# 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

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

**1. Security Level Information**

| | | | | |
|---|---|---|---|---|
| Issuer Name | Magellan Mortgage No. 2 plc | | | |
| 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 | 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 PDL) | 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 |
| | 19,932,718.11 | 482 |
| Number of loans in Legal Proceedings | 13,602,009.46 | 317 |

**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. & Waranties | 0.00 | 0 |
| Non Permitted Variations | 793,659.36 | 22 |

| **Permited Variations** | Amount | Trigger | Result |
|---|---|---|---|
| Cumulative since Closing Date | 149,264,670.08 | 149,513,488.12 | Pass |

| **Provisioning** | Loans in arrear | % | Amount |
|---|---|---|---|
| Principal Oustanding 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 |
| | > 36 months | 100% | 299,136.33 |

**(Amounts in Euro)**

**2. Collateral Level Information (Continued)** **CP ending 30 Dezembro 2011**

| | |
|---|---|
| **Cash Reserve Account** | |
| Initial Balance | 8,536,564.83 |
| (+) 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 | 9,000,000.00 |
| Reserve Fund at end of CP | 9,000,000.00 |
| | |
| 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 | 0.00 |
| | |
| Additions to Interest Waterfall | |
| Interest Collections Proceeds | 2,060,685.57 |
| Interest on Fund Operating Account | 10,415.75 |
| | 2,071,101.32 |
| Deductions from Interest Waterfall | |
| Incorrect Payments to Originators | 0.00 |
| Fund Expenses (see detail below) | 110,951.92 |
| Unit Interest Distribution Amount | 1,960,149.40 |
| | 2,071,101.32 |
| | |
| Closing Balance | 0.00 |

| **Unit Principal Waterfall** | **IPD 18 Jan 12** |
|---|---|
| Opening Balance | 0.00 |
| | |
| Additions to Principal Waterfall | |
| Principal Collections Proceeds | 7,761,545.00 |
| Consideration for retired mortgages assets | 0.00 |
| | 7,761,545.00 |
| Deductions from Principal Waterfall | |
| Unit Principal Distribution Amount | 7,761,545.00 |
| | 7,761,545.00 |
| | |
| Closing Balance | 0.00 |

| 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 | 71,979.95 |
| | 110,951.92 |

| **4. Revenue Ledger** | | **IPD 18 Jan 12** |
|---|---|---|
| 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 |
| | | 11,318,759.15 |
| 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 Agreem. (except for an Early Termination of Swap Agreem.) | 56,590.05 |
| (7th i) | Class A Notes unpaid interest | 1,046,250.00 |
| (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 | 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 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 | 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 |
| | | 15,827.46 |
| | | |
| | Expenses Cap per annum (*) | 200,000.00 |
| | Principal Amount Outstanding as at 19 January 2009 | 265,870,090.00 |
| | | |
| Acumulated Acumula | Acumulated 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 periodf or (ii) EUR 200,000 per annum.

**(Amounts in Euro)**

| **5. Principal Ledger** | **IPD 18 Jan 12** |
|---|---|
| Opening Balance | 316.70 |
| | |
| 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 | 0.00 |
| | 8,295,135.83 |
| 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 | 0.00 |
| | 8,295,312.88 |
| | |
| Closing Balance | 139.65 |

| | |
|---|---|
| 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 | 8,536,564.83 |
| Additions to Cash Reserve Account Ledger | |
| (+) Interest on Issuer Cash Reserve Account | 14,163.64 |
| Cash Reserve Amount Avaiable at IPD day | 8,550,728.47 |
| (-) Amount available to Interest Distribution | 8,550,728.47 |
| (+) Replenishment of the Cash Reserve Account | 449,271.53 |
| (-) Interest Shortfall | 0.00 |
| Closing Balance | 9,000,000.00 |
| 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**
Banco Comercial Português, S.A.
Tagus Park, Edifício 7, Piso 2-B, 2744-005 Porto Salvo, Portugal

Carlos Ferreira / Manuel Virtuoso / Manuel Lapa / Paulo Gomes / Virgilio Costa
Phone: +351 211135827 / +351 211136071/ +351 211133078 /
+351 211135984 / +351 211 135 987
Fax: +351 21 1136397
email: Securitisation.Unit@millenniumbcp.pt /
carlos.araujoferreira@millenniumbcp.pt /
manuel.virtuoso@millenniumbcp.pt /
manuel.lapa@millenniumbcp.pt /
paulo.vitalgomes@millenniumbcp.pt /
virgilio.costa@millenniumbcp.pt

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