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 Jan 2015

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
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
S&P Rating	A-	A-	BBB+	BBB
Moodys Rating	Baa3	Ba1	B1	No rating
Fitch Rating	A	A	A	BB
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	116,632,230.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	109,636,770.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	6,995,460.00	0.00	0.00	0.00
Pool Factor	11.78890000%	100.00000000%	100.00000000%	100.00000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	153,601.41	119,412.22	150,465.97	22,509.86
Payment Date	19/Jan/15	19/Jan/15	19/Jan/15	19/Jan/15
Quarterly Collection Date	31/Dec/14	31/Dec/14	31/Dec/14	31/Dec/14
Calculation Period	45	45	45	45
Accrual Beginning Date	20/Oct/14	20/Oct/14	20/Oct/14	20/Oct/14
Accrual Ending Date	19/Jan/15	19/Jan/15	19/Jan/15	19/Jan/15
Accrual Period	91 days	91 days	91 days	91 days
Accrual Rate	0.521 %	1.181 %	2.381 %	1.781 %
Euro Reference Rate	0.081 %	0.081 %	0.081 %	0.081 %
Spread (bps)	44	110	230	170
Denomination	1,254.11	10,000.00	10,000.00	10,000.00
Day Basis	Act/360	Act/360	Act/360	Act/360
Reset Rate Effective Date	16/Oct/14	16/Oct/14	16/Oct/14	16/Oct/14
New Denomination for the next period	1,178.89	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

2. Collateral Level Information **CP ending 31 December 2014**

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	197,210,723.95	7,203
Beginning Principal Outstanding Balance (net of Deemed Losses)	186,655,073.72	
Principal Redemption	5,589,313.94	120
Scheduled Principal Redemption	3,942,540.13	
Prepayments	1,248,142.03	
Retired Mortgages Assets for non-permitted variations	398,631.78	
CPR	2.71%	
Deemed Principal Losses	486,938.70	
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	272,048.59	
Realised Losses	0.00	
Ending Principal Outstanding Balance	191,621,410.01	7,083
Ending Principal Outstanding Balance (net of Deemed Losses)	180,850,869.67	
Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640

	30 Sep 14	31 Dec 14
WA Interest Rate	1.510 %	1.389 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	42.94%	42.49%
Original LTV (Initial Loan Amount/Initial Valuation)	70.52%	70.59%

Delinquent Mortgage Loans	**Amount**	**Nr of Loans**
30 - 60 days	868,321.85	25
61 - 90 days	553,901.09	18
91 - 180 days	488,750.74	17
181 - 270 days	560,284.59	15
271 - 360 days	515,367.91	12
361 - 720days	1,187,124.39	32
720 - 1080 days	1,720,255.87	56
> 1080 days	9,371,071.37	231
	15,265,077.81	406
Delinquent Mortgage Loans in Legal Proceedings	12,101,183.01	315

Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	1,564,403.24
Maximum	45,000,000.00
Result	Pass

Retired Mortgages Asset Pool (Current Period)	**Amount**	**Nr of Loans**
Breach of Reps. & Waranties		
Non Permitted Variations	398,631.78	14

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			486,938.70
Amount to be provisioned	> 12 months	25%	71,989.57
	> 24 months	50%	77,226.54
	> 36 months	100%	337,722.59

(Amounts in Euro)

2. Collateral Level Information (Continued)

	CP ending 31/Dec/2014
Cash Reserve Account	
Initial Balance	8,833,046.89
(+) Interest on Issuer Cash Reserve Account	36.30
(-) Amount available to Interest Distribution	8,833,083.19
(+) Amount up to the Cash Reserve Account Required Balance	8,765,155.61
Reserve Fund at end of CP	8,765,155.61
Shortfall under the Pré. Enforcements Payments Priority	67,891.28
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	10,000,000.00
Available Liquidity Facility	10,000,000.00

(Amounts in Euro)

3. Unit Waterfall

Unit Interest Waterfall	**FDD 15 Jan 15**
Opening Balance	0.00
Additions to Interest Waterfall	
Interest Collections Proceeds	682,313.37
Interest on Fund Operating Account	0.00
	682,313.37
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	80,137.61
Unit Interest Distribution Amount	602,175.76
	682,313.37
Closing Balance	0.00

Unit Principal Waterfall	**FDD 15 Jan 15**
Opening Balance	0.00
Additions to Principal Waterfall	
Principal Collections Proceeds	5,589,313.94
Consideration for retired mortgages assets	0.00
	5,589,313.94
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	5,589,313.94
	5,589,313.94
Closing Balance	0.00

Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	4,003.44
Fund Manager's Fees and Liabilities	20,696.05
Custodian Fees and Liabilities	5,039.83
Servicer Fees and Expenses	50,398.29
	80,137.61

(Amounts in Euro)

4. Revenue Ledger		**IPD 19 Jan 15**
Opening Balance		0.00
Additions to Revenue Ledger		
	Unit Revenue Distributions	602,175.76
	Principal Recoveries (to the extent of a debit balance recorded on the PDL) (1)	358,624.69
	Receipts under Swap Agreement	0.00
	Gains on Authorised Investments	0.00
	Cash Reserve Account Balance	8,833,083.19
	LF Revolving Drawing and Liquity Revolving Drawing	0.00
	Interest Credited to the Issuer Account	0.00
		9,793,883.64
Payments from Revenue Ledger		
(1st)	Issuer's Liability to tax	4,025.00
(2nd)	Trustee fees and Liabilities - Exchange rate adjustment	6,419.35
(3rd)	Issuer Expenses (not exceeding the expenses cap - See detail below)	24,962.23
(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.)	60,393.29
(7th i)	Class A Notes unpaid interest	153,601.41
(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	119,412.22
(10th)	Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th)	Class C Notes unpaid interest	150,465.97
(12th)	Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th)	Class D Notes unpaid interest	22,509.86
(14th)	Class D Interest Addition Amount to the Principal Deficiency Ledger	486,938.70
(15th)	Cash Reserve Account Required Reserve	8,765,155.61
(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	0.00
		9,793,883.64
Closing Balance		0.00

Expenses to be deducted from Revenue Ledger:	
Transaction Manager fees and Liabilities	2,385.04
Corporate Services Provider fees and liabilities	77.19
Liquidity Facility Provider Fees	5,000.00
Rating Agencies Fees	17,500.00
	24,962.23
Expenses Cap per annum (*)	200,000.00
Principal Amount Outstanding as at 20 January 2014	204,512,410.00
Acumulated Issuer Expenses in the 11th year:	24,962.23
1st Quarter (payable on 19 January 2015)	24,962.23
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.

(1) in addition to Principal Recoveries for the period it includes amounts unduly deducted from those available to replenish the Cash Reserve Account in previous periods.

(Amounts in Euro)

5. Principal Ledger	**IPD 19 Jan 15**
Opening Balance	892.42
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	5,589,313.94
Interest Addition Amount **(*)**	1,678,194.56
Proceeds of sale of Units	0.00
	7,267,508.50
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)	272,048.59
Class A Notes Principal Payment (see detail below)	6,995,460.00
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
	7,267,508.59
Closing Balance	892.33

Unit Principal Distribution	6,996,352.33
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	75.22
Class A Notes Principal Payment	6,995,460.00

(Amounts in Euro)

(*) in addition to Deemed Principal Losses for the period it includes amounts unduly deducted previously as Principal Recoveries

7. Reserve Ledger	IPD 19 Jan 15
Opening Balance	8,833,046.89
Additions to Cash Reserve Account Ledger	
Cash Reserve Account Required Reserve Available	8,833,046.89
Interest on Issuer Cash Reserve Account	36.30
Cash Reserve Amount Avaiable at IPD day	8,833,083.19
Amount available to Interest Distribuction	8,833,083.19
Replenishment of the Cash Reserve Account	0.00
Interest Shortfall	67,891.28
	8,900,974.47
Closing Balance	8,765,155.61
Cash Reserve Account Required Reserve Amount	9,000,000.00
Portfolio Trigger Event	NO

(Amounts in Euro)

12. Contacts

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