

# 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 July 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   | 344,737,980.00              | 40,000,000.00         | 25,000,000.00         | 5,000,000.00          |
| Total Ending Balance Subsequent to Distribution | 316,949,580.00              | 40,000,000.00         | 25,000,000.00         | 5,000,000.00          |
| Total Principal Distribution                    | 27,788,400.00               | 0.00                  | 0.00                  | 0.00                  |
| Pool Factor                                     | 34.080600%                  | 100.000000%           | 100.000000%           | 100.000000%           |
| Principal Deficiency Ledger                     | 0.00                        | 0.00                  | 0.00                  | 0.00                  |
| Total Interest Distributions                    | 1,420,110.00                | 198,160.00            | 161,775.00            | 39,305.00             |
| Payment Date                                    | 20/Jul/09                   | 20/Jul/09             | 20/Jul/09             | 20/Jul/09             |
| Quarterly Collection Date                       | 30/Jun/09                   | 30/Jun/09             | 30/Jun/09             | 30/Jun/09             |
| Calculation Period                              | 23                          | 23                    | 23                    | 23                    |
| Accrual Beginning Date                          | 20/Apr/09                   | 20/Apr/09             | 20/Apr/09             | 20/Apr/09             |
| Accrual Ending Date                             | 20/Jul/09                   | 20/Jul/09             | 20/Jul/09             | 20/Jul/09             |
| Accrual Period                                  | 91 days                     | 91 days               | 91 days               | 91 days               |
| Accrual Rate                                    | 1.630 %                     | 1.960 %               | 2.560 %               | 3.110 %               |
| Euro Reference Rate                             | 1.410 %                     | 1.410 %               | 1.410 %               | 1.410 %               |
| Spread (bps)                                    | 22                          | 55                    | 115                   | 170                   |
| Denomination                                    | 3,706.86                    | 10,000.00             | 10,000.00             | 10,000.00             |
| Day Basis                                       | Act/360                     | Act/360               | Act/360               | Act/360               |
| Reset Rate Effective Date                       | 16/Jul/09                   | 16/Jul/09             | 16/Jul/09             | 16/Jul/09             |
| New Denomination for the next period            | 3,408.06                    | 10,000.00             | 10,000.00             | 10,000.00             |

(Amounts in Euro)

## 2. Collateral Level Information

CP ending 30 June 2009

**Mortgage Asset Portfolio**

|   | <b>Amount</b>    | <b>Nr of Loans</b> |
|---|------------------|--------------------|
| Beginning Principal Outstanding Balance   | 414,761,139.86   | 11,757             |
| Principal Redemption  | 26,956,846.05    | 537                |
| Scheduled Principal Redemption  | 5,714,817.90     |                    |
| Prepayments   | 5,313,525.71     |                    |
| Retired Mortgages Assets for non-permitted variations                                     | 15,928,502.44    |                    |
| CPR   | 5.30%            |                    |
| Deemed Principal Losses   | 1,166,994.26     |                    |
| Principal Recoveries (to the extent of a debit balance recorded on the PDL)               | 335,635.56       |                    |
| Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL'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  | 386,972,935.11   | 11,220             |
| Principal Outstanding Balance at the Closing Date   | 996,756,587.44   | 21,640             |
|   | <b>31 Mar 09</b> | <b>30 Jun 09</b>   |
| WA Interest Rate  | 3.84306 %        | 2.74843 %          |
| Current LTV (Outstanding Loan Amount/Initial Valuation)                                   | 54.2%            | 53.4%              |
| Original LTV (Initial Loan Amount/Initial Valuation)                                      | 70.2%            | 70.0%              |

**Delinquent Mortgage Loans**

|                | <b>Amount</b>        | <b>Nr of Loans</b> |
|----------------|----------------------|--------------------|
| 30 - 60 days   | 2,179,587.86         | 60                 |
| 61 - 90 days   | 1,626,474.39         | 43                 |
| 91 - 180 days  | 3,798,619.83         | 93                 |
| 181 - 270 days | 2,902,710.52         | 67                 |
| 271 - 360 days | 3,049,255.97         | 73                 |
| 361 - 720days  | 7,672,914.50         | 160                |
| > 720 days     | 3,854,767.38         | 78                 |
|                | <u>28,168,434.04</u> | <u>643</u>         |

Number of loans in Legal Proceedings  
( of which the mortgage loan is current\*)

|  |               |     |
|--|---------------|-----|
|  | 10,408,917.25 | 221 |
|--|---------------|-----|

\* proceedings initiated by other creditors

**Portfolio Trigger Event**

|   |               |
|---|---------------|
| Mortgage Loans in arrears (90 - 365 days) | 9,750,586.32  |
| Maximum                                   | 45,000,000.00 |
| Result                                    | Pass          |

**Retired Mortgages Asset Pool (Current Period)**

|                              | <b>Amount</b> | <b>Nr of Loans</b> |
|------------------------------|---------------|--------------------|
| Breach of Reps. & Warranties | 0.00          | 0                  |
| Non Permitted Variations     | 15,928,502.44 | 311                |

**Substitute Mortgage Asset Pool**

|  | <b>Amount</b> | <b>Trigger</b> | <b>Result</b> |
|--|---------------|----------------|---------------|
| 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**

|                               | <b>Amount</b>  | <b>Trigger</b> | <b>Result</b> |
|-------------------------------|----------------|----------------|---------------|
| Cumulative since Closing Date | 149,264,670.08 | 149,513,488.12 | Pass          |

**Provisioning**

|   | <b>Loans in arrear</b> | <b>%</b> | <b>Amount</b> |
|---|------------------------|----------|---------------|
| Principal Outstanding Balance to be provisioned | n/a                    | n/a      | 1,166,994.26  |
| Amount to be provisioned                        | > 12 months            | 25%      | 479,951.25    |
| Amount to be provisioned                        | > 24 months            | 50%      | 371,060.76    |
| Amount to be provisioned                        | > 36 months            | 100%     | 315,982.25    |

(Amounts in Euro)

## 2. Collateral Level Information (Continued)

CP ending 30 June 2009

**Cash Reserve Account**

|   |              |
|---|--------------|
| Initial Balance                         | 9,000,000.00 |
| Interest on Issuer Cash Reserve Account | 14,238.57    |
| Reserve Fund Drawing                    | 14,238.57    |
| Cash Reserve Account Required Reserve   | 9,000,000.00 |
| Reserve Fund at end of CP               | 9,000,000.00 |

**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    | 19,347,479.00 |
| Available Liquidity Facility | 19,347,479.00 |

(Amounts in Euro)

**3. Unit Waterfall**

| <b>Unit Interest Waterfall</b>                              | <b>IPD 20 Jul 09</b> |
|---|----------------------|
| Opening Balance   | <u>0.00</u>          |
| Additions to Interest Waterfall                             |                      |
| Interest Collections Proceeds                               | 3,535,677.06         |
| Interest on Fund Operating Account                          | <u>28,245.97</u>     |
|   | <u>3,563,923.03</u>  |
| Deductions from Interest Waterfall                          |                      |
| Incorrect Payments to Originators                           | 0.00                 |
| Fund Expenses (see detail below)                            | 174,478.39           |
| Unit Interest Distribution Amount                           | <u>3,389,444.64</u>  |
|   | <u>3,563,923.03</u>  |
| Closing Balance   | <u>0.00</u>          |
| <b>Unit Principal Waterfall</b>                             | <b>IPD 20 Jul 09</b> |
| Opening Balance   | <u>0.00</u>          |
| Additions to Principal Waterfall                            |                      |
| Principal Collections Proceeds                              | 26,956,846.05        |
| Consideration for retired mortgages assets                  | <u>0.00</u>          |
|   | <u>26,956,846.05</u> |
| Deductions from Principal Waterfall                         |                      |
| Unit Principal Distribution Amount                          | <u>26,956,846.05</u> |
|   | <u>26,956,846.05</u> |
| Closing Balance   | <u>0.00</u>          |
| Fund Expenses:  |                      |
| Supervision Fee due and payable by the Fund to the C.M.V.M. | 8,660.15             |
| Fund Manager's Fees and Liabilities                         | 48,685.97            |
| Custodian Fees and Liabilities                              | 10,648.39            |
| Servicer Fees and Expenses                                  | <u>106,483.88</u>    |
|   | <u>174,478.39</u>    |

**(Amounts in Euro)**

| 4. Revenue Ledger   | <u>IPD 20 Jul 09</u> |
|---|----------------------|
| Opening Balance   | 0.00                 |
| Additions to Revenue Ledger   |                      |
| Unit Revenue Distributions  | 3,389,444.64         |
| Principal Recoveries (to the extent of a debit balance recorded on the PDL)               | 335,635.56           |
| Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL's) | 0.00                 |
| Receipts under Swap Agreement   | 0.00                 |
| Gains on Authorised Investments   | 0.00                 |
| Cash Reserve Account Balance  | 9,014,238.57         |
| LF Revolving Drawing and Liquity Revolving Drawing  | 0.00                 |
| Reserve Fund Release Amount   | 0.00                 |
| Interest Credited to the Issuer Account   | 1,819.23             |
|   | <u>12,741,138.00</u> |
| Payments from Revenue Ledger  |                      |
| (1st) Issuer's Liability to tax   | 0.00                 |
| (2nd) Trustee fees and Liabilities - Exchange rate adjustment                             | 0.00                 |
| (3rd) Issuer Expenses (not exceeding the expenses cap - See detail below)                 | 36,697.99            |
| (4th) Interest and commitment fees related to the Liquidity Facility Agreement            | 10,368.45            |
| (5th) Repayment of LF/Liquidity Revolving Drawing   | 0.00                 |
| (6th) Payments under Swap Agreem. (except for an Early Termination of Swap Agreem.)       | 533,647.81           |
| (7th i) Class A Notes unpaid interest   | 1,420,110.00         |
| (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   | 198,160.00           |
| (10th) Class B Interest Addition Amount to the Principal Deficiency Ledger                | 0.00                 |
| (11th) Class C Notes unpaid interest  | 161,775.00           |
| (12th) Class C Interest Addition Amount to the Principal Deficiency Ledger                | 0.00                 |
| (13th) Class D Notes unpaid interest  | 39,305.00            |
| (14th) Class D Interest Addition Amount to the Principal Deficiency Ledger                | 1,166,994.26         |
| (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            | 9,762.03             |
| (19th) Subordinated Loan Facility principal repayment                                     | 164,317.46           |
| (20th) Class E Notes Residual Entitlement Amount  | 0.00                 |
| (21th) Release of the Balance to the Issuer or to its order                               | 0.00                 |
|   | <u>12,741,138.00</u> |
| Closing Balance   | <u>0.00</u>          |
| Expenses to be deducted from Revenue Ledger:  |                      |
| Agent Bank and Paying Agents  | 0.00                 |
| Transaction Manager fees and Liabilities  | 5,242.12             |
| Account Bank fees   | 5,000.00             |
| Corporate Services Provider fees and liabilities  | 5,053.37             |
| Liquidity Facility Provider Fees  | 0.00                 |
| Subordinated Loan Facility Provider Fees  | 0.00                 |
| Rating Agencies Fees  | 5,000.00             |
| Audit and taxation fees   | 16,402.50            |
| Third Party Expenses  | 0.00                 |
|   | <u>36,697.99</u>     |
| Expenses Cap per annum (*)  | 214,765.75           |
| Principal Amount Outstanding as at 19 January 2009  | 429,531,490.00       |
|   | 0.00                 |
| Acumulated Issuer Expenses in the 5th year:   | 79,051.10            |
| 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)  | 0.00                 |
| 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)**

| <b>5. Principal Ledger</b>  | <b>IPD 20 Jul 09</b> |
|---|----------------------|
| Opening Balance   | <u>576.27</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   | 26,956,846.05        |
| Interest Addition Amount  | 1,166,994.26         |
| Proceeds of sale of Units   | <u>0.00</u>          |
|   | <u>28,123,840.31</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)               | 335,635.56           |
| Principal Recoveries adjustment ( to the extent of a debit balance recorded on the PDL's) | 0.00                 |
| Class A Notes Principal Payment   | 27,788,400.00        |
| 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>28,124,035.56</u> |
| Closing Balance   | <u>381.02</u>        |
| Unit Principal Distribution   | 27,788,781.02        |
| Number of outstanding Class A Notes   | 93,000               |
| Class A Notes Principal Payment - per Note  | 298.80               |
| Class A Notes Principal Payment   | 27,788,400.00        |

**(Amounts in Euro)**

| <b>6. Reserve Ledger</b>                            | <b><u>IPD 20 Jul 09</u></b> |
|---|-----------------------------|
| Opening Balance                                     | <u>9,000,000.00</u>         |
| Additions to Cash Reserve Account Ledger            |                             |
| Class E Notes Proceeds (excl. Unit Purchase Amount) | 0.00                        |
| Cash Reserve Account Required Reserve               | 9,000,000.00                |
| Interest on Issuer Cash Reserve Account             | <u>14,238.57</u>            |
|   | <u>9,014,238.57</u>         |
| Deductions from Cash Reserve Account Ledger         |                             |
| Addition to the Interest Waterfall                  | <u>9,014,238.57</u>         |
|   | <u>9,014,238.57</u>         |
| Closing Balance                                     | <u>9,000,000.00</u>         |
| Portfolio Trigger Event                             | NO                          |
| <b>(Amounts in Euro)</b>                            |                             |



**7. Contacts**

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