

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

### **ScandiNotes® IV**

**Investor Report**  
**December 31, 2011**

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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	B1	Ca	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 Indicative Price levels (bid) Prices have been determined by FinE Analytics	Price: 80,85	Price: 18,77	Price: 0
Original Nominal Amount	EUR 170,011,000.00	DKK 879,571,000.00	DKK 300,135,000.00

## 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® IV with DKK 125.0 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® IV Mezzanine Tranche (ISIN DK0030039656), 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 principal of the Class A Notes has been redeemed from an original notional amount of EUR 170,011,000 to EUR 24,668,869.38. The base of the redemption are repayments of the underlying loan portfolio as described on the following page.

#### **Mezzanine Tranche**

The principal of the Class B Notes has been reduced from an original notional amount of DKK 879,571,000 to DKK 376,106,930 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, provided that there will be no further defaults. The reduction in principal will be shared on a pro-rata basis by the Class B Note holders.

**The loss for the Mezzanine Note holders is thus, subject to any potential recoveries from the defaulted banks, 57.24% of the investment.**

#### **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 that 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 defaulted banks, 100% of the investment.**

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

### ScandiNotes® IV – Partial redemption of the mezzanine tranche

In November 2011 the below listed financial institutions participating in ScandiNotes® IV, have decided to exercise their option to redeem the underlying loans, according to the underlying loan documentations.

- Diba Bank A/S
- Djurslands Bank A/S
- Nykredit Bank A/S
- Sparekassen Sjælland
- Sydbank A/S
- Spar Nord Bank A/S

All other remaining participating banks have chosen not to exercise their option to redeem their loans at the present point of time.

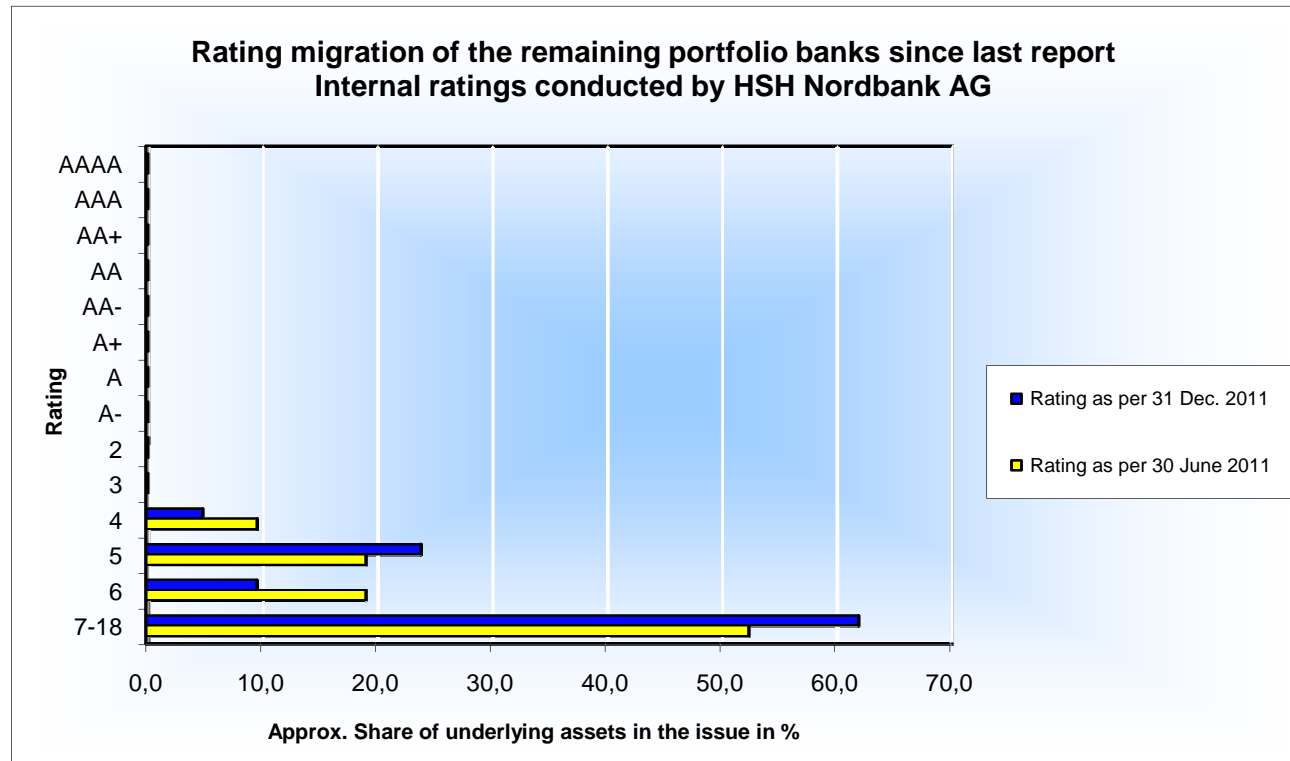
The Class A Notes (ISIN DK0030039573) were redeemed accordingly on November 17, 2011 down to EUR 24,668,869.38. The redemption amount derives from the redeemed loans in an amount of DKK 975,658,700.00 and the underlying derivative financial instruments.

Interest will be paid on the reduced nominal amount from November 17, 2011 onwards.

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

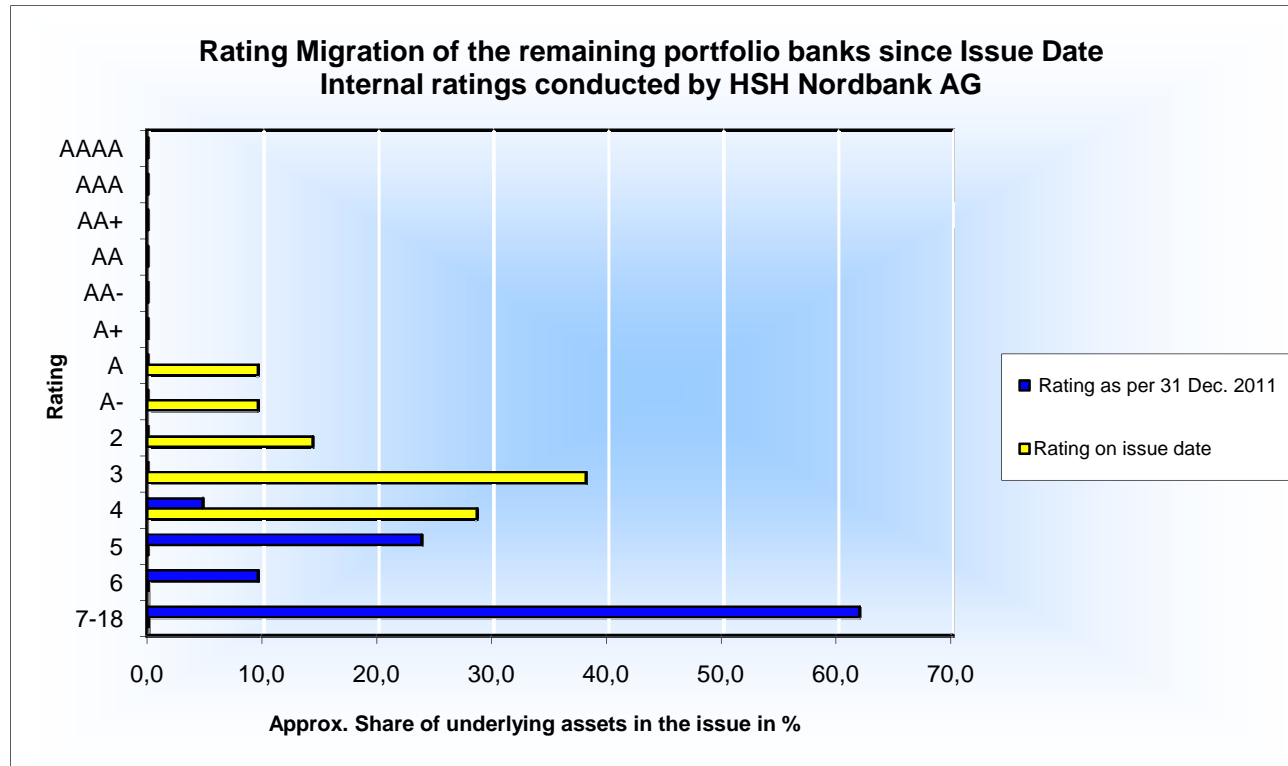
ScandiNotes® IV	Domicile	DKK	%	
Amagerbanken	Denmark	200.000.000	8,7%	Caused RA-Event
Diba Bank	Denmark	75.000.000	3,3%	Repaid
Djurslands Bank	Denmark	100.658.700	4,4%	Repaid
ebh-bank	Denmark	75.000.000	3,3%	Caused RA-Event
Fionia Bank	Denmark	150.000.000	6,5%	Caused RA-Event
Nykredit (Forstædernes Bank)	Denmark	200.000.000	8,7%	Repaid
Max Bank	Denmark	100.000.000	4,3%	Caused RA-Event
Fjordbank Mors (Morsø Bank)	Denmark	30.000.000	1,3%	Caused RA-Event
Nordfyns Bank	Denmark	50.000.000	2,2%	
Roskilde Bank	Denmark	200.000.000	8,7%	Caused RA-Event
Max Bank (Skælskør Bank)	Denmark	25.000.000	1,1%	Caused RA-Event
Sparbank (Sparbank Vest)	Denmark	200.000.000	8,7%	
Sparekassen Farsø	Denmark	50.000.000	2,2%	
Sparekassen Sjælland	Denmark	200.000.000	8,7%	Repaid
Sydbank (SparTrelleborg)	Denmark	200.000.000	8,7%	Repaid
Sparekassen Østjylland	Denmark	50.000.000	2,2%	
Spar Nord Bank	Denmark	200.000.000	8,7%	Repaid
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>	

## 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

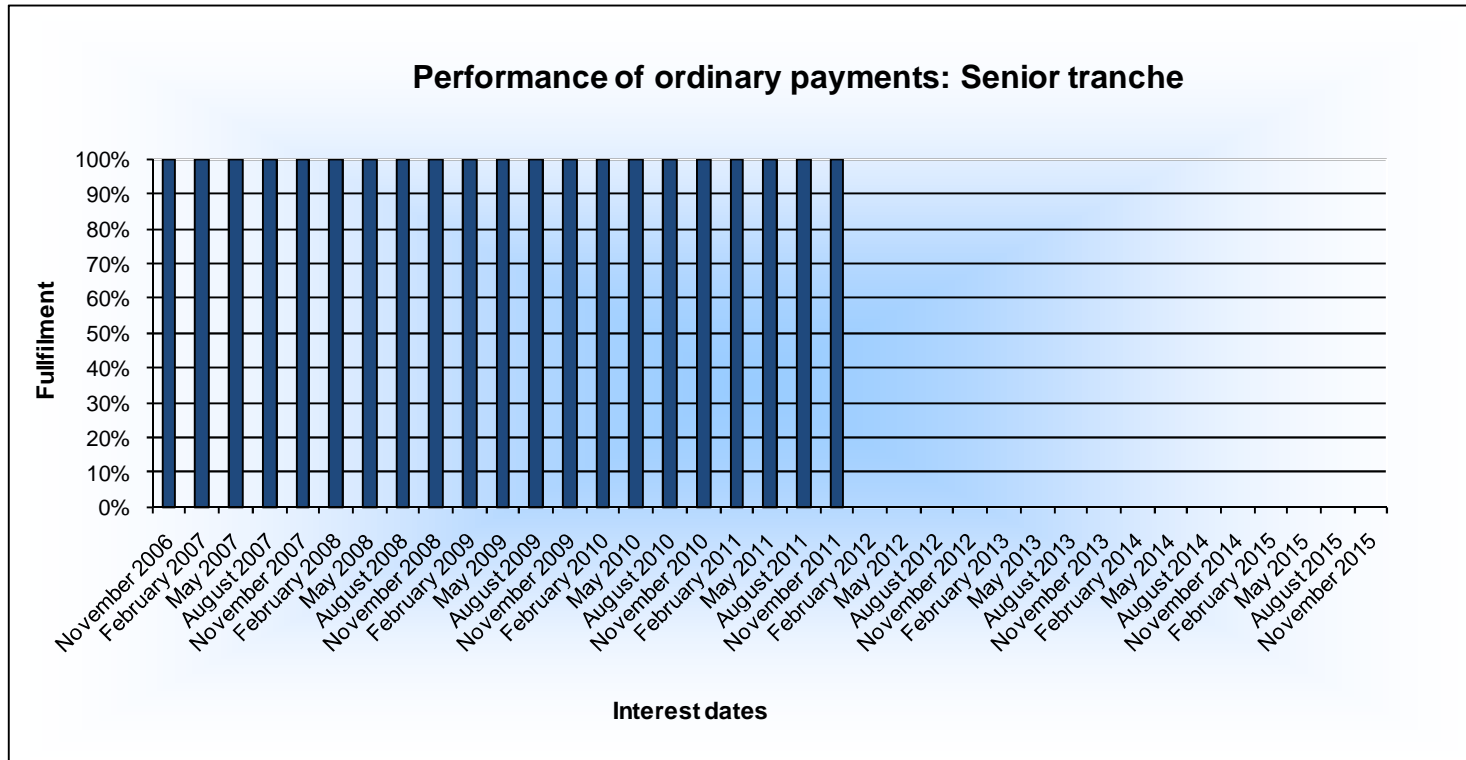


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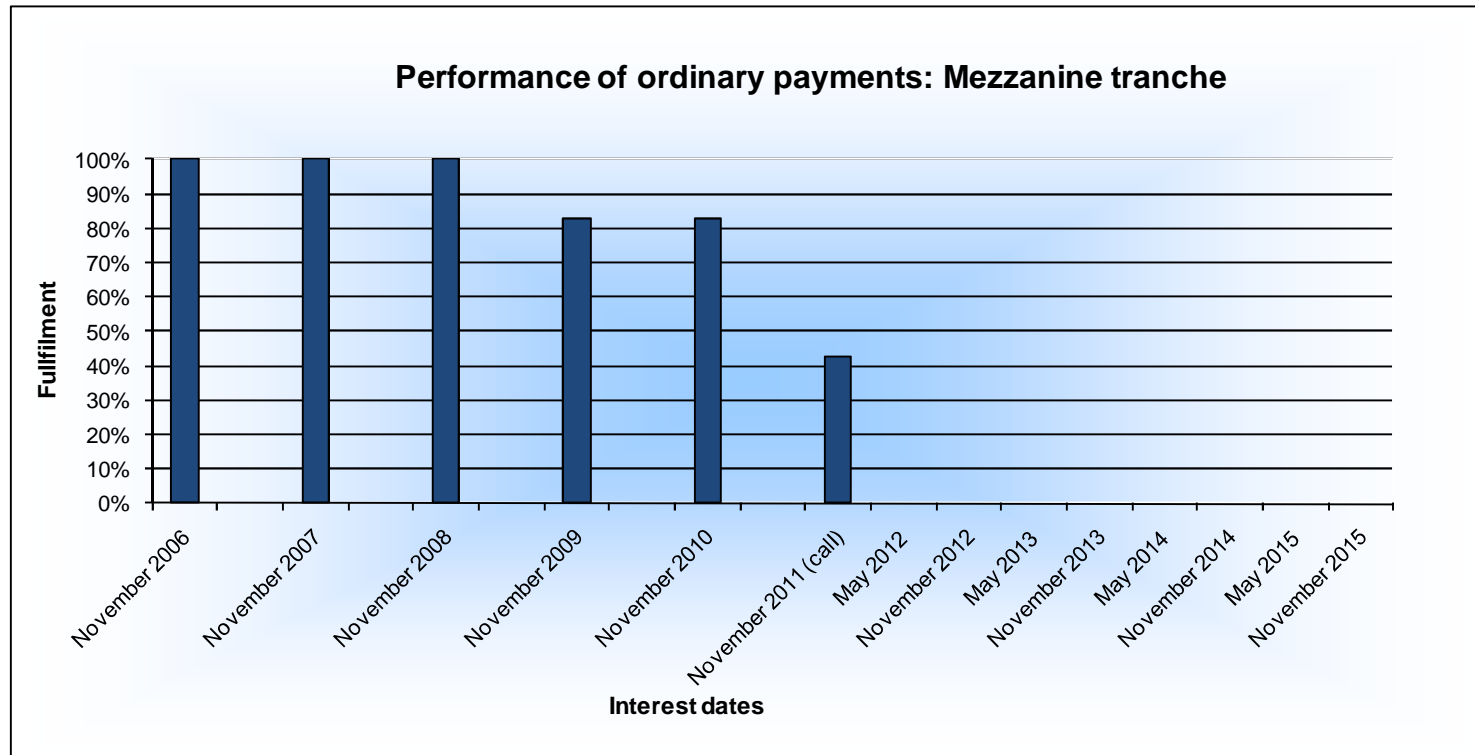
## 7) Rating of issued Notes

Tranche	Current Moody's Rating	Moody's Rating as of last Reporting Date	Initial Moody's Rating
A – Senior	<b>B1</b>	<b>B1</b>	AAA
B – Mezzanine	<b>Ca</b>	<b>Ca</b>	Baa2
C – Junior	<b>n.r.</b>	<b>n.r.</b>	n.r..

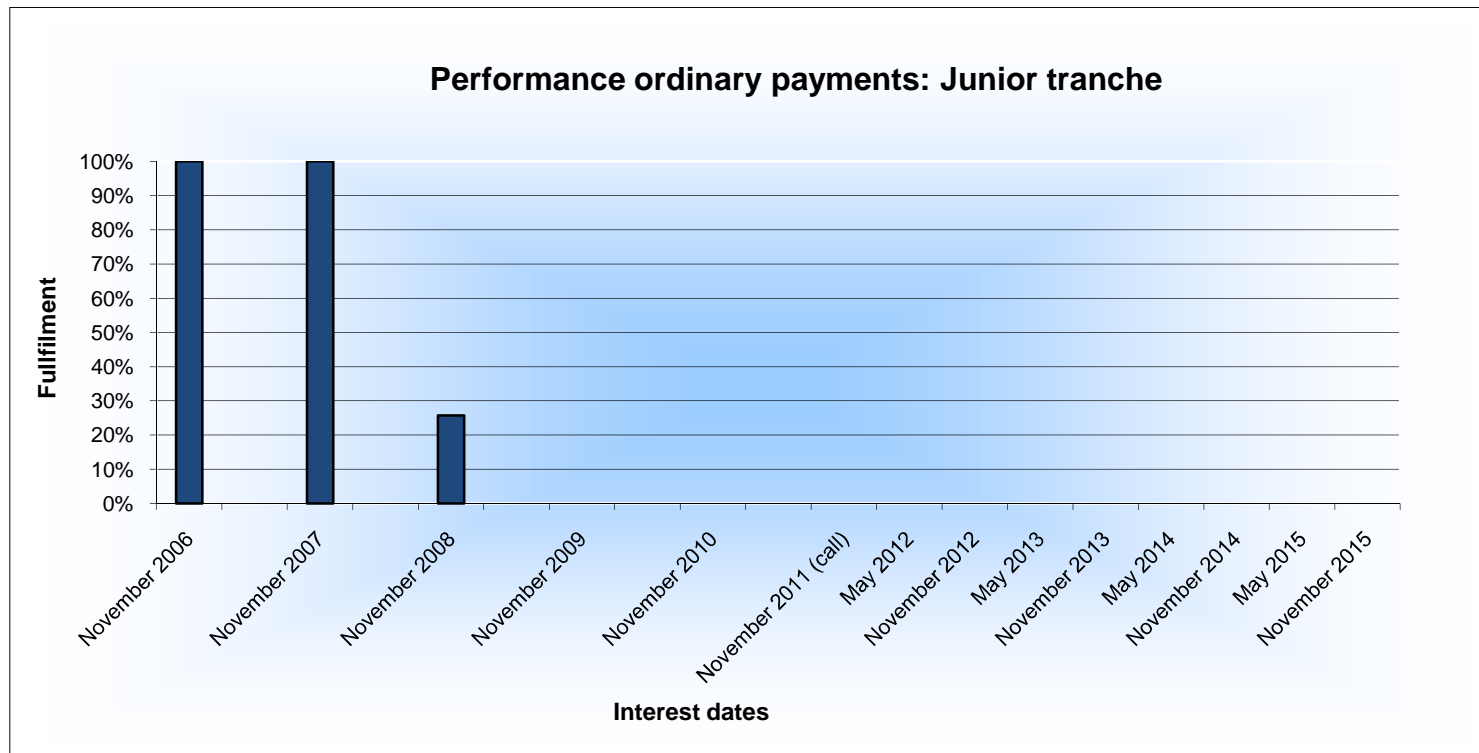
## 8) Performance of expected & ordinary payments I



## 8) Performance of expected & ordinary payments II



## 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.)

## Contacts



### HSH Nordbank AG

#### Products - Exit Advisory & Structuring

Christian Kasten

Ph: +49 40 3333 14820

Fax: +49 40 3333 6 14820

Kai-Felix Scheunemann

Ph: +49 431 900 12626

Fax: +49 431 900 6 12626

Ulla Jahr

Ph: +49 431 900 13271

Fax: +49 431 900 6 13271

Email: [Scandinotes@hsh-nordbank.com](mailto:Scandinotes@hsh-nordbank.com)