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

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	l. to Class A Notes ro	d. to Class B Notes rd	l. 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

	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	
Ending I inicipal Outstanding Datance	277,073,007.13	7,320	
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	
	21,211,399.21	487	
Number of loans in Legal Proceedings	11,256,955.95	246	
(of which the mortgage loan is current*)			
* proceedings initiated by other creditors			
Portfolio Trigger Event	444,500.00		
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	
Permited Variations	Amount	Trigger	Result
Cumulative since Closing Date	149,264,670.08	149,513,488.12	Pass
Salituative since closing Date	117,201,070.00	117,515,100.12	1 400
Provisioning	Loans in arrear	0/0	Amoun
Principal Oustanding Balance to be provisioned	n/a	n/a	622,09
Amount to be provisioned	> 12 months	25%	78,68
Amount to be provisioned	> 24 months	50%	268,209
•	> 36 months	100%	275,19

2. Collateral Level Information (Continued)

CP ending 31 Dezembro 2010

Cash Reserve Account	
Initial Balance	9,000,000.00
(+) Interest on Issuer Cash Reserve Account	9,873.29
(-) Amount available to Interest Distribuction	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
Reserve Fund at end of CP	9,000,000.00
Liquidity Ledger Liquidity Ledger opening balance	0.00
Liquidity Ledger	
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	0.00
Additions to Interest Waterfall	
Interest Collections Proceeds	1,840,641.50
Interest on Fund Operating Account	7,288.49
merous on rand opening recount	1,847,929.99
Deductions from Interest Waterfall	<i>y- 1. y- 1. 1</i>
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	130,840.97
Unit Interest Distribution Amount	1,717,089.02
	1,847,929.99
Closing Balance	0.00
Unit Principal Waterfall	IPD 18 Jan 11
Opening Balance	0.00
Additions to Principal Waterfall	
Principal Collections Proceeds	9,748,753.43
Consideration for retired mortgages assets	0.00
	9,748,753.43
Deductions from Principal Waterfall	0.540.552.42
Unit Principal Distribution Amount	9,748,753.43
	9,748,753.43
Closing Balance	0.00
Glosnig Datance	0.00
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	81,513.02
4	130,840.97
(Amounts in Euro)	

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4. Revenue Ledger Opening Balance	<u>IPD 18 Jan 11</u> 0.00
o.h8	
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	
Receipts under Swap Agreement	11,040.35
Gains on Authorised Investments	0.00
Cash Reserve Account Balance	9,009,873.29
LF Revolving Drawing and Liquity Revolving Drawing	0.00
Reserve Fund Release Amount	0.00
Interest Credited to the Issuer Account	768.40
D. C. D. I.I.	11,624,086.11
Payments from Revenue Ledger	2 (00 00
(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 Agreem. (except for an Early Termination of Swap Agreem.)	0.00
(7th i) Class A Notes unpaid interest	869,550.00
(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	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	34,335.00 622,091.96
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	9,000,000.00
(15th) Cash Reserve Account Required Reserve	
(16th) Issuer Expenses (not paid above - See detail below)	0.00 0.00
(17th) Payments under Swap Agreem. (in case of default by Swap Count.)	
(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 11,624,086.11
	11,024,000.11
Closing Balance	0.00
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
	29,597.04
Expenses Cap per annum (*)	200,000.00
Principal Amount Outstanding as at 19 January 2009	299,103,640.00
	277,100,040.00
Acumulated Issuer Expenses in the 5th year:	67,858.19
1st Quarter (payable on 18 January 2010)	38,261.15
2nd Quarter (payable on 19 April 2010)	0.00
3rd Quarter (payable on 19 July 2010)	0.00
4th Quarter (payable on 18 October 2010)	29,597.04
D la	D

^{*} 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)

Result

5. Principal Ledger	IPD 18 Jan 11
Opening Balance	358.67
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	0.00
rocceds of said of Offics	10,370,845.39
Deductions from Principal Ledger	10,570,045.57
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	0.00
Gass E 10cc Findpar Layment	10,370,385.05
Closing Balance	819.01
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	9,000,000.00
(+) Interest on Issuer Cash Reserve Account Cash Reserve Amount Avaiable at IPD day	9,873.29 9,009,873.29
 (-) Amount available to Interest Distribuction (+) Amount up to the Cash Reserve Account Required Balance (-) Shortfall under the Pré. Enforcements Payments Priority 	9,009,873.29 9,000,000.00 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)	

7. Contacts

Transaction Manager, Custodian and Servicer

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