

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 2012

Millennium
bcp

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 rd.	rd. to Class A Notes	rd. to Class B Notes	rd. to Class C Notes
S&P Rating	AA-	AA-	BBB+	BBB
Moodys Rating	Baa1	Baa1	Ba1	No rating
Fitch Rating	A	A	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	203,358,450.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	195,870,090.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	7,488,360.00	0.00	0.00	0.00
Pool Factor	21.061300%	100.000000%	100.000000%	100.000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	1,046,250.00	273,360.00	247,500.00	41,835.00
Payment Date	18-Jan-12	18-Jan-12	18-Jan-12	18-Jan-12
Quarterly Collection Date	30-Dez-11	30-Dez-11	30-Dez-11	30-Dez-11
Calculation Period	33	33	33	33
Accrual Beginning Date	18-Out-11	18-Out-11	18-Out-11	18-Out-11
Accrual Ending Date	18-Jan-12	18-Jan-12	18-Jan-12	18-Jan-12
Accrual Period	92 days	92 days	92 days	92 days
Accrual Rate	2.014 %	2.674 %	3.874 %	3.274 %
Euro Reference Rate	1.574 %	1.574 %	1.574 %	1.574 %
Spread (bps)	44	110	230	170
Denomination	2,186.65	10,000.00	10,000.00	10,000.00
Day Basis	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	14-Out-11	14-Out-11	14-Out-11	14-Out-11
New Denomination for the next period	2,106.13	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

2. Collateral Level Information

CP ending 30 Dezembro 2011

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	273,381,869.44	9,079
Principal Redemption	7,761,545.00	165
Scheduled Principal Redemption	4,645,640.62	
Prepayments	2,322,245.02	
Retired Mortgages Assets for non-permitted variations	793,659.36	
CPR	3.42%	
Deemed Principal Losses	533,590.83	
Principal Recoveries (to the extent of a debit balance recorded on the PDI)	806,952.88	
Realised Losses	0.00	
Ending Principal Outstanding Balance	265,893,686.49	8,914
Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640
	30 Set 11	30 Dez 11
WA Interest Rate	2.825 %	2.815 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	48.8%	48.4%
Original LTV (Initial Loan Amount/Initial Valuation)	70.0%	70.1%

Delinquent Mortgage Loans

	Amount	Nr of Loans
30 - 60 days	2,128,534.55	63
61 - 90 days	946,304.49	28
91 - 180 days	1,570,066.02	45
181 - 270 days	1,237,334.48	30
271 - 360 days	928,566.55	28
361 - 720days	2,808,280.07	66
720 - 1080 days	3,117,761.30	65
> 1080 days	7,195,870.65	157
	<u>19,932,718.11</u>	<u>482</u>

Number of loans in Legal Proceedings	13,602,009.46	317
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Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	3,735,967.05
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	793,659.36	22

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	533,590.83
Amount to be provisioned	> 12 months	25%	172,240.93
Amount to be provisioned	> 24 months	50%	62,213.57
Amount to be provisioned	> 36 months	100%	299,136.33

(Amounts in Euro)

2. Collateral Level Information (Continued)

CP ending 30 Dezembro 2011

Cash Reserve Account

Initial Balance	<u>8,536,564.83</u>
(+) Interest on Issuer Cash Reserve Account	14,163.64
(-) Amount available to Interest Distribution	8,550,728.47
(+) Amount up to the Cash Reserve Account Required Balance	<u>9,000,000.00</u>
Reserve Fund at end of CP	<u>9,000,000.00</u>

Shortfall under the Pré. Enforcements Payments Priority 0.00

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 13,293,504.50
Available Liquidity Facility 13,293,504.50

(Amounts in Euro)

3. Unit Waterfall

Unit Interest Waterfall	IPD 18 Jan 12
Opening Balance	<u>0.00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	2,060,685.57
Interest on Fund Operating Account	<u>10,415.75</u>
	<u>2,071,101.32</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	110,951.92
Unit Interest Distribution Amount	<u>1,960,149.40</u>
	<u>2,071,101.32</u>
Closing Balance	<u>0.00</u>
Unit Principal Waterfall	IPD 18 Jan 12
Opening Balance	<u>0.00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	7,761,545.00
Consideration for retired mortgages assets	<u>0.00</u>
	<u>7,761,545.00</u>
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	<u>7,761,545.00</u>
	<u>7,761,545.00</u>
Closing Balance	<u>0.00</u>
Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	5,862.24
Fund Manager's Fees and Liabilities	25,911.73
Custodian Fees and Liabilities	7,198.00
Servicer Fees and Expenses	<u>71,979.95</u>
	<u>110,951.92</u>

4. Revenue Ledger	<u>IPD 18 Jan 12</u>
Opening Balance	0.00
Additions to Revenue Ledger	
Unit Revenue Distributions	1,960,149.40
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	806,952.88
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	8,550,728.47
LF Revolving Drawing and Liquity Revolving Drawing	0.00
Reserve Fund Release Amount	0.00
Interest Credited to the Issuer Account	928.39
	<u>11,318,759.15</u>
Payments from Revenue Ledger	
(1st) Issuer's Liability to tax	0.00
(2nd) Trustee fees and Liabilities - Exchange rate adjustment	6,064.45
(3rd) Issuer Expenses (not exceeding the expenses cap - See detail below)	15,827.46
(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.)	56,590.05
(7th i) Class A Notes unpaid interest	1,046,250.00
(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	273,360.00
(10th) Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th) Class C Notes unpaid interest	247,500.00
(12th) Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th) Class D Notes unpaid interest	41,835.00
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	533,590.83
(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 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	97,741.36
(21th) Release of the Balance to the Issuer or to its order	0.00
Expenses to be deducted from Revenue Ledger:	
Transaction Manager fees and Liabilities	3,455.24
Corporate Services Provider fees and liabilities	5,537.67
Liquidity Facility Provider Fees	6,834.55
	<u>15,827.46</u>
Expenses Cap per annum (*)	200,000.00
Principal Amount Outstanding as at 19 January 2009	265,870,090.00
Accumulated Acumulz Accumulated Issuer Expenses in the 9th year:	21,891.91
1st Quarter (payable on 18 January 2012)	21,891.91
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 12</u>
5. Principal Ledger	
Opening Balance	<u>316.70</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	7,761,545.00
Interest Addition Amount	533,590.83
Proceeds of sale of Units	<u>0.00</u>
	<u>8,295,135.83</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)	806,952.88
Class A Notes Principal Payment	7,488,360.00
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>8,295,312.88</u>
Closing Balance	<u>139.65</u>
Unit Principal Distribution	7,488,499.65
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	80.52
Class A Notes Principal Payment	7,488,360.00

(Amounts in Euro)

6. Reserve Ledger	IPD 18 Jan 12
Opening Balance	<u>8,536,564.83</u>
Additions to Cash Reserve Account Ledger	
(+ Interest on Issuer Cash Reserve Account	<u>14,163.64</u>
Cash Reserve Amount Available at IPD day	<u>8,550,728.47</u>
(-) Amount available to Interest Distribution	8,550,728.47
(+ Replenishment of the Cash Reserve Account	449,271.53
(-) Interest Shortfall	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)	

Shortfall under the Pré. Enforcements Payments Priority

7. Contacts

Transaction Manager, Custodian and Servicer

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