

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 October 2018



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
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	AA-	BBB+	BBB+	BBB-
Moodys Rating	A1	A1	A1	No rating
Fitch Rating	AA	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	38,154,180.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Ending Balance Subsequent to Distribution	33,739,470.00	40,000,000.00	25,000,000.00	5,000,000.00
Total Principal Distribution	4,414,710.00	0.00	0.00	0.00
Pool Factor	3.62790000%	100.00000000%	100.00000000%	100.00000000%
Principal Deficiency Ledger	0.00	0.00	0.00	0.00
Total Interest Distributions	11,603.11	79,631.11	126,436.11	17,620.56
Payment Date	18/Oct/18	18/Oct/18	18/Oct/18	18/Oct/18
Quarterly Collection Date	28/Sep/18	28/Sep/18	28/Sep/18	28/Sep/18
Calculation Period	60	60	60	60
Accrual Beginning Date	18/Jul/18	18/Jul/18	18/Jul/18	18/Jul/18
Accrual Ending Date	18/Oct/18	18/Oct/18	18/Oct/18	18/Oct/18
Accrual Period	92 days	92 days	92 days	92 days
Accrual Rate	0.119 %	0.779 %	1.979 %	1.379 %
Euro Reference Rate	-0.321 %	-0.321 %	-0.321 %	-0.321 %
Spread (bps)	44	110	230	170
Denomination	410.26	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/18	16/Jul/18	16/Jul/18	16/Jul/18
New Denomination for the next period	362.79	10,000.00	10,000.00	10,000.00

(Amounts in Euro)

2. Collateral Level Information

CP ending 28 September 2018

Mortgage Asset Portfolio

	Amount	Nr of Loans
Beginning Principal Outstanding Balance	117,203,313.92	5,335
Beginning Principal Outstanding Balance (net of Deemed Losses)	109,368,840.93	
Principal Redemption	4,859,154.15	125
Scheduled Principal Redemption	3,044,680.83	
Prepayments	1,659,058.92	
Retired Mortgages Assets for non-permitted variations	155,414.40	
CPR	6.11%	
Deemed Principal Losses	117,217.90	
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	561,159.09	
Realised Losses	0.00	
Ending Principal Outstanding Balance	112,344,159.77	5,210
Ending Principal Outstanding Balance (net of Deemed Losses)	104,953,627.97	
Principal Outstanding Balance at the Closing Date	996,756,587.44	21,640
	29 Jun 18	28 Sep 18
WA Interest Rate	0.964 %	0.959 %
Current LTV (Outstanding Loan Amount/Initial Valuation)	35.15%	34.48%
Original LTV (Initial Loan Amount/Initial Valuation)	70.85%	70.77%

Delinquent Mortgage Loans

	Amount	Nr of Loans
30 - 60 days	467,953.58	19
61 - 90 days	145,145.42	7
91 - 180 days	162,040.64	9
181 - 270 days	141,664.79	7
271 - 360 days	81,135.57	4
361 - 720days	491,134.05	15
720 - 1080 days	543,810.78	17
> 1080 days	6,891,637.91	209
	<u>8,924,522.74</u>	<u>287</u>

Delinquent Mortgage Loans in Legal Proceedings 7,271,619.29 226

Portfolio Trigger Event

Mortgage Loans in arrears (90 - 365 days)	384,841.00
Maximum	45,000,000.00
Result	Pass

Retired Mortgages Asset Pool (Current Period)

	Amount	Nr of Loans
Breach of Reps. & Warranties		
Non Permitted Variations	155,414.40	4

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			117,217.90
Amount to be provisioned	> 12 months	25%	51,680.20
	> 24 months	50%	18,518.37
	> 36 months	100%	47,019.33

(Amounts in Euro)

2. Collateral Level Information (Continued)

CP ending
28/Sep/2018**Cash Reserve Account**

Initial Balance	<u>9,000,000.00</u>
(+) Interest on Issuer Cash Reserve Account	0.00
(-) Amount available to Interest Distribution	9,000,000.00
(+) 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 10,000,000.00
Available Liquidity Facility 10,000,000.00

(Amounts in Euro)

3. Unit Waterfall

Unit Interest Waterfall	FDD 16 Oct 18
Opening Balance	<u>0.00</u>
Additions to Interest Waterfall	
Interest Collections Proceeds	365,797.94
Interest on Fund Operating Account	<u>0.00</u>
	<u>365,797.94</u>
Deductions from Interest Waterfall	
Incorrect Payments to Originators	0.00
Fund Expenses (see detail below)	49,910.60
Unit Interest Distribution Amount	<u>315,887.34</u>
	<u>365,797.94</u>
Closing Balance	<u>0.00</u>
Unit Principal Waterfall	FDD 16 Oct 18
Opening Balance	<u>0.00</u>
Additions to Principal Waterfall	
Principal Collections Proceeds	4,859,154.15
Consideration for retired mortgages assets	<u>0.00</u>
	<u>4,859,154.15</u>
Deductions from Principal Waterfall	
Unit Principal Distribution Amount	<u>4,859,154.15</u>
	<u>4,859,154.15</u>
Closing Balance	<u>0.00</u>
Fund Expenses:	
Supervision Fee due and payable by the Fund to the C.M.V.M.	5,010.68
Fund Manager's Fees and Liabilities	8,059.60
Custodian Fees and Liabilities	2,962.64
Servicer Fees and Expenses	29,626.39
Fund Operating Account Utilisation Fee for Euro Deposits	<u>4,251.29</u>
	<u>49,910.60</u>

(Amounts in Euro)

4. Revenue Ledger	<u>IPD 18 Oct 18</u>
Opening Balance	0.00
Additions to Revenue Ledger	
Unit Revenue Distributions	315,887.34
Principal Recoveries (to the extent of a debit balance recorded on the PDL)	561,159.09
Receipts under Swap Agreement	0.00
Gains on Authorised Investments	0.00
Cash Reserve Account Balance	9,000,000.00
LF Revolving Drawing and Liquidity Revolving Drawing	0.00
Interest Credited to the Issuer Account	0.00
	<u>9,877,046.43</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)	33,390.98
(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.)	12,856.91
(7th i) Class A Notes unpaid interest	11,603.11
(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	79,631.11
(10th) Class B Interest Addition Amount to the Principal Deficiency Ledger	0.00
(11th) Class C Notes unpaid interest	126,436.11
(12th) Class C Interest Addition Amount to the Principal Deficiency Ledger	0.00
(13th) Class D Notes unpaid interest	17,620.56
(14th) Class D Interest Addition Amount to the Principal Deficiency Ledger	117,217.90
(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	478,289.75
(21th) Release of the Balance to the Issuer or to its order	0.00
	<u>9,877,046.43</u>
Closing Balance	<u>0.00</u>
Expenses to be deducted from Revenue Ledger:	
Issuer Account Utilisation Fee for Euro Deposits	206.85
Cash Reserve Account Utilisation Fee for Euro Deposits	11,632.00
Transaction Manager fees and Liabilities	1,382.30
Corporate Services Provider fees and liabilities	15,058.72
Liquidity Facility Provider Fees	5,111.11
	<u>33,390.98</u>
Expenses Cap per annum (*)	200,000.00
Principal Amount Outstanding as at 18 January 2018	116,740,870.00
Accumulated Issuer Expenses in the 15th year:	154,898.85
1st Quarter (payable on 18 January 2018)	46,502.62
2nd Quarter (payable on 18 April 2018)	33,329.79
3rd Quarter (payable on 18 July 2018)	41,675.46
4th Quarter (payable on 18 October 2018)	33,390.98
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)

5. Principal Ledger	IPD 18 Oct 18
Opening Balance	<u>331.07</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	4,859,154.15
Interest Addition Amount	117,217.90
Proceeds of sale of Units	<u>0.00</u>
	<u>4,976,372.05</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 PDI)	561,159.09
Class A Notes Principal Payment (see detail below)	4,414,710.00
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>4,975,869.09</u>
Closing Balance	<u>834.03</u>
Unit Principal Distribution	4,415,544.03
Number of outstanding Class A Notes	93,000
Class A Notes Principal Payment - per Note	47.47
Class A Notes Principal Payment	4,414,710.00

(Amounts in Euro)

7. Reserve Ledger	IPD 18 Oct 18
Opening Balance	<u>9,000,000.00</u>
Additions to Cash Reserve Account Ledger	
Cash Reserve Account Required Reserve Available	9,000,000.00
Interest on Issuer Cash Reserve Account	<u>0.00</u>
Cash Reserve Amount Available at IPD day	<u>9,000,000.00</u>
Amount available to Interest Distribution	9,000,000.00
Replenishment of the Cash Reserve Account	0.00
Interest Shortfall	<u>0.00</u>
	<u>9,000,000.00</u>
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)	

12. Contacts

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