

## **Mare Baltic PCC Ltd. – 2005-1 Cell**

### **ScandiNotes® III**

**Investor Report**

**December 31, 2011**

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## 1) General Information on Notes

Series	ScandiNotes® III Senior	ScandiNotes® III Mezzanine	ScandiNotes® III Junior
Issuer	Mare Baltic PCC Ltd. – 2005-1 Cell	Mare Baltic PCC Ltd. – 2005-1 Cell	Mare Baltic PCC Ltd. – 2005-1 Cell
Moody's Rating	Ca	C	Not rated
ISIN codes	DK0030015128	DK0030015201	DK0030015391
Issue date	1 November 2005	1 November 2005	1 November 2005
Expected maturity	1 November 2010	1 November 2010	1 November 2010
Legal maturity	1 November 2015	1 November 2015	1 November 2015
Call feature	Mare Baltic has the right, but not the obligation, to call the notes at par on 1 November 2010 and hereafter semi-annually	Mare Baltic has the right, but not the obligation, to call the notes at par on 1 November 2010 and hereafter semi-annually	Mare Baltic has the right, but not the obligation, to call the notes at par on 1 November 2010 and hereafter semi-annually
Coupon	6M Euribor + 0.38 % p.a., each 1 May and 1 November, i.e. semi-annually, (act/360)	2 % p.a. each 1 May and 1 November, i.e. semi-annually, (act/act)	2 % p.a. each 1 May and 1 November, i.e. semi-annually, (act/act)
Step-up margin	If the notes are not redeemed at the expected maturity date (1 November 2010), 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 (1 November 2010), 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 (1 November 2010), 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) Prices have been determined by FinE Analytics	Price: 32,67	Price: 0	Price: 0
Original Nominal Amount	EUR 201,600,000.00	DKK 413,370,000.00	DKK 279,050,000.00

## 2) Portfolio events since last report

### **Default of Max Bank A/S:**

Max Bank A/S (form. Skælskør Bank) announced in a press release as of 10<sup>th</sup> October 2011 to file a bankruptcy petition. Max Bank A/S is participating in ScandiNotes® III with EUR 10.0 million.

In case Max Bank A/S is not able to honour its obligations in relation to the underlying loan agreement this will negatively affect the owners of the ScandiNotes® III senior notes (ISIN DK0030015128), since a lack in servicing of its debt by Max Bank A/S will lead to a proportionally smaller interest payment and also to a proportional loss of principal of the notes unless sufficient profit to cover all of Max Bank A/S debts and obligations is generated in the insolvency proceedings.

### 3) Net results of portfolio events since issue date

#### Senior Tranche

The ScandiNotes III Senior tranche was partially redeemed on November 1, 2010 down to EUR 95,231,400. After Amagerbanken's default the amount left in tranche was reduced down to EUR 68,231,400 and furthermore partially redeemed by EUR 5,000,000 on 02/05/2011 plus a principal payment of EUR 441,588. After Fjordbank Mors A/S default in June 2011 the amount left in tranche was further reduced to EUR 55,289,812 and after Max Bank A/S default in October 2011 down to EUR 45,289,812.

The reduction in principal has been shared on a pro-rata basis by the Class A Note holders.

**The loss for the Senior Note holders is thus, subject to any potential recoveries from the defaulted banks, 24.42% of the investment.**

#### Mezzanine Tranche

The principal of the Class A Notes has been reduced from an original notional amount of DKK 413,370,000 to DKK 0. The reduction in principal has been 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 100 per cent.

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

#### Junior Tranche

The principal of the Class C Notes has been reduced from an original notional amount of DKK 279,050,000 to DKK 0. The reduction in principal has been shared on a pro-rata basis by the Class C Note holders. This means that there has been a reduction of interest and principal on the Class C Notes of 100 per cent.

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

## 4) Underlying obligors in ScandiNotes® III and nominal amounts



### ScandiNotes® III – Partial redemption of the senior tranche

In November 2011 none of the remaining participating banks decided to prepay their loans. The following financial institution participating in ScandiNotes® III have already redeemed their loans according to the underlying loan documentation.

- Middelfart Sparekasse
- Nykredit – former Forstædernes Bank
- Spar Nord Bank
- Sparebanken Öresund AB (publ) - former Sparebanken Gripen AB (publ)
- Sparebanken Øst
- SpareBank1 Buskerud-Vestfold – former Sparebank1 Vestfold
- Sparekassen Østjylland
- Sydbank – former Sparekassen sparTrelleborg
- Vestjydsk Bank

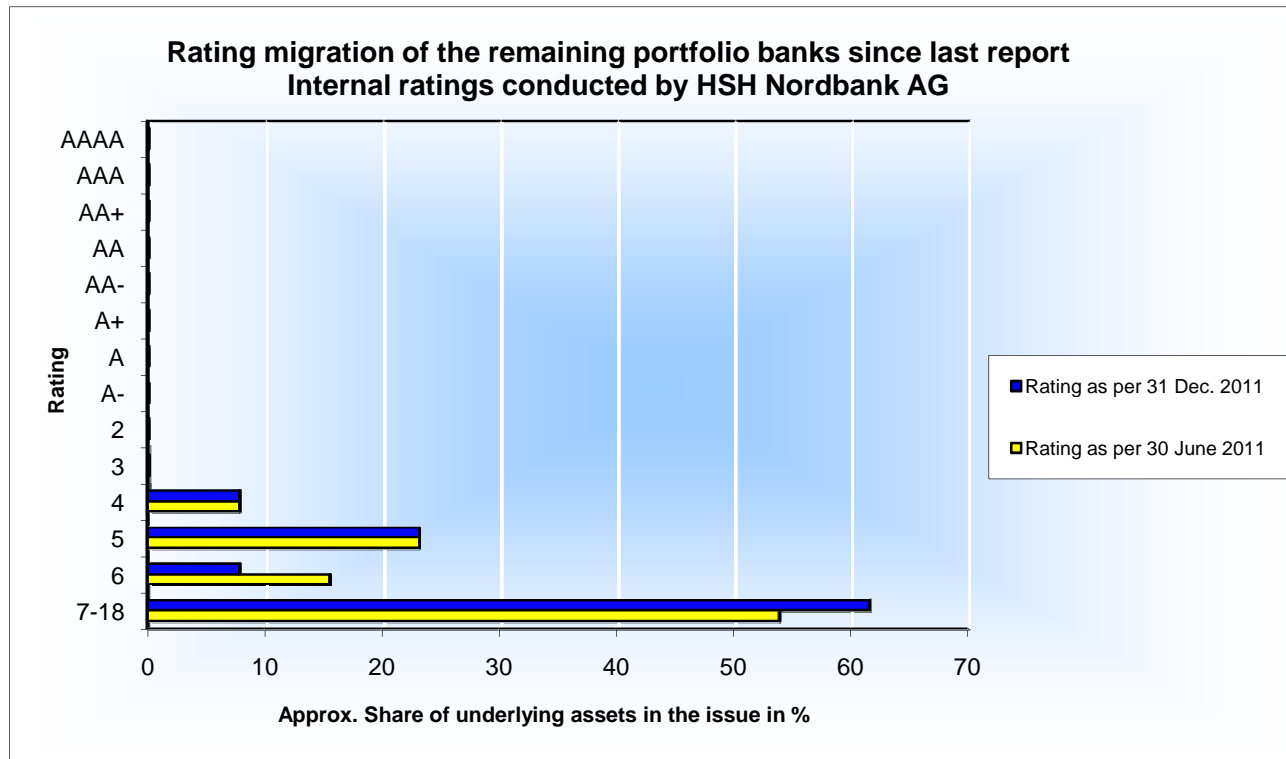
Additionally a principal payment of EUR 441,588.00 was redeemed on the Senior Tranche.

After the defaults of Amagerbanken A/S, Fjordbank Mors A/S and Max Bank A/S the amount left in tranche was further reduced to EUR 45,289,812.00. This nominal amount will be serviced by underlying loans amounting to EUR 41,000,000.00.

## 4) Underlying obligors in ScandiNotes® III and nominal amounts

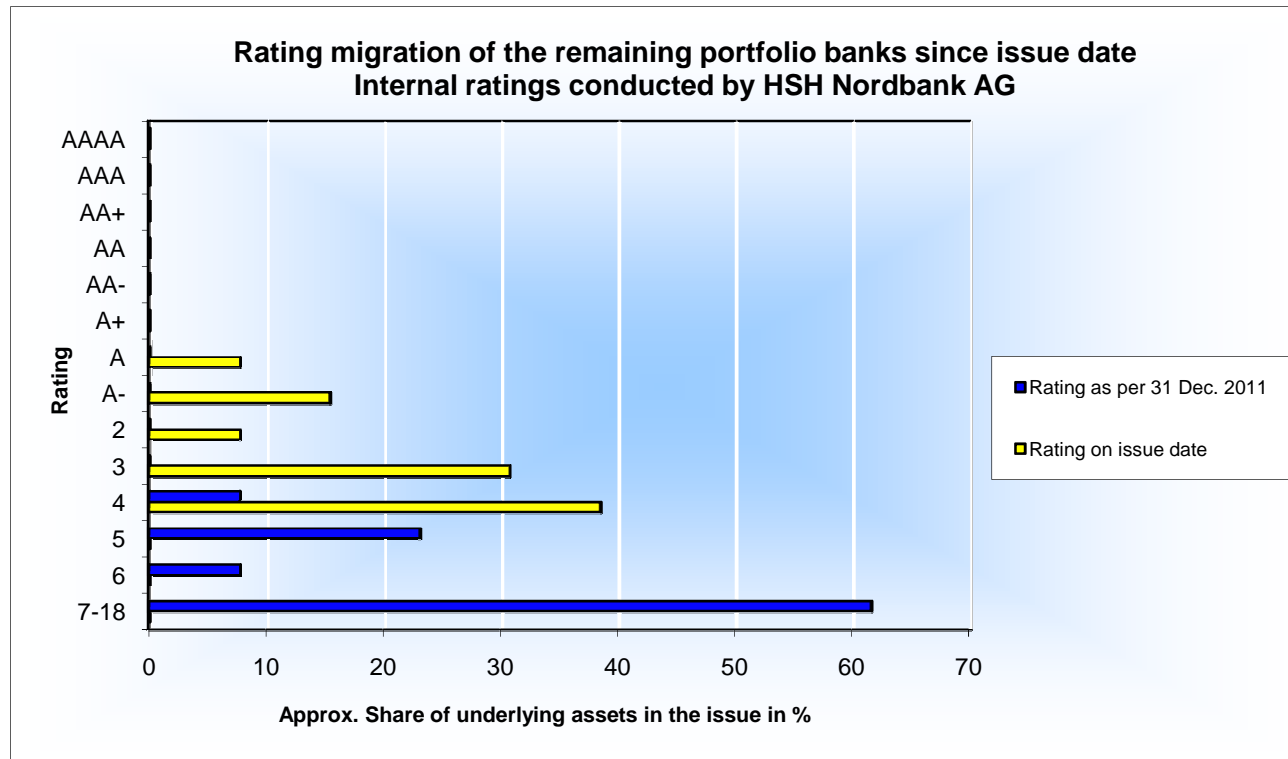
ScandiNotes® III	Domicile	EUR	%	
Amagerbanken	Denmark	27.000.000	9,6%	Caused RA-Event
Engsbank Han Herred	Denmark	7.500.000	2,7%	Caused RA-Event
Fionia Bank	Denmark	30.000.000	10,7%	Caused RA-Event
Nykredit (Forstædernes Bank)	Denmark	10.000.000	3,6%	Repaid
Icebank	Iceland	15.000.000	5,4%	Caused RA-Event
Middelfart Sparekasse	Denmark	10.000.000	3,6%	Repaid
Fjordbank Mors (Morsø Bank)	Denmark	7.500.000	2,7%	Caused RA-Event
Reykjavik Savings Bank (Spron)	Iceland	10.000.000	3,6%	Caused RA-Event
Roskilde Bank	Denmark	30.000.000	10,7%	Caused RA-Event
Max Bank (Skælskør Bank)	Denmark	10.000.000	3,6%	Caused RA-Event
Sparekassen Farsø	Denmark	5.000.000	1,8%	
Sparekassen Lolland	Denmark	15.000.000	5,4%	
Spar Nord Bank	Denmark	33.500.000	12,0%	Repaid
Sydbank (SparTrelleborg)	Denmark	7.500.000	2,7%	Repaid
Sparekassen Østjylland	Denmark	3.500.000	1,3%	Repaid
Sparbanken Öresund (Sp. Gripen)	Sweden	5.000.000	1,8%	Repaid
SpareBank1 Buskerud-Vestfold (Sparebanken Vestfold)	Norway	10.000.000	3,6%	Repaid
Sparebanken Øst	Norway	7.500.000	2,7%	Repaid
Tønder Bank	Denmark	5.000.000	1,8%	
Totalbanken	Denmark	3.500.000	1,3%	
Vestjysk Bank	Denmark	15.000.000	5,4%	Repaid
Østjysk Bank	Denmark	12.500.000	4,5%	
<b>Total:</b>		<b>280.000.000</b>	<b>100,0%</b>	

## 6) Ratings of underlying obligors I



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) Ratings of underlying obligors II

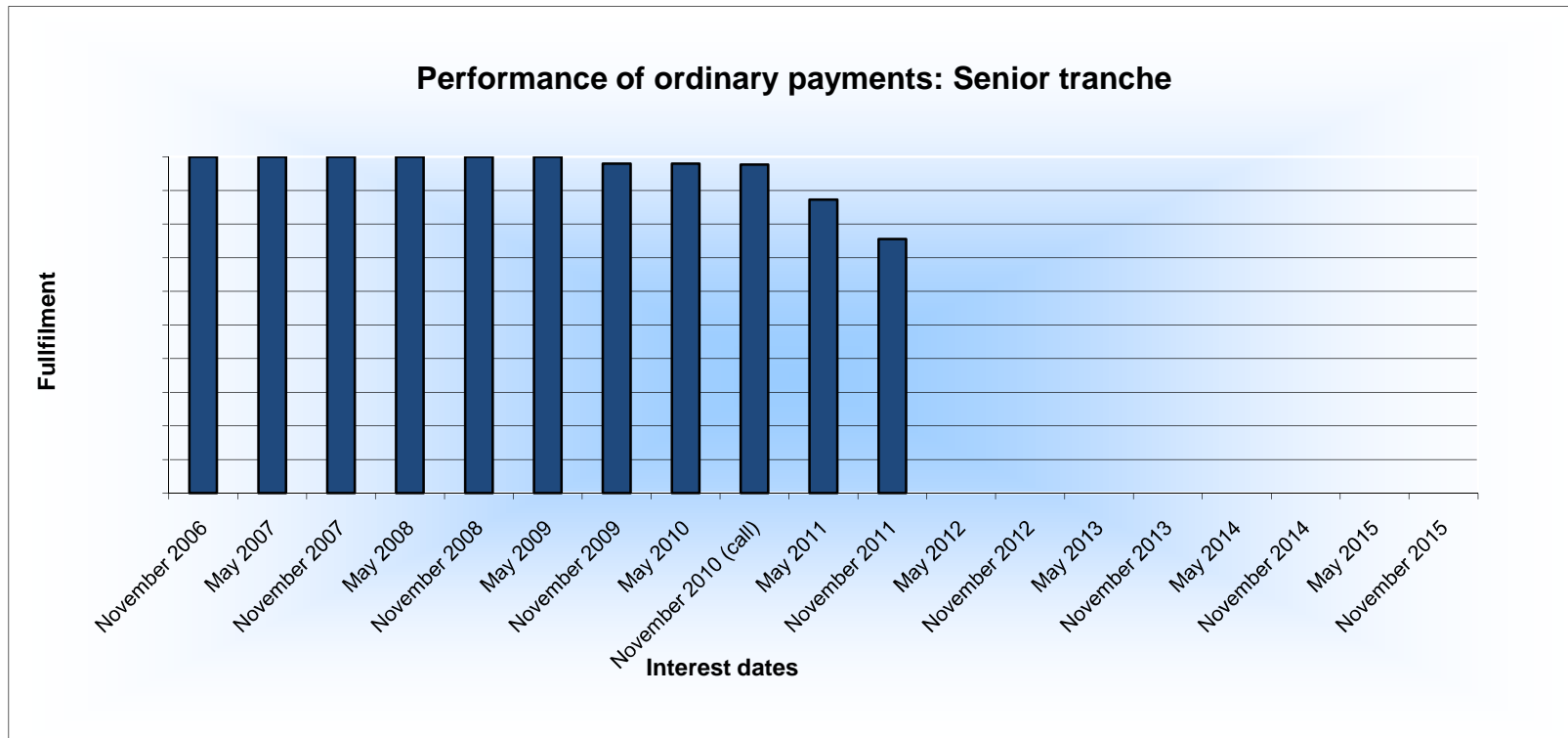


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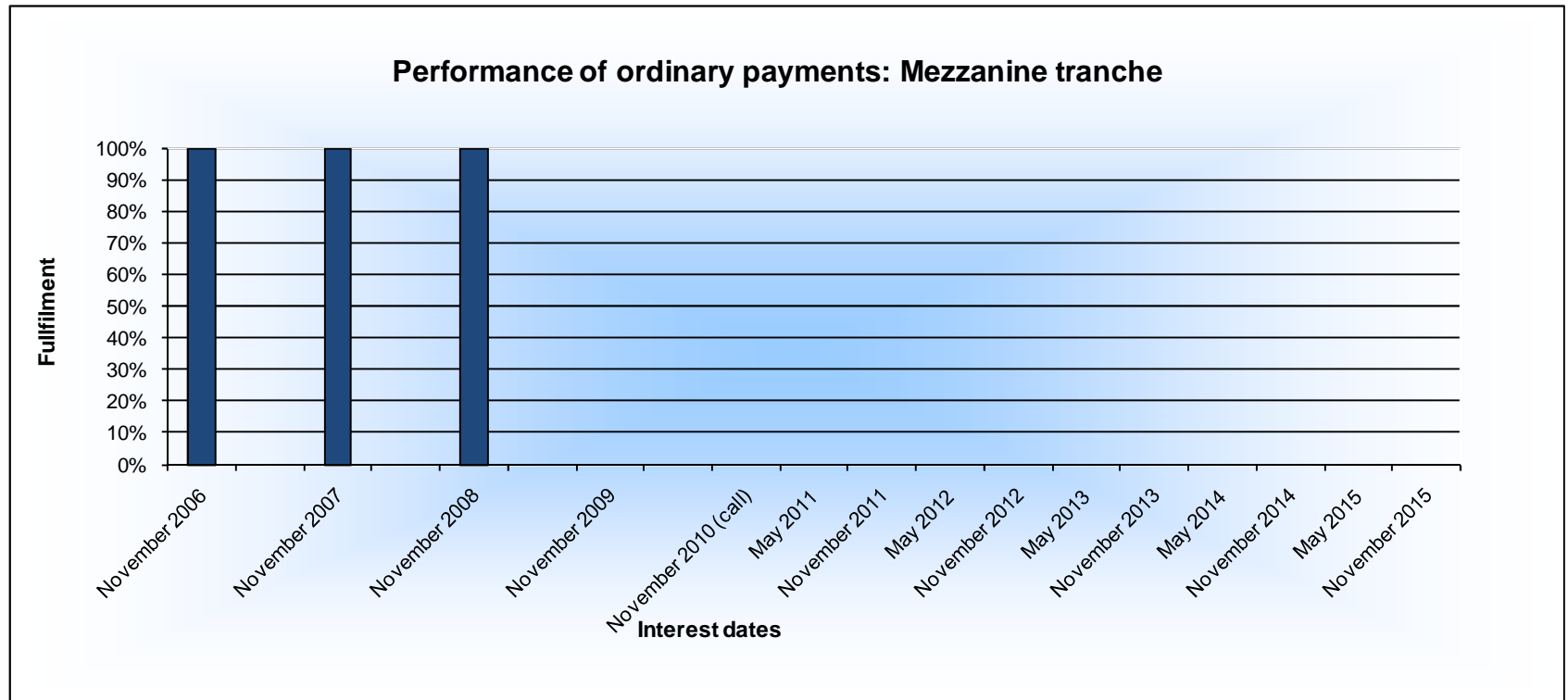
## 7) Rating of issued Notes

Tranche	Current Moody's Rating	Moody's Rating as of last Reporting Date	Initial Moody's Rating
A – Senior	<b>Ca</b>	<b>Ca</b>	Aa2
B – Mezzanine	<b>C</b>	<b>C</b>	Baa2
C – Junior	<b>n.r.</b>	<b>n.r.</b>	n.r..

## 8) Performance of expected & ordinary payments I

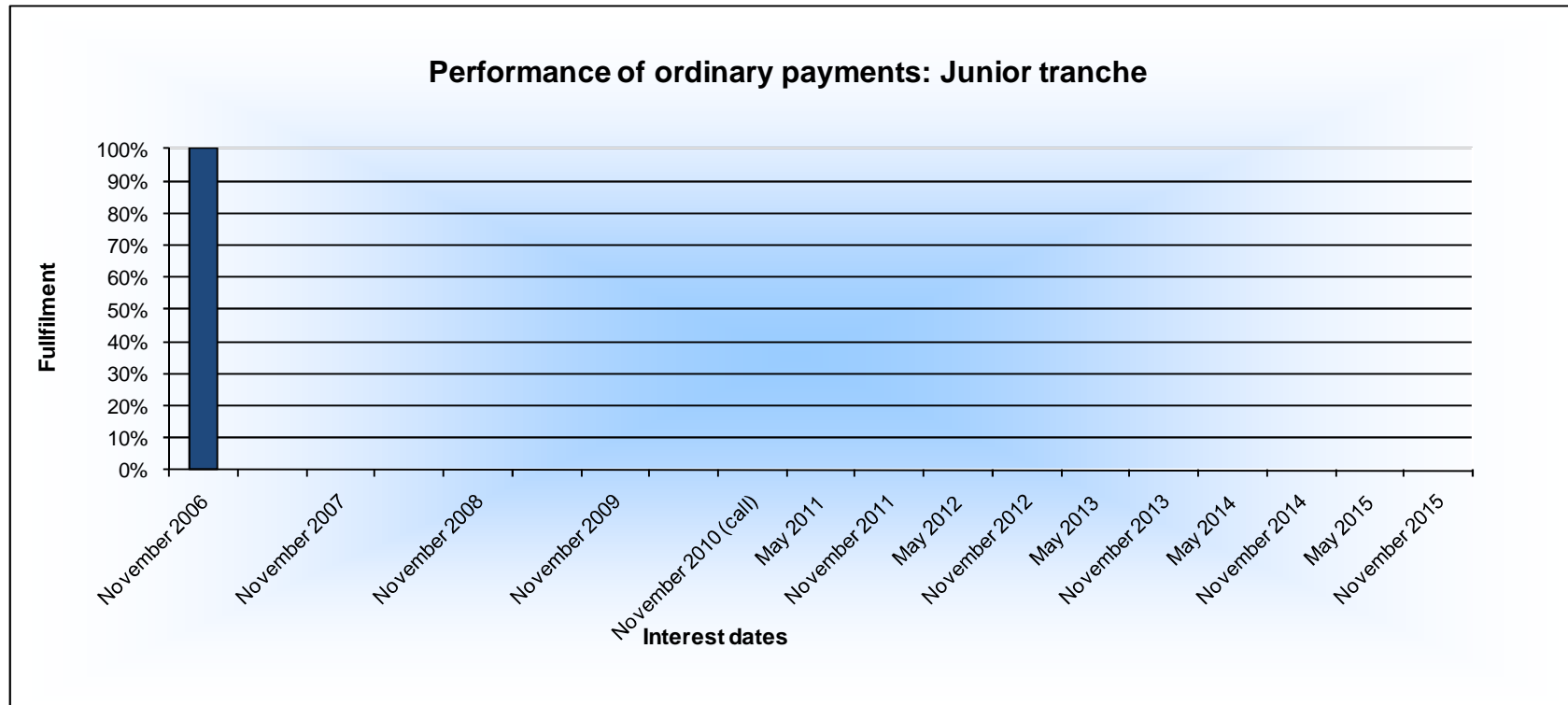


## 8) Performance of expected & ordinary payments II



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

## 8) 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.)

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