

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 January 2011



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

1. Security Level Information

| | Magellan Mortgage No. 2 plc | | | |
|---|---|---------------|---------------|--------------|
| | Class A | Class B | Class C | Class D |
| Issuer Name | | | | |
| 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 rd. to Class A Notes rd. to Class B Notes rd. 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 | 238,558,020.00 | 40,000,000.00 | 25,000,000.00 | 5,000,000.00 |
| Total Ending Balance Subsequent to Distribution | 229,072,950.00 | 40,000,000.00 | 25,000,000.00 | 5,000,000.00 |
| Total Principal Distribution | 9,485,070.00 | 0.00 | 0.00 | 0.00 |
| Pool Factor | 24.631500% | 100.000000% | 100.000000% | 100.000000% |
| Principal Deficiency Ledger | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Interest Distributions | 869,550.00 | 213,320.00 | 210,000.00 | 34,335.00 |
| Payment Date | 18-Jan-11 | 18-Jan-11 | 18-Jan-11 | 18-Jan-11 |
| Quarterly Collection Date | 31-Dez-10 | 31-Dez-10 | 31-Dez-10 | 31-Dez-10 |
| Calculation Period | 29 | 29 | 29 | 29 |
| Accrual Beginning Date | 18-Out-10 | 18-Out-10 | 18-Out-10 | 18-Out-10 |
| Accrual Ending Date | 18-Jan-11 | 18-Jan-11 | 18-Jan-11 | 18-Jan-11 |
| Accrual Period | 92 days | 92 days | 92 days | 92 days |
| Accrual Rate | 1.427 % | 2.087 % | 3.287 % | 2.687 % |
| Euro Reference Rate | 0.987 % | 0.987 % | 0.987 % | 0.987 % |
| Spread (bps) | 44 | 110 | 230 | 170 |
| Denomination | 2,565.14 | 10,000.00 | 10,000.00 | 10,000.00 |
| Day Basis | Act/360 | Act/360 | Act/360 | Act/360 |
| Reset Rate Effective Date | 14-Jan-11 | 14-Jan-11 | 14-Jan-11 | 14-Jan-11 |
| New Denomination for the next period | 2,463.15 | 10,000.00 | 10,000.00 | 10,000.00 |

(Amounts in Euro)

2. Collateral Level Information

CP ending 31 Dezembro 2010

Mortgage Asset Portfolio

| | Amount | Nr of Loans |
|---|----------------|--------------------|
| Beginning Principal Outstanding Balance | 308,581,397.46 | 9,698 |
| Principal Redemption | 9,748,753.43 | 178 |
| Scheduled Principal Redemption | 5,208,352.16 | |
| Prepayments | 3,702,716.32 | |
| Retired Mortgages Assets for non-permitted variations | 837,684.95 | |
| CPR | 4.81% | |
| Deemed Principal Losses | 622,091.96 | |
| Principal Recoveries (to the extent of a debit balance recorded on the PDL) | 885,315.05 | |
| Realised Losses | 0.00 | |
| Ending Principal Outstanding Balance | 299,095,867.13 | 9,520 |
| Principal Outstanding Balance at the Closing Date | 996,756,587.44 | 21,640 |

| | 30 Set 10 | 31 Dez 10 |
|---|------------------|------------------|
| WA Interest Rate | 2.106 % | 2.039 % |
| Current LTV (Outstanding Loan Amount/Initial Valuation) | 50.8% | 50.2% |
| Original LTV (Initial Loan Amount/Initial Valuation) | 69.9% | 70.0% |

Delinquent Mortgage Loans

| | Amount | Nr of Loans |
|-----------------|----------------------|--------------------|
| 30 - 60 days | 1,743,794.08 | 48 |
| 61 - 90 days | 1,171,182.56 | 28 |
| 91 - 180 days | 1,914,476.63 | 46 |
| 181 - 270 days | 1,199,958.56 | 33 |
| 271 - 360 days | 1,030,074.20 | 24 |
| 361 - 720days | 3,737,890.04 | 84 |
| 720 - 1080 days | 5,003,620.76 | 105 |
| > 1080 days | 5,410,402.38 | 119 |
| | <u>21,211,399.21</u> | <u>487</u> |

| | | |
|---|---------------|-----|
| Number of loans in Legal Proceedings (of which the mortgage loan is current*) | 11,256,955.95 | 246 |
|---|---------------|-----|

* proceedings initiated by other creditors

Portfolio Trigger Event

| | |
|---|---------------|
| Mortgage Loans in arrears (90 - 365 days) | 4,144,509.39 |
| Maximum | 45,000,000.00 |
| Result | Pass |

Retired Mortgages Asset Pool (Current Period)

| | Amount | Nr of Loans |
|-----------------------------|---------------|--------------------|
| Breach of Reps. & Waranties | 0.00 | 0 |
| Non Permitted Variations | 837,684.95 | 23 |

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 | 622,091.96 |
| Amount to be provisioned | > 12 months | 25% | 78,684.11 |
| Amount to be provisioned | > 24 months | 50% | 268,209.04 |
| Amount to be provisioned | > 36 months | 100% | 275,198.81 |

(Amounts in Euro)

2. Collateral Level Information (Continued)

CP ending 31 Dezembro 2010

Cash Reserve Account

| | |
|---|---------------------|
| Initial Balance | <u>9,000,000.00</u> |
| (+) Interest on Issuer Cash Reserve Account | 9,873.29 |
| (-) Amount available to Interest Distribution | 9,009,873.29 |
| (+) Amount up to the Cash Reserve Account Required Balance | 9,000,000.00 |
| (-) Shortfall under the Pré. Enforcements Payments Priority | <u>0.00</u> |
| Reserve Fund at end of CP | <u>9,000,000.00</u> |

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 | 14,953,647.50 |
| Available Liquidity Facility | 14,953,647.50 |

(Amounts in Euro)

3. Unit Waterfall

| Unit Interest Waterfall | IPD 18 Jan 11 |
|---|----------------------|
| Opening Balance | <u>0.00</u> |
| Additions to Interest Waterfall | |
| Interest Collections Proceeds | 1,840,641.50 |
| Interest on Fund Operating Account | <u>7,288.49</u> |
| | <u>1,847,929.99</u> |
| Deductions from Interest Waterfall | |
| Incorrect Payments to Originators | 0.00 |
| Fund Expenses (see detail below) | 130,840.97 |
| Unit Interest Distribution Amount | <u>1,717,089.02</u> |
| | <u>1,847,929.99</u> |
| Closing Balance | <u>0.00</u> |
| Unit Principal Waterfall | IPD 18 Jan 11 |
| Opening Balance | <u>0.00</u> |
| Additions to Principal Waterfall | |
| Principal Collections Proceeds | 9,748,753.43 |
| Consideration for retired mortgages assets | <u>0.00</u> |
| | <u>9,748,753.43</u> |
| Deductions from Principal Waterfall | |
| Unit Principal Distribution Amount | <u>9,748,753.43</u> |
| | <u>9,748,753.43</u> |
| Closing Balance | <u>0.00</u> |
| Fund Expenses: | |
| Supervision Fee due and payable by the Fund to the C.M.V.M. | 6,572.86 |
| Fund Manager's Fees and Liabilities | 34,603.79 |
| Custodian Fees and Liabilities | 8,151.30 |
| Servicer Fees and Expenses | <u>81,513.02</u> |
| | <u>130,840.97</u> |
| (Amounts in Euro) | |

| 4. Revenue Ledger | <u>IPD 18 Jan 11</u> |
|---|----------------------|
| Opening Balance | 0.00 |
| Additions to Revenue Ledger | |
| Unit Revenue Distributions | 1,717,089.02 |
| Principal Recoveries (to the extent of a debit balance recorded on the PDL) | 885,315.05 |
| Principal Recoveries adjustment (to the extent of a debit balance recorded on the PDL's) | 11,040.35 |
| Receipts under Swap Agreement | 0.00 |
| Gains on Authorised Investments | 9,009,873.29 |
| Cash Reserve Account Balance | 0.00 |
| LF Revolving Drawing and Liquity Revolving Drawing | 0.00 |
| Reserve Fund Release Amount | 0.00 |
| Interest Credited to the Issuer Account | 768.40 |
| | <u>11,624,086.11</u> |
| Payments from Revenue Ledger | |
| (1st) Issuer's Liability to tax | 2,600.00 |
| (2nd) Trustee fees and Liabilities - Exchange rate adjustment | 6,064.11 |
| (3rd) Issuer Expenses (not exceeding the expenses cap - See detail below) | 29,597.04 |
| (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 Agreement. (except for an Early Termination of Swap Agreement.) | 0.00 |
| (7th i) Class A Notes unpaid interest | 869,550.00 |
| (7th ii) Payments under Swap Agreement. (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 | 213,320.00 |
| (10th) Class B Interest Addition Amount to the Principal Deficiency Ledger | 0.00 |
| (11th) Class C Notes unpaid interest | 210,000.00 |
| (12th) Class C Interest Addition Amount to the Principal Deficiency Ledger | 0.00 |
| (13th) Class D Notes unpaid interest | 34,335.00 |
| (14th) Class D Interest Addition Amount to the Principal Deficiency Ledger | 622,091.96 |
| (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 Agreement. (in case of default by Swap Counterparty) | 0.00 |
| (18th) Interest and commitment fees related to the Subordinated Loan Agreement | 3,267.47 |
| (19th) Subordinated Loan Facility principal repayment | 428,047.25 |
| (20th) Class E Notes Residual Entitlement Amount | 205,213.28 |
| (21th) Release of the Balance to the Issuer or to its order | 0.00 |
| | <u>11,624,086.11</u> |
| Closing Balance | <u>0.00</u> |
| Expenses to be deducted from Revenue Ledger: | |
| Transaction Manager fees and Liabilities | 3,942.98 |
| Corporate Services Provider fees and liabilities | 5,439.53 |
| Liquidity Facility Provider Fees | 7,714.53 |
| Rating Agencies Fees | 12,500.00 |
| | <u>29,597.04</u> |
| Expenses Cap per annum (*) | 200,000.00 |
| Principal Amount Outstanding as at 19 January 2009 | 299,103,640.00 |
| Acumulated Issuer Expenses in the 5th year: | |
| 1st Quarter (payable on 18 January 2010) | 67,858.19 |
| 2nd Quarter (payable on 19 April 2010) | 38,261.15 |
| 3rd Quarter (payable on 19 July 2010) | 0.00 |
| 4th Quarter (payable on 18 October 2010) | 0.00 |
| | 29,597.04 |
| 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)

| | <u>IPD 18 Jan 11</u> |
|---|----------------------|
| 5. Principal Ledger | |
| Opening Balance | <u>358.67</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 | 9,748,753.43 |
| Interest Addition Amount | 622,091.96 |
| Proceeds of sale of Units | <u>0.00</u> |
| | <u>10,370,845.39</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) | 885,315.05 |
| Class A Notes Principal Payment | 9,485,070.00 |
| 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>10,370,385.05</u> |
| Closing Balance | <u>819.01</u> |
| | |
| Unit Principal Distribution | 9,485,889.01 |
| Number of outstanding Class A Notes | 93,000 |
| Class A Notes Principal Payment - per Note | 101.99 |
| Class A Notes Principal Payment | 9,485,070.00 |

(Amounts in Euro)

| 6. Reserve Ledger | IPD 18 Jan 11 |
|---|---------------------|
| Opening Balance | <u>9,000,000.00</u> |
| (+) Interest on Issuer Cash Reserve Account | <u>9,873.29</u> |
| Cash Reserve Amount Available at IPD day | <u>9,009,873.29</u> |
| (-) Amount available to Interest Distribution | 9,009,873.29 |
| (+) Amount up to the Cash Reserve Account Required Balance | 9,000,000.00 |
| (-) Shortfall under the Pré. Enforcements Payments Priority | 0.00 |
| Closing Balance | <u>9,000,000.00</u> |
| Cash Reserve Account Required Reserve Amount | 9,000,000.00 |
| Portfolio Trigger Event | NO |

(Amounts in Euro)

7. Contacts

Transaction Manager, Custodian and Servicer

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