

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 October 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	316,949,580.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	304,256,940.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	12,692,640.00	0.00	0.00	0.00
Pool Factor	32.715800%	100.000000%	100.000000%	100.000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	952,320.00	153,600.00	133,900.00	33,735.00
Payment Date	19/Oct/09	19/Oct/09	19/Oct/09	19/Oct/09
Quarterly Collection Date	30/Sep/09	30/Sep/09	30/Sep/09	30/Sep/09
Calculation Period	24	24	24	24
Accrual Beginning Date	20/Jul/09	20/Jul/09	20/Jul/09	20/Jul/09
Accrual Ending Date	19/Oct/09	19/Oct/09	19/Oct/09	19/Oct/09
Accrual Period	91 days	91 days	91 days	91 days
Accrual Rate	1.189 %	1.519 %	2.119 %	2.669 %
Euro Reference Rate	0.969 %	0.969 %	0.969 %	0.969 %
Spread (bps)	22	55	115	170
Denomination	3,408.06	10,000.00	10,000.00	10,000.00
Day Basis	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	15/Oct/09	15/Oct/09	15/Oct/09	15/Oct/09
New Denomination for the next period	3,271.58	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

2. Collateral Level Information

CP ending 30 September 2009

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	386,972,935.11	11,220
Principal Redemption	11,681,171.28	233
Scheduled Principal Redemption	5,813,857.02	
Prepayments	4,655,166.98	
Retired Mortgages Assets for non-permitted variations	1,212,147.28	
CPR	4.81%	
Deemed Principal Losses	1,186,109.58	
Principal Recoveries (to the extent of a debit balance recorded on the PDI)	174,142.73	
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDI'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	374,279,796.98	10,987
Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640
	30 Jun 09	30 Sep 09
WA Interest Rate	2.74843 %	2.28452 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	53.4%	52.9%
Original LTV (Initial Loan Amount/Initial Valuation)	70.0%	70.0%

Delinquent Mortgage Loans

	Amount	Nr of Loans
30 - 60 days	1,414,765.93	41
61 - 90 days	1,273,249.91	33
91 - 180 days	3,505,269.00	77
181 - 270 days	2,423,314.31	58
271 - 360 days	2,437,650.89	65
361 - 720days	8,051,378.20	166
> 720 days	7,237,165.91	153
	<u>26,654,025.11</u>	<u>599</u>

Number of loans in Legal Proceedings (of which the mortgage loan is current*)	11,227,915.05	234
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* proceedings initiated by other creditors

Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	8,366,234.20
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	1,212,147.28	29

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	1,186,109.58
Amount to be provisioned	> 12 months	25%	535,035.03
Amount to be provisioned	> 24 months	50%	280,080.70
Amount to be provisioned	> 36 months	100%	370,993.85

(Amounts in Euro)

2. Collateral Level Information (Continued)

CP ending 30 September 2009

Cash Reserve Account

Initial Balance	9,000,000.00
(+) Interest on Issuer Cash Reserve Account	4,664.72
(-) Reserve Fund Drawing	135,347.85
Reserve Fund at end of CP	8,869,316.87

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	18,712,847.00
Available Liquidity Facility	18,712,847.00

(Amounts in Euro)

3. Unit Waterfall

Unit Interest Waterfall	IPD 19 Oct 09
Opening Balance	<u>0.00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	2,600,801.60
Interest on Fund Operating Account	<u>6,571.12</u>
	<u>2,607,372.72</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	145,221.46
Unit Interest Distribution Amount	<u>2,462,151.26</u>
	<u>2,607,372.72</u>
Closing Balance	<u>0.00</u>
Unit Principal Waterfall	IPD 19 Oct 09
Opening Balance	<u>0.00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	11,681,171.28
Consideration for retired mortgages assets	<u>0.00</u>
	<u>11,681,171.28</u>
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	<u>11,681,171.28</u>
	<u>11,681,171.28</u>
Closing Balance	<u>0.00</u>
Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	8,180.98
Fund Manager's Fees and Liabilities	26,198.91
Custodian Fees and Liabilities	10,076.51
Servicer Fees and Expenses	<u>100,765.06</u>
	<u>145,221.46</u>

(Amounts in Euro)

4. Revenue Ledger	<u>IPD 19 Oct 09</u>
Opening Balance	<u>0.00</u>
Additions to Revenue Ledger	
Unit Revenue Distributions	2,462,151.26
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	174,142.73
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDL's)	
Receipts under Swap Agreement	0.00
Gains on Authorised Investments	0.00
Cash Reserve Account Balance	9,004,664.72
LF Revolving Drawing and Liquity Revolving Drawing	0.00
Reserve Fund Release Amount	0.00
Interest Credited to the Issuer Account	<u>711.63</u>
	<u>11,641,670.34</u>
Payments from Revenue Ledger	
(1st) Issuer's Liability to tax	0.00
(2nd) Trustee fees and Liabilities - Exchange rate adjustment	204.93
(3rd) Issuer Expenses (not exceeding the expenses cap - See detail below)	29,789.48
(4th) Interest and commitment fees related to the Liquidity Facility Agreement	0.00
(5th) Repayment of LF/Liquidity Revolving Drawing	0.00
(6th) Payments under Swap Agreem. (except for an Early Termination of Swap Agreem.)	282,694.48
(7th i) Class A Notes unpaid interest	952,320.00
(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	153,600.00
(10th) Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th) Class C Notes unpaid interest	133,900.00
(12th) Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th) Class D Notes unpaid interest	33,735.00
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	1,186,109.58
(15th) Cash Reserve Account Required Reserve	8,869,316.87
(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	0.00
(19th) Subordinated Loan Facility principal repayment	0.00
(20th) Class E Notes Residual Entitlement Amount	0.00
(21th) Release of the Balance to the Issuer or to its order	<u>0.00</u>
	<u>11,641,670.34</u>
Closing Balance	<u>0.00</u>
Expenses to be deducted from Revenue Ledger:	
Transaction Manager fees and Liabilities	4,944.65
Corporate Services Provider fees and liabilities	4,678.95
Liquidity Facility Provider Fees	9,698.38
Rating Agencies Fees	5,000.00
Audit and taxation fees	<u>5,467.50</u>
	<u>29,789.48</u>
Expenses Cap per annum (*)	214,765.75
Principal Amount Outstanding as at 19 January 2009	429,531,490.00
Acumulated Issuer Expenses in the 5th year:	108,840.58
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)	29,789.48
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 period or (ii) EUR 200,000 per annum.

(Amounts in Euro)

5. Principal Ledger	IPD 19 Oct 09
Opening Balance	<u>381.02</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	11,681,171.28
Interest Addition Amount	1,186,109.58
Proceeds of sale of Units	<u>0.00</u>
	<u>12,867,280.86</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)	174,142.73
Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDL's)	0.00
Class A Notes Principal Payment	12,692,640.00
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>12,866,782.73</u>
Closing Balance	<u>879.15</u>
Unit Principal Distribution	12,693,519.15
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	136.48
Class A Notes Principal Payment	12,692,640.00

(Amounts in Euro)

6. Reserve Ledger	<u>IPD 19 Oct 09</u>
Opening Balance	<u>9,000,000.00</u>
Additions to Cash Reserve Account Ledger	
Cash Reserve Account Required Reserve	9,000,000.00
Interest on Issuer Cash Reserve Account	4,664.72
	<u>9,004,664.72</u>
Deductions from Cash Reserve Account Ledger	
Addition to the Interest Waterfall	9,004,664.72
Interest Shortfall	130,683.13
	<u>9,135,347.85</u>
Closing Balance	<u>8,869,316.87</u>
Cash Reserve Account Required Reserve	9,000,000.00
Portfolio Trigger Event	NO
(Amounts in Euro)	

7. Contacts

Transaction Manager, Custodian and Servicer

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