

## **Mare Baltic PCC Ltd. – 2006-1 Cell**

### **ScandiNotes® IV**

**Investor Report**

**May 2009**

## Disclaimer

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# 1) General Information on Notes

Series	ScandiNotes® IV Senior	ScandiNotes® IV Mezzanine	ScandiNotes® IV Junior
Issuer	Mare Baltic PCC Ltd. – 2006-1 Cell	Mare Baltic PCC Ltd. – 2006-1 Cell	Mare Baltic PCC Ltd. – 2006-1 Cell
Moody's Rating	Aa1 (on review for possible downgrade)	Caa2	Not rated
ISIN codes	DK0030039573	DK0030039656	DK0030039730
Issue date	17 November 2006	17 November 2006	17 November 2006
Expected maturity	17 November 2011	17 November 2011	17 November 2011
Legal maturity	17 November 2014	17 November 2014	17 November 2014
Call feature	Mare Baltic has the right, but not the obligation, to call the notes at par on 17 November 2011 and hereafter semi-annually	Mare Baltic has the right, but not the obligation, to call the notes at par on 17 November 2011 and hereafter semi-annually	Mare Baltic has the right, but not the obligation, to call the notes at par on 17 November 2011 and hereafter semi-annually
Coupon	3M Euribor + 0.25 % p.a., each 17 February, 17 May, 17 August and 17 November, i.e. quarterly, (act/360)	3 % p.a. on 17 November, i.e. annually, (act/act)	3 % p.a. on 17 November, i.e. annually, (act/act)
Step-up margin	If the notes are not redeemed at the expected maturity date (17 November 2011), an additional Step Up Margin will be added to the Coupon. This step-up margin will be minimum 0 % p.a.	If the notes are not redeemed at the expected maturity date (17 November 2011), an additional Step Up Margin will be added to the Coupon. This step-up margin will be minimum 0 % p.a.	If the notes are not redeemed at the expected maturity date (17 November 2011), an additional Step Up Margin will be added to the Coupon. This step-up margin will be minimum 0 % p.a.
Latest (Rough) Indicative Price levels Bid/Ask	Price: 40 - 55	Price: 20 - 35	Price: 0 - 10
Original Nominal Amount	EUR 170,011,000.00	DKK 879,571,000.00	DKK 300,135,000.00

## 2) Portfolio events since issue date I

- SparTrelleborg was taken over by Sydbank as per 27 March 2008. In the following tables we refer to the figures of Sydbank. Sydbank has a Moody's rating of Aa3.
- Forstædernes Bank was acquired by Nykredit Realkredit in October 2008. Nykredit Realkredit has a Moody's rating of Aa3.
- Roskilde Bank made a sales agreement on 24 August 2008 with a new bank established by the Danish Central Bank and the Private Contingency Association to transfer all assets, including loan portfolio, name, etc. and all debts and other liabilities except for hybrid core capital and subordinated loan capital. The former Roskilde Bank changed name to "Selskabet af 1. September 2008 A/S". The latter filed for bankruptcy on 3 March 2009.
- As a consequence of EBH bank's failure to meet the solvency requirement the bank made an agreement with the national winding-up company under the Act on Financial Stability. Hence all assets and liabilities except for subordinated capital and equity of the former EBH bank have been transferred to "Bank A/S af 21. November 2008" (winding-up company).
- Fionia Bank have signed an agreement with the state company Financial Stability. As a consequence all assets and liabilities except subordinated capital and equity will be transferred to a new and recapitalised business unit. Equity and subordinated capital will stay in the former company which will be renamed "Fionia Holding". The transfer is expected to take place in the second half of May 2009.

## 2) Portfolio events since issue date II

Due to the RA events of Roskilde Bank A/S and EBH bank a/s, there will be a shortfall in the cash-flow required by the Issuer to service payments due under the Notes.

Thus, the Hedging Agreement has been terminated in part and the Class C Swap and the Class B Swap under the Hedging Agreement have been reset to reflect the loss of cash-flow from the above mentioned banks.

### Junior Tranche

The principal of the Class C Notes has been reduced from an original notional amount of DKK 300,135,000 to DKK 0, which means that there will be no payment of interest and principal on this class of notes.

**The loss for the junior Note holders is thus, subject to any potential recoveries from the above mentioned banks, 100% of the investment.**

### Mezzanine Tranche

The principal of the Class B Notes has been reduced from an original notional amount of DKK 879,571,000 to DKK 878,012,000, being the amount on which the Issuer can ensure that it will pay an ongoing rate of interest equal to 3 per cent. per annum. The reduction in principal will be shared on a pro-rata basis by the Class B Note holders. This means that there has been a reduction of interest and principal on the Class B Notes of 0.177 per cent

**The loss for the Mezzanine Note holders is thus, subject to any potential recoveries from the above mentioned banks, 0.2% of the investment.**

### 3) Underlying obligors in ScandiNotes® IV and nominal amounts

ScandiNotes® IV	Domicile	DKK	
Amagerbanken	Denmark	200.000.000	8,7%
Diba Bank	Denmark	75.000.000	3,3%
Djurslands Bank EUR	Denmark	100.658.700	4,4%
<b>Engsbank Han Herred*</b>	<b>Denmark</b>	<b>75.000.000</b>	<b>3,3%</b>
Fionia Bank	Denmark	150.000.000	6,5%
Forstædernes Bank	Denmark	200.000.000	8,7%
Max Bank	Denmark	100.000.000	4,3%
Morsø Bank	Denmark	30.000.000	1,3%
Nordfyns Bank	Denmark	50.000.000	2,2%
<b>Roskilde Bank*</b>	<b>Denmark</b>	<b>200.000.000</b>	<b>8,7%</b>
Skælskør Bank	Denmark	25.000.000	1,1%
Sparbank Vest (nu Sparbank)	Denmark	200.000.000	8,7%
Sparekassen Farsø	Denmark	50.000.000	2,2%
Sparekassen Sjælland	Denmark	200.000.000	8,7%
Sparekassen sparTrelleborg	Denmark	200.000.000	8,7%
Sparekassen Østjylland	Denmark	50.000.000	2,2%
Spar Nord Bank	Denmark	200.000.000	8,7%
Totalbanken	Denmark	25.000.000	1,1%
Tønder Bank	Denmark	50.000.000	2,2%
Vestfynsk Bank	Denmark	50.000.000	2,2%
Østjydsk Bank	Denmark	75.000.000	3,3%
<b>Total:</b>		<b>2.305.658.700</b>	<b>100,0%</b>

\* See previous information about Roskilde Bank and EBH bank.

## 4) Key Figures of the Underlying Obligor s I

Country	Obligors	Total Assets			Shareholders Equity			Subordinated Debt			Tier 2 ratio %			Loans and advances		
		2007	2008	Δ Pct.	2007	2008	Δ Pct.	2007	2008	Δ Pct.	2007	2008	Δ Pct.	2007	2008	Δ Pct.
<b>Denmark</b>																
Amounts in DKK mill.	Amagerbanken	31101	35.673	15%	2.319	1.705	-26%	1.351,0	1.174	-13%	12,5	10,3	-18%	24.664	24.497	-1%
	BankTrelleborg <sup>1</sup>	8001	n.a		620	n.a		393,0	n.a.		10,5	n.a.		5.331	n.a	
	Diba Bank	7243	6.826	-6%	723	628	-13%	325,0	325	0%	12,4	13,7	10%	5.156	4.682	-9%
	Djurslands Bank	6317	6.519	3%	633	588	-7%	226,0	226	0%	13,2	13,0	-2%	4.302	4.235	-2%
	ebh bank <sup>2</sup>	10421	n.a.		1.133	n.a.		401,0	n.a.		11,0	n.a.		7.799	n.a.	
	Fionia Bank <sup>3</sup>	31519	32.767	4%	2.018	991	-51%	881,0	843	-4%	10,5	8,5	-19%	20.204	21.398	6%
	Forstædernes Bank	33832	32.298	-5%	2.208	3.055	38%	1.404,0	1.745	24%	11,2	15,5	38%	25.386	22.260	-12%
	Max Bank	6939	6.988	1%	489	357	-27%	525,0	525	0%	14,5	11,1	-23%	4.958	4.216	-15%
	Morsø Bank	3627	4.916	36%	315	310	-2%	136,0	256	88%	12,3	13,4	9%	2.765	3.498	27%
	Nordfyns Bank	1760	1.997	13%	193	176	-9%	100,0	100	0%	15,3	14,6	-5%	1.251	1.332	6%
	Roskilde Bank <sup>4</sup>	41983	n.a		2.633	n.a		2.526,0	n.a.		11,9	n.a.		32.551	n.a	
	Skælskør Bank	2549	2.594	2%	300	274	-9%	200,0	200	0%	12,6	13,2	5%	1.865	1.885	1%
	Spar Nord Bank	63394	69.268	9%	4.138	4.025	-3%	1.770,0	1.652	-7%	11,1	11,3	2%	40.939	45.376	11%
	Sparbank	16777	18.756	12%	1.673	1.353	-19%	435,0	492	13%	12,2	10,0	-18%	13.250	13.089	-1%
	Spørekassen Farsø	3857	4.073	6%	374	358	-4%	234,0	238	2%	11,9	11,8	-1%	2.919	3.042	4%
	Spørekassen Sjælland	11141	12.980	17%	1.701	1.867	10%	773,0	733	-5%	16,7	20,1	20%	7.467	8.305	11%
	Spørekassen Østjylland	6339	8.011	26%	920	703	-24%	323,0	278	-14%	15,1	13,2	-13%	4.260	4.745	11%
	Totalbanken	2958	3.075	4%	348	321	-8%	121,0	121	0%	12,3	12,4	1%	2.207	1.941	-12%
	Tønder Bank	2419	2.317	-4%	269	247	-8%	162,0	162	0%	14,2	15,2	7%	1.638	1.662	1%
	Vestfyns Bank	1695	1.789	6%	205	210	2%	75,0	50	-33%	13,5	13,8	2%	1.260	1.238	-2%
	Østjydsk Bank	5953	5.903	-1%	586	620	6%	403,0	403	0%	13,8	15,8	14%	4.078	4.344	7%
	Sydbank	132323	155.975	18%	6.697	7.088	6%	3.829,0	4.219	10%	11,9	14,7	24%	83.027	95.758	15%

Source: Annual reports 2008

For footnotes and comments, please see next page

## 4) Key Figures of the Underlying Obligors I

### Footnotes to table on previous page

<sup>1</sup> Bank Trelleborg has been taken over by Sydbank as per 27 March 2008

<sup>2</sup> EBH bank: all assets and liabilities except for subordinated capital and equity of the former EBH bank have been transferred to "Bank A/S af 21. November 2008".

<sup>3</sup> Fionia Bank have signed an agreement with the state company Financial Stability. As a consequence all assets and liabilities except subordinated capital and equity will be transferred to a new recapitalised business unit.

<sup>4</sup> Roskilde Bank made a sales agreement on 24 August 2008 with a new bank established by the Danish Central Bank and the Private Contingency Association to transfer all assets, including loan portfolio, name, etc. and all debts and other liabilities except for hybrid core capital and subordinated loan capital. The formerly Roskilde Bank changed name to "Selskabet af 1. september 2008 A/S".



## 4) Key Figures of the Underlying Obligors II

Country	Obligors	Operating Income**			Provisions/Total Loan and Guarantees		Loan Loss Reserves/ Total Loans and guarantees*		Cost/Income ratio		
		2007	2008	Δ Pct.	2007	2008	2007	2008	2007	2008	Δ Pct.
<b>Denmark</b>											
Amounts in DKK mill.	Amagerbanken	1.081	1.063	-2%	0,1%	3,8%	1,2%	4,9%	55,6%	163,9%	195%
	Bank Trelleborg <sup>1</sup>	330	n.a.		1,2%	n.a.	1,7%*	n.a.	105,3%	n.a.	
	Diba Bank	328	222	-32%	-0,3%	0,7%	0,8%	1,6%	83,3%	139,5%	67%
	Djurstands Bank	250	219	-12%	-0,1%	0,5%	1,3%	1,9%	59,2%	90,9%	54%
	ebh bank <sup>2</sup>	691	n.a.		0,0%	n.a.	0,6%*	n.a.	55,6%	n.a.	
	Fionia Bank <sup>3</sup>	959	902	-6%	0,3%	4,8%	1,1%	3,9%	67,1%	204,1%	204%
	Forstædernes Bank	1.079	646	-40%	0,2%	5,4%	0,8%*	5,9%*	66,7%	333,3%	400%
	Max Bank	241	219	-9%	-0,1%	3,1%	0,9%	3,8%	75,8%	178,6%	136%
	Morsø Bank	136	123	-10%	0,1%	0,4%	1,3%	1,5%	71,9%	100,0%	39%
	Nordfyns Bank	112	109	-3%	0,3%	2,0%	1,5%	3,4%	76,9%	111,1%	44%
	Roskilde Bank <sup>4</sup>	1.110	n.a.		0,6%	n.a.	1,2%	n.a.	71,4%	n.a.	
	Skælskør Bank	159	123	-23%	0,4%	1,4%	0,9%	2,1%	71,4%	111,1%	56%
	Spar Nord Bank	1.889	1.736	-8%	-0,2%	0,5%	1,0%*	1,2%*	65,0%	71,0%	9%
	Sparbank	756	593	-22%	0,4%	2,4%	1,8%	4,2%	75,2%	161,3%	114%
	Spørekassen Farsø	150	116	-23%	0,1%	0,9%	1,5%	2,1%	71,4%	125,0%	75%
	Spørekassen Sjælland	518	534	3%	0,0%	1,2%	1,3%	2,7%	53,2%	89,3%	68%
	Spørekassen Østjylland	203	68	-67%	-0,4%	1,9%	1,3%	3,4%	76,9%	500,0%	550%
	Totalbanken	158	126	-20%	-0,2%	2,1%	0,9%	3,1%	43,3%	125,0%	189%
	Tønder Bank	123	70	-43%	0,3%	0,5%	1,7%	2,2%	62,5%	125,0%	100%
	Vestfyns Bank	99	99	0%	0,1%	0,8%	1,6%	2,0%	69,4%	86,2%	24%
	Østjyds Bank	238	234	-2%	0,2%	0,8%	1,7%	2,2%	55,6%	76,9%	38%
	Sydbank	3.855	4.052	5%	-0,6%	0,6%	0,9%	1,0%	41,7%	83,3%	100%

Source: Annual reports 2008

For footnotes and comments, please see next page

## 4) Key Figures of the Underlying Obligors II

### Footnotes to table on previous page

\* Loan Loss Reserves/Total Loans and guarantees has been estimated by HSH Nordbank and calculated the following way: Provisions for Impairments/(Guarantees + Loans to customers + Provisions for Impairments)

\*\* Operating income has been calculated by HSH Nordbank in the following way: Net interest & Net Fees + Trading Gains + Other Income

<sup>1</sup> Bank Trelleborg has been taken over by Sydbank as per 27 March 2008

<sup>2</sup> EBH bank: all assets and liabilities except for subordinated capital and equity of the former EBH bank have been transferred to "Bank A/S af 21. November 2008".

<sup>3</sup> Fionia Bank have signed an agreement with the state company Financial Stability. As a consequence all assets and liabilities except subordinated capital and equity will be transferred to a new recapitalised business unit.

<sup>4</sup> Roskilde Bank made a sales agreement on 24 August 2008 with a new bank established by the Danish Central Bank and the Private Contingency Association to transfer all assets, including loan portfolio, name, etc. and all debts and other liabilities except for hybrid core capital and subordinated loan capital. The formerly Roskilde Bank changed name to "Selskabet af 1. september 2008 A/S".

## 4) Key Figures of the Underlying Obligors III

Country	Obligors	Net Profit after tax			Net Commission & interest income			Income/Cost ratio			Total impairments of loans and advances			Excess liquidity cover %		
		2007	2008		2007	2008		2007	2008		2007	2008		2007	2008	
Denmark																
Amounts in DKK mill.	Amagerbanken	393	-519	-232%	1.104	1.217	10%	1,8	0,6	-67%	18	1.096	5989%	72	101	40%
	Bank Trelleborg <sup>1</sup>	-21	n.a		321	n.a		1,0	n.a		107	n.a		63	n.a	
	Diba Bank	40	-101	-353%	309	308	0%	1,2	0,7	-42%	(23)	43	-287%	72	137	90%
	Djurslands Bank	80	18	-78%	230	246	7%	1,7	1,1	-35%	(9)	31	-444%	45	101	124%
	ebh bank <sup>2</sup>	250	n.a.		376	n.a.		1,8	n.a.		13	n.a.	-	60	n.a.	
	Fionia Bank <sup>3</sup>	244	-957	-492%	810	895	10%	1,5	0,5	-67%	71	1.218	1615%	73	112	53%
	Forstædernes Bank	275	-1.227	-546%	1.012	1.065	5%	1,5	0,3	-80%	50	1.534	2968%	115	78	-32%
	Max Bank	45	-121	-369%	225	241	7%	1,3	0,6	-54%	(7)	193	-2857%	85	163	92%
	Morsø Bank	29	1	-97%	129	142	10%	1,4	1,0	-29%	3	19	533%	57	125	119%
	Nordfyns Bank	21	-8	-138%	101	105	4%	1,3	0,9	-31%	6	37	517%	100	169	69%
	Roskilde Bank <sup>4</sup>	242	n.a		1.174	n.a		1,4	n.a		266	n.a		69	n.a	
	Skælskør Bank	37	-11	-130%	130	131	1%	1,4	0,9	-36%	13	42	223%	35	41	17%
	Spar Nord Bank	680	95	-86%	1.647	1.917	16%	1,6	1,4	-13%	(113)	275	-343%	92	87	-5%
	Sparbank	152	-286	-288%	716	750	5%	1,3	0,6	-54%	62	445	618%	78	90	15%
	Spørekassen Farsø	38	-27	-171%	128	147	15%	1,4	0,8	-43%	4	42	950%	45	82	82%
	Spørekassen Sjælland	191	43	-77%	523	591	13%	1,9	1,1	-42%	(2)	150	-7600%	86	226	163%
	Spørekassen Østjylland	43	-169	-493%	208	232	12%	1,3	0,2	-85%	(34)	138	-506%	71	202	185%
	Totalbanken	67	-19	-128%	132	143	8%	2,3	0,8	-65%	(6)	69	-1250%	50	105	110%
	Tønder Bank	38	-14	-137%	102	113	11%	1,6	0,8	-50%	(5)	(9)	80%	93	214	130%
	Vestfyns Bank	23	11	-52%	95	97	2%	1,4	1,2	-14%	2	14	600%	66	112	70%
	Østjydsk Bank	79	39	-51%	226	271	20%	1,8	1,3	-28%	15	49	227%	91	159	75%
	Sydbank	1.710	606	-65%	3.433	3.880	13%	2,4	1,2	-50%	-568	622	-210%	103	89	-14%

Source: Annual reports 2008

For footnotes and comments, please see next page

## 4) Key Figures of the Underlying Obligors III

### Footnotes to table on previous page

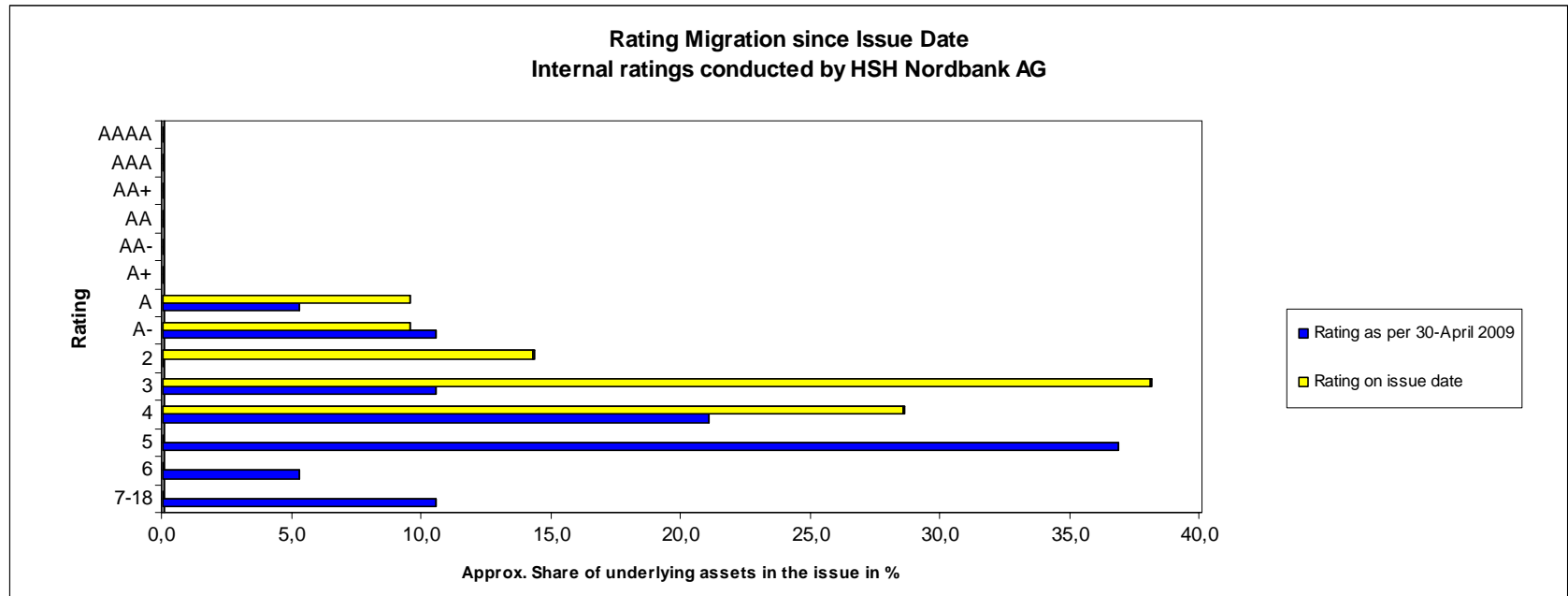
<sup>1</sup> Bank Trelleborg has been taken over by Sydbank as per 27 March 2008.

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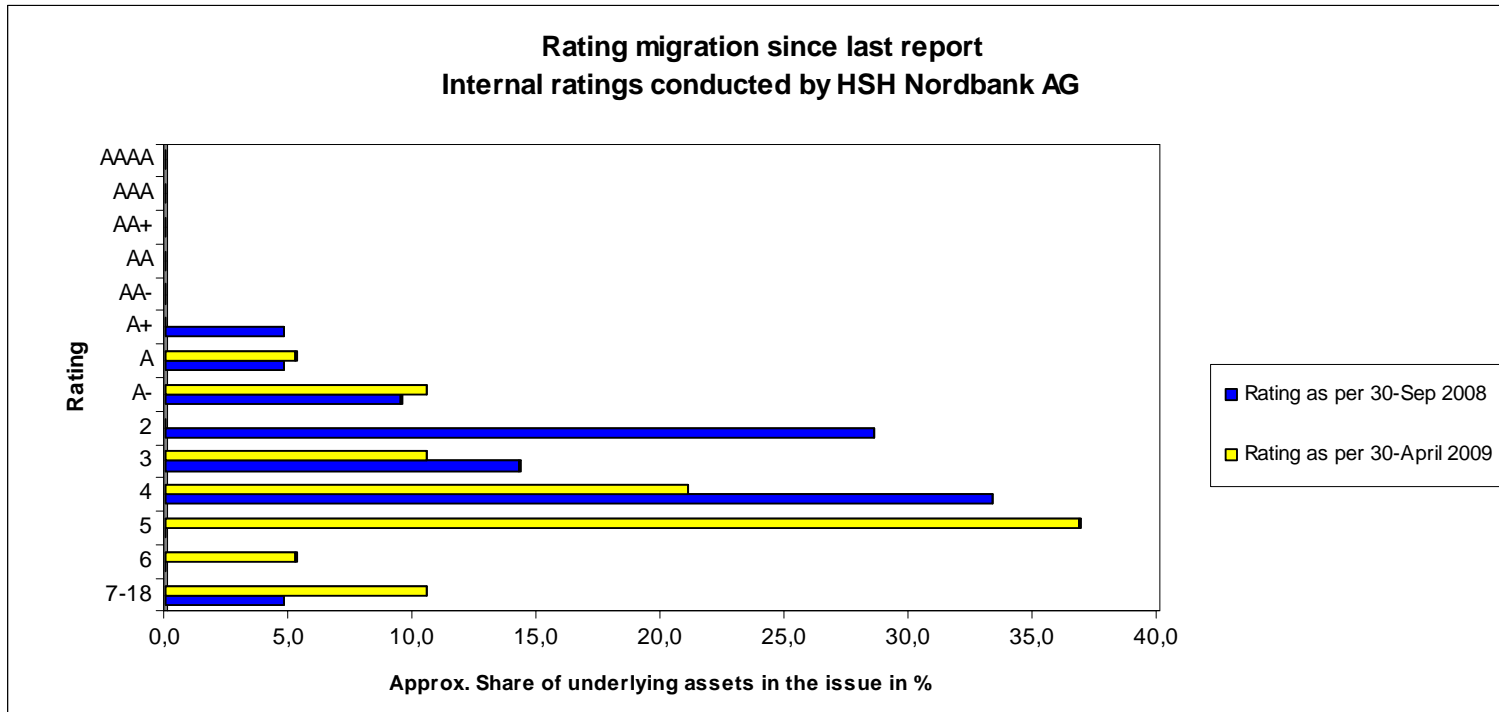
<sup>4</sup> Roskilde Bank made a sales agreement on 24 August 2008 with a new bank established by the Danish Central Bank and the Private Contingency Association to transfer all assets, including loan portfolio, name, etc. and all debts and other liabilities except for hybrid core capital and subordinated loan capital. The formerly Roskilde Bank changed name to "Selskabet af 1. september 2008 A/S".

## 5) Ratings of underlying obligors



Note: HSH Nordbank AG's internal rating scale runs over 25 steps from 1(AAAA) as the best rating to 18 as the poorest rating.

## 5) Ratings of underlying obligors

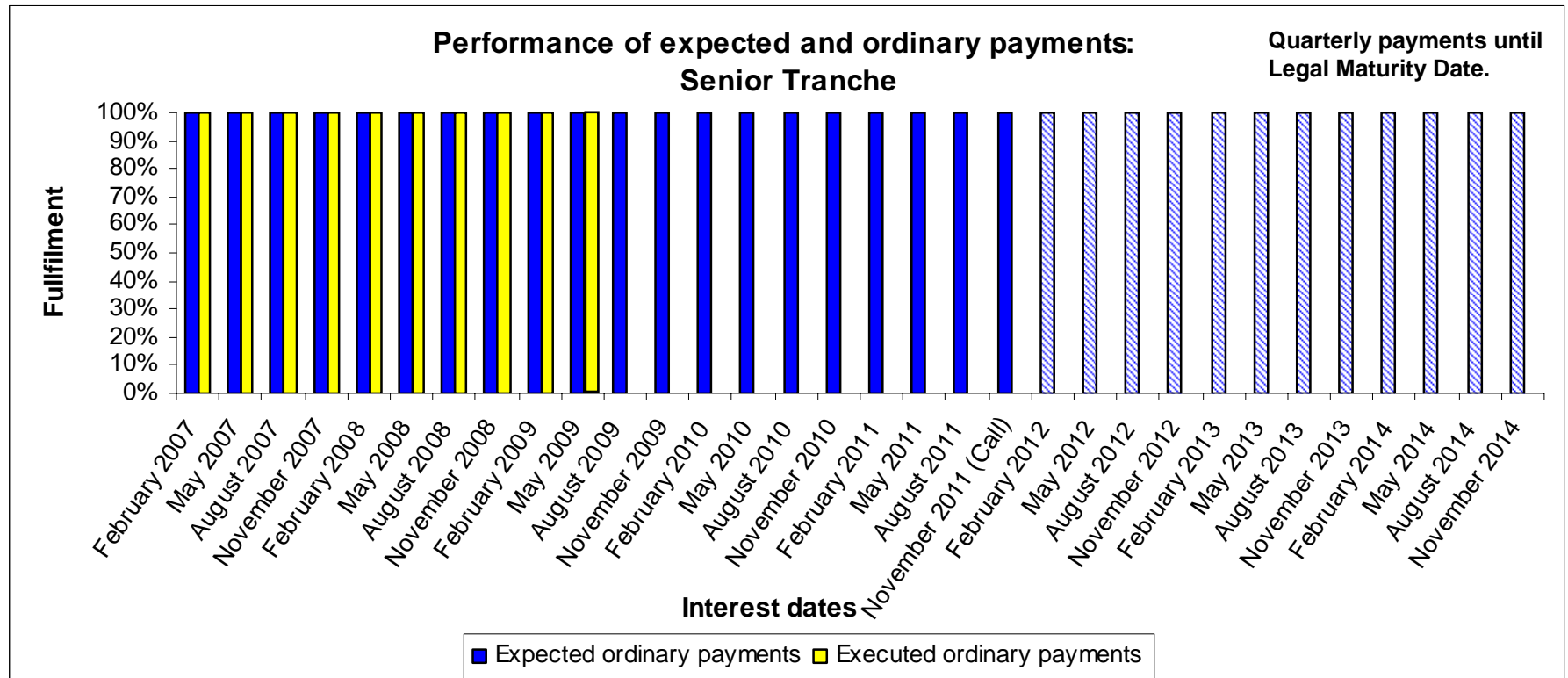


Note: HSH Nordbank AG's internal rating scale runs over 25 steps from 1(AAAA) as the best rating to 18 as the poorest rating.

## 6) Rating of issued Notes

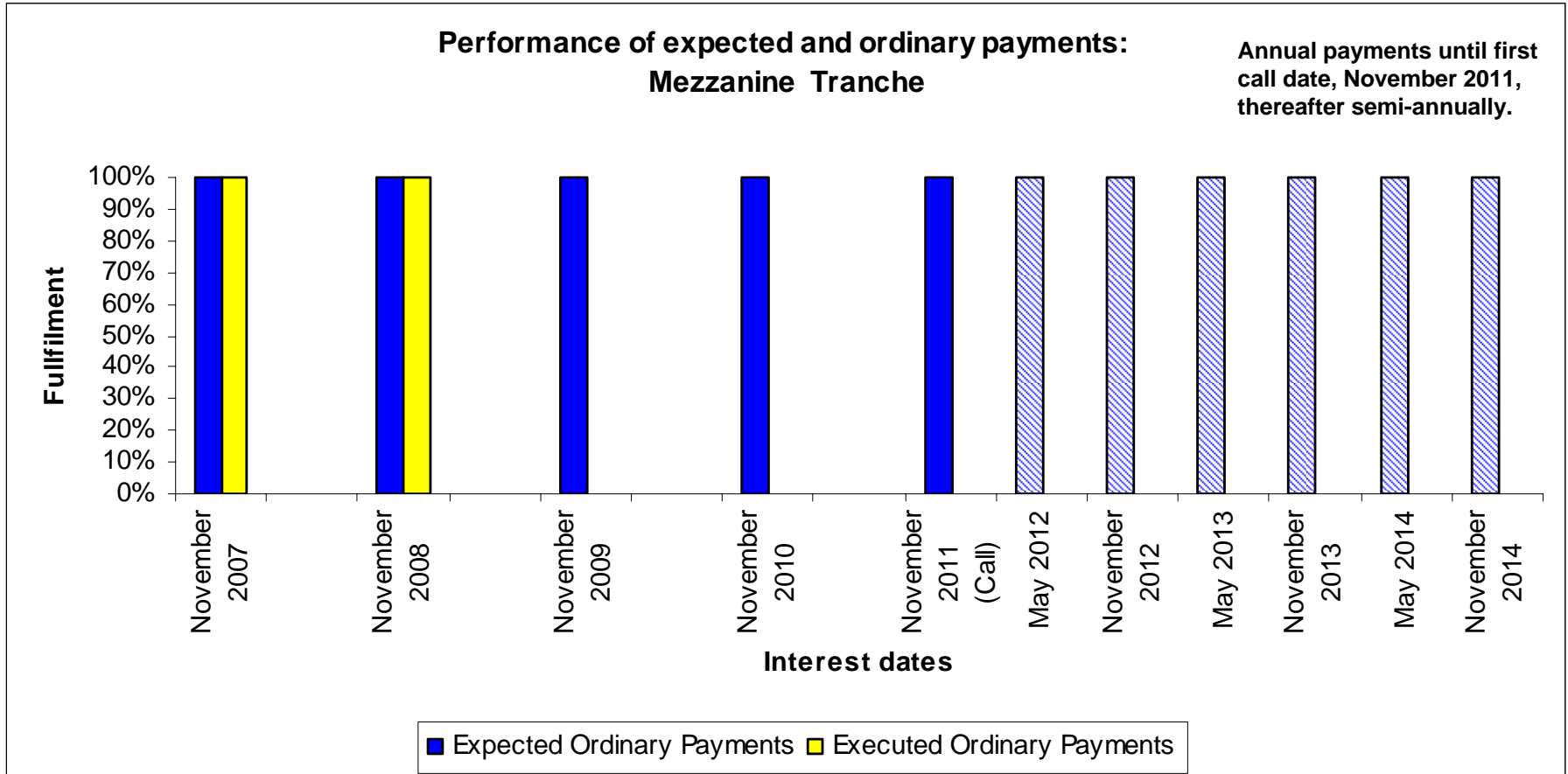
<i>Tranche</i>	<i>Current Moody's Rating</i>	<i>Moody's Rating as of last Reporting Date</i>	<i>Initial Moody's Rating</i>
A – Senior	<b>Aa1</b> (on review for possible downgrade)	AAA	AAA
B – Mezzanine	<b>Caa2</b>	Baa2	Baa2
C – Junior	<b>n.r.</b>	n.r.	n.r.

## 7) Performance of expected & ordinary payments I

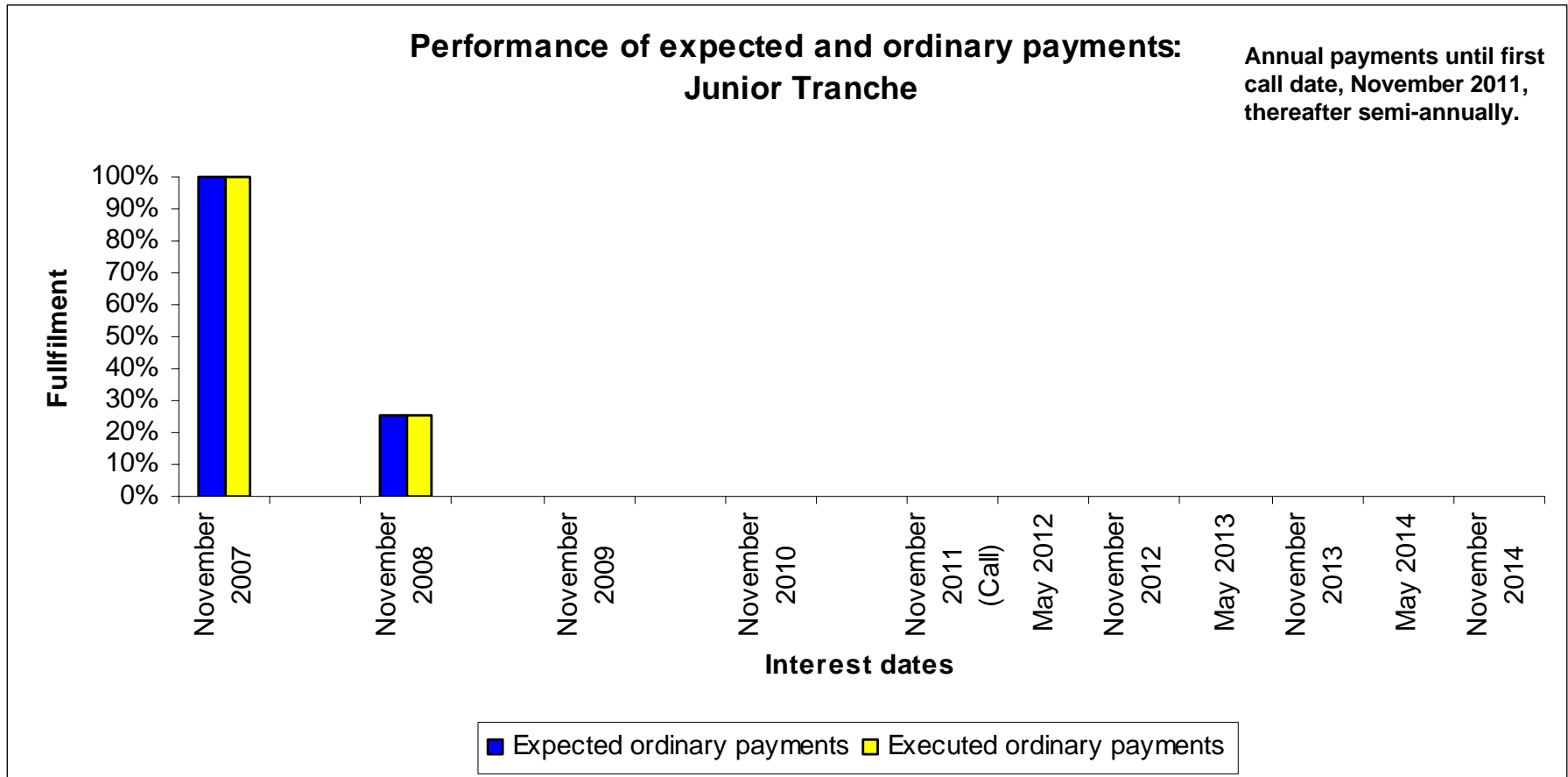




## 7) Performance of expected & ordinary payments II



## 7) Performance of expected & ordinary payments III



Due to losses mentioned earlier, no payments on the junior tranche will be made going forward, (subject to any potential recoveries from the previously mentioned banks.)

## Contacts:

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