,902,710.52	67
271 - 360 days	3,049,255.97	73
361 - 720days	7,672,914.50	160
> 720 days	3,854,767.38	78
	<u>28,168,434.04</u>	<u>643</u>

Number of loans in Legal Proceedings  
( of which the mortgage loan is current\*)

	10,408,917.25	221
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\* proceedings initiated by other creditors

**Portfolio Trigger Event**

Mortgage Loans in arrears (90 - 365 days)	9,750,586.32
Maximum	45,000,000.00
Result	Pass

**Retired Mortgages Asset Pool (Current Period)**

	Amount	Nr of Loans
Breach of Reps. & Warranties	0.00	0
Non Permitted Variations	15,928,502.44	311

**Substitute Mortgage Asset Pool**

	Amount	Trigger	Result
Cumulative during 1 year from the Closing Date	20,170,797.67	50,001,392.63	Pass
Cumulative since Closing Date	99,933,359.41	100,002,785.26	Pass

**Permitted Variations**

	Amount	Trigger	Result
Cumulative since Closing Date	149,264,670.08	149,513,488.12	Pass

**Provisioning**

	Loans in arrear	%	Amount
Principal Outstanding Balance to be provisioned	n/a	n/a	1,166,994.26
Amount to be provisioned	> 12 months	25%	479,951.25
Amount to be provisioned	> 24 months	50%	371,060.76
Amount to be provisioned	> 36 months	100%	315,982.25

(Amounts in Euro)

## 2. Collateral Level Information (Continued)

CP ending 30 June 2009

**Cash Reserve Account**

Initial Balance	9,000,000.00
Interest on Issuer Cash Reserve Account	14,238.57
Reserve Fund Drawing	14,238.57
Cash Reserve Account Required Reserve	9,000,000.00
Reserve Fund at end of CP	9,000,000.00

**Liquidity Ledger**

Liquidity Ledger opening balance	0.00
Additions to Liquidity Ledger	0.00
Deductions from Liquidity Ledger	0.00
Liquidity Ledger closing balance	0.00

Liquidity Facility Amount	19,347,479.00
Available Liquidity Facility	19,347,479.00

(Amounts in Euro)

**3. Unit Waterfall**

<b>Unit Interest Waterfall</b>	<b>IPD 20 Jul 09</b>
Opening Balance	<u>0.00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	3,535,677.06
Interest on Fund Operating Account	<u>28,245.97</u>
	<u>3,563,923.03</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	174,478.39
Unit Interest Distribution Amount	<u>3,389,444.64</u>
	<u>3,563,923.03</u>
Closing Balance	<u>0.00</u>
<b>Unit Principal Waterfall</b>	<b>IPD 20 Jul 09</b>
Opening Balance	<u>0.00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	26,956,846.05
Consideration for retired mortgages assets	<u>0.00</u>
	<u>26,956,846.05</u>
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	<u>26,956,846.05</u>
	<u>26,956,846.05</u>
Closing Balance	<u>0.00</u>
Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	8,660.15
Fund Manager's Fees and Liabilities	48,685.97
Custodian Fees and Liabilities	10,648.39
Servicer Fees and Expenses	<u>106,483.88</u>
	<u>174,478.39</u>

**(Amounts in Euro)**

4. Revenue Ledger	<u>IPD 20 Jul 09</u>
Opening Balance	0.00
Additions to Revenue Ledger	
Unit Revenue Distributions	3,389,444.64
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	335,635.56
Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL's)	0.00
Receipts under Swap Agreement	0.00
Gains on Authorised Investments	0.00
Cash Reserve Account Balance	9,014,238.57
LF Revolving Drawing and Liquity Revolving Drawing	0.00
Reserve Fund Release Amount	0.00
Interest Credited to the Issuer Account	1,819.23
	<u>12,741,138.00</u>
Payments from Revenue Ledger	
(1st) Issuer's Liability to tax	0.00
(2nd) Trustee fees and Liabilities - Exchange rate adjustment	0.00
(3rd) Issuer Expenses (not exceeding the expenses cap - See detail below)	36,697.99
(4th) Interest and commitment fees related to the Liquidity Facility Agreement	10,368.45
(5th) Repayment of LF/Liquidity Revolving Drawing	0.00
(6th) Payments under Swap Agreem. (except for an Early Termination of Swap Agreem.)	533,647.81
(7th i) Class A Notes unpaid interest	1,420,110.00
(7th ii) Payments under Swap Agreem. (except for a default by the Swap Counterparty)	0.00
(8th) Class A Interest Addition Amount to the Principal Deficiency Ledger	0.00
(9th) Class B Notes unpaid interest	198,160.00
(10th) Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th) Class C Notes unpaid interest	161,775.00
(12th) Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th) Class D Notes unpaid interest	39,305.00
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	1,166,994.26
(15th) Cash Reserve Account Required Reserve	9,000,000.00
(16th) Issuer Expenses (not paid above - See detail below)	0.00
(17th) Payments under Swap Agreem. (in case of default by Swap Count.)	0.00
(18th) Interest and commitment fees related to the Subordinated Loan Agreement	9,762.03
(19th) Subordinated Loan Facility principal repayment	164,317.46
(20th) Class E Notes Residual Entitlement Amount	0.00
(21th) Release of the Balance to the Issuer or to its order	0.00
	<u>12,741,138.00</u>
Closing Balance	<u>0.00</u>
Expenses to be deducted from Revenue Ledger:	
Agent Bank and Paying Agents	0.00
Transaction Manager fees and Liabilities	5,242.12
Account Bank fees	5,000.00
Corporate Services Provider fees and liabilities	5,053.37
Liquidity Facility Provider Fees	0.00
Subordinated Loan Facility Provider Fees	0.00
Rating Agencies Fees	5,000.00
Audit and taxation fees	16,402.50
Third Party Expenses	0.00
	<u>36,697.99</u>
Expenses Cap per annum (*)	214,765.75
Principal Amount Outstanding as at 19 January 2009	429,531,490.00
	0.00
Acumulated Issuer Expenses in the 5th year:	79,051.10
1st Quarter (payable on 19 January 2009)	28,389.85
2nd Quarter (payable on 20 April 2009)	13,963.26
3rd Quarter (payable on 20 July 2009)	36,697.99
4th Quarter (payable on 19 October 2009)	0.00
Result	Pass

\* Expenses Cap means, with respect to the Issuer Expenses, in any period of 12 months, an amount not exceeding the greater of (i) 0,05% of the Principal Amount Outstanding of the Notes on the earliest interest payment date falling in such periodf or (ii) EUR 200,000 per annum.

**(Amounts in Euro)**

<b>5. Principal Ledger</b>	<b>IPD 20 Jul 09</b>
Opening Balance	<u>576.27</u>
Additions to Principal Ledger	
Note Proceeds on the Closing Date	0.00
Class E Notes - Unit Purchase Amount	0.00
Subordinated Loan Facility - Unit Purchase Amount	0.00
Unit Principal Distribution	26,956,846.05
Interest Addition Amount	1,166,994.26
Proceeds of sale of Units	<u>0.00</u>
	<u>28,123,840.31</u>
Deductions from Principal Ledger	
Unit Purchase Price	0.00
Principal Addition Amount	0.00
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	335,635.56
Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL's)	0.00
Class A Notes Principal Payment	27,788,400.00
Class B Notes Principal Payment	0.00
Class C Notes Principal Payment	0.00
Class D Notes Principal Payment	0.00
Class E Notes Principal Payment	<u>0.00</u>
	<u>28,124,035.56</u>
Closing Balance	<u>381.02</u>
Unit Principal Distribution	27,788,781.02
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	298.80
Class A Notes Principal Payment	27,788,400.00

**(Amounts in Euro)**

<b>6. Reserve Ledger</b>	<u>IPD 20 Jul 09</u>
Opening Balance	<u>9,000,000.00</u>
Additions to Cash Reserve Account Ledger	
Class E Notes Proceeds (excl. Unit Purchase Amount)	0.00
Cash Reserve Account Required Reserve	9,000,000.00
Interest on Issuer Cash Reserve Account	<u>14,238.57</u>
	<u>9,014,238.57</u>
Deductions from Cash Reserve Account Ledger	
Addition to the Interest Waterfall	<u>9,014,238.57</u>
	<u>9,014,238.57</u>
Closing Balance	<u>9,000,000.00</u>
Portfolio Trigger Event	NO
<b>(Amounts in Euro)</b>	



**7. Contacts**

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