

Mare Baltic PCC Ltd. – 2006-1 Cell

ScandiNotes® IV

Investor Report

May 31, 2010

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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	Ba1 (on review for possible downgrade)	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: 93	Price: 62	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

Merger of Skælskør Bank and Max Bank:

On May 27, 2010 it was announced that Skælskør Bank and Max Bank intend to merger. The merger is subject to adoption at the general meeting of the two banks and the approval of the Danish Financial Supervisory Authority. The merger is expected to be carried through before the end of Q3 2010. When carried through the merger will become effective from 1st January 2010.

3) Net results of portfolio events since issue date

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 727,400,000 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 17.301 per cent

The loss for the Mezzanine Note holders is thus, subject to any potential recoveries from the above mentioned banks, 17.301% of the investment.

4) 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%
Engsbank Han Herred*	Denmark	75.000.000	3,3%
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%
Roskilde Bank*	Denmark	200.000.000	8,7%
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%
Total:		2.305.658.700	100,0%

*Red marked banks have caused an RA-Event

5) Key Figures of the Underlying Obligors I

Country	Obligors	Total Assets			Shareholders Equity			Subordinated Debt			Tier 2 ratio %			Loans and advances		
		2008	2009	Δ Pct.	2008	2009	Δ Pct.	2008	2009	Δ Pct.	2008	2009	Δ Pct.	2008	2009	Δ Pct.
Denmark																
Amounts in DKK mill.	Amagerbanken	35.587	33.638	-5%	1.640	1.888	15%	1.174	2.529	115%	10,1	17,2	70%	24.411	22.164	-9%
	BankTrelleborg ¹⁾	n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a	
	Diba Bank	6.826	7.072	4%	628	534	-15%	325	484	49%	13,7	16,8	23%	4.682	3.952	-16%
	Djurslands Bank	6.519	6.295	-3%	588	636	8%	226	176	-22%	13,0	14,2	9%	4.235	3.893	-8%
	ebh bank ²⁾	n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a	
	Fionia Bank ³⁾	32.767	n.a		991	n.a		843	n.a		8,5	n.a		21.398	n.a	
	Forstædernes Bank ⁴⁾	32.298	33.038	2%	3.055	2.147	-30%	1.745	1.169	-33%	15,5	15,7	1%	22.260	15.493	-30%
	Max Bank ⁵⁾	6.988	7.048	1%	357	323	-10%	525	604	15%	11,1	15,7	41%	4.216	4.454	6%
	Morsø Bank	4.916	4.091	-17%	310	223	-28%	256	404	58%	13,4	14,4	7%	3.498	3.437	-2%
	Nordfyns Bank	1.997	2.006	0%	176	181	3%	100	113	13%	14,6	16,9	16%	1.332	1.185	-11%
	Roskilde Bank ⁶⁾	n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a		n.a	n.a	
	Skælskør Bank ^{5) + 7)}	2.523	3.313	31%	203	127	-37%	200	375	88%	9,1	15,1	66%	1.790	1.926	8%
	Spar Nord Bank	69.268	64.529	-7%	4.025	4.143	3%	1.652	2.681	62%	11,3	14,2	26%	45.376	38.315	-16%
	Sparbank	18.756	17.859	-5%	1.353	1.265	-7%	492	977	99%	10,0	13,1	31%	13.089	11.495	-12%
	Sparekassen Farsø	4.073	4.156	2%	358	354	-1%	238	370	55%	11,8	15,8	34%	3.042	2.932	-4%
	Sparekassen Sjælland	12.980	13.692	5%	1.867	1.930	3%	733	632	-14%	20,1	20,6	2%	8.305	8.694	5%
	Sparekassen Østjylland	8.011	7.172	-10%	703	607	-14%	278	558	101%	13,2	16,8	27%	4.745	4.423	-7%
	Totalbanken	3.075	3.146	2%	321	328	2%	121	213	76%	12,4	18,3	48%	1.941	2.058	6%
	Tønder Bank	2.317	2.724	18%	247	265	7%	162	200	23%	15,2	17,8	17%	1.662	1.974	19%
	Vestfyns Bank	1.789	1.904	6%	210	212	1%	50	100	100%	13,8	16,9	22%	1.238	1.260	2%
	Østjydsk Bank	5.903	6.134	4%	620	632	2%	403	560	39%	15,8	17,7	12%	4.344	4.672	8%
	Sydbank	155.975	157.821	1%	7.088	9.118	29%	4.219	3.124	-26%	14,7	15,2	3%	95.758	87.474	-9%

Source: Annual reports 2009

For footnotes and comments, please see page 9

5) 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		
		2008	2009	Δ Pct.	2008	2009	2008	2009	2008	2009	Δ Pct.
Denmark											
Amounts in DKK mill.	Amagerbanken	1.026	1.139	11%	4,1%	4,2%	5,2%	9,6%	163,9%	142,9%	-13%
	Bank Trelleborg ¹⁾	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Diba Bank	222	374	68%	0,7%	4,6%	1,6%	5,8%	139,5%	70,4%	-50%
	Djurslands Bank	219	225	3%	0,5%	0,9%	1,9%	2,9%	90,9%	82,6%	-9%
	ebh bank ²⁾	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Fionia Bank ³⁾	902	n.a.		4,8%	n.a.	3,9%	n.a.	204,1%	n.a.	
	Forstædernes Bank ^{*) 4)}	646	837	30%	5,3%	21,5%	5,7%	25,1%	333,3%	62,5%	-81%
	Max Bank ⁵⁾	219	255	16%	3,1%	1,9%	3,8%	5,9%	178,6%	116,3%	-35%
	Morsø Bank	123	156	27%	0,4%	3,8%	1,5%	5,3%	98,0%	178,6%	82%
	Nordfyns Bank ^{*)}	109	115	6%	2,0%	1,3%	3,4%	2,9%	111,1%	90,9%	-18%
	Roskilde Bank ⁶⁾	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Skælskør Bank ^{5) + 7)}	123	138	12%	4,6%	6,9%	5,3%	10,9%	185,0%	217,0%	17%
	Spar Nord Bank ^{*)}	1.736	2.431	40%	0,5%	1,3%	1,20%	2,5%	70,4%	61,7%	-12%
	Sparbank	593	890	50%	2,4%	2,6%	4,2%	5,6%	161,3%	112,4%	-30%
	Sparekassen Farsø	116	172	48%	0,9%	2,2%	2,1%	3,7%	128,2%	117,6%	-8%
	Sparekassen Sjælland ^{*)}	519	580	12%	1,2%	2,1%	2,7%	4,7%	89,3%	97,1%	9%
	Sparekassen Østjylland	68	344	406%	1,9%	3,4%	3,5%	6,7%	476,0%	133,3%	-72%
	Totalbanken	126	152	21%	2,1%	1,9%	3,1%	3,8%	119,0%	91,7%	-23%
	Tønder Bank	70	146	109%	0,5%	2,4%	2,2%	3,6%	126,6%	87,7%	-31%
	Vestfyns Bank	99	105	6%	0,8%	1,7%	2,0%	3,2%	86,2%	99,0%	15%
	Østjyds Bank	234	272	16%	0,8%	1,7%	2,2%	3,5%	80,0%	92,6%	16%
	Sydbank	4.052	4.819	19%	0,6%	1,4%	1,0%	1,8%	80,6%	80,6%	0%

Source: Annual reports 2009

For footnotes and comments, please see page 9

5) 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 %		
		2008	2009		2008	2009		2008	2009		2008	2009		2008	2009	
Denmark																
Amounts in DKK mill.	Amagerbanken	-583	-469	-20%	1.217	1.162	-5%	0,6	0,7	17%	1.182	1.180	0%	101	209	107%
	Bank Trelleborg ¹⁾	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.	
	Diba Bank	-101	-97	-4%	308	343	11%	0,7	0,8	14%	43	246	472%	137	289	111%
	Djurslands Bank	18	40	122%	246	255	4%	1,1	1,2	9%	31	47	52%	101	195	93%
	ebh bank ²⁾	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.	
	Fionia Bank ³⁾	-957	n.a.		895	n.a.		0,5	n.a.		1.218	n.a.		112	n.a.	
	Forstædernes Bank ⁴⁾	-1.227	-3.861	215%	1.065	1.023	-4%	0,3	0,2	-47%	1.534	5.345	248%	78	224	187%
	Max Bank ⁵⁾	-121	-34	-72%	241	259	7%	0,6	0,9	43%	193	111	-42%	163	202	24%
	Morsø Bank	1	-105		142	161	13%	1,0	0,6	-44%	19	166	774%	125	153	22%
	Nordfyns Bank	-8	5	-163%	105	106	1%	0,9	1,1	22%	37	21	-43%	169	252	49%
	Roskilde Bank ⁶⁾	n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.		n.a.	n.a.	
	Skælskør Bank ^{5) + 7)}	-81	-133	64%	131	153	17%	0,5	0,5	0%	137	193	41%	39	212	444%
	Spar Nord Bank	95	118	24%	1.917	2.203	15%	1,4	1,6	14%	275	692	152%	87	157	80%
	Sparbank	-286	-90	-69%	750	838	12%	0,6	0,9	50%	445	483	9%	90	150	67%
	Sparekassen Farsø	-27	-24	-11%	147	170	16%	0,8	0,9	13%	42	100	138%	82	161	96%
	Sparekassen Sjælland	43	13	-70%	591	560	-5%	1,1	1,0	-9%	150	264	76%	226	207	-8%
	Sparekassen Østjylland	-169	-135	-20%	232	282	22%	0,2	0,8	275%	138	243	76%	202	160	-21%
	Totalbanken	-19	8	-142%	143	145	1%	0,8	1,1	38%	69	60	-13%	105	121	15%
	Tønder Bank	-14	16	-214%	113	143	27%	0,8	1,1	38%	9	59	556%	214	191	-11%
	Vestfyns Bank	11	1	-91%	97	100	3%	1,2	1,0	-17%	14	31	121%	112	175	56%
	Østjyds Bank	39	18	-54%	271	285	5%	1,3	1,1	-15%	49	111	127%	159	174	9%
	Sydbank	606	781	29%	3.880	4.399	13%	1,2	1,2	0%	622	1.368	120%	89	94	6%

Source: Annual reports 2009

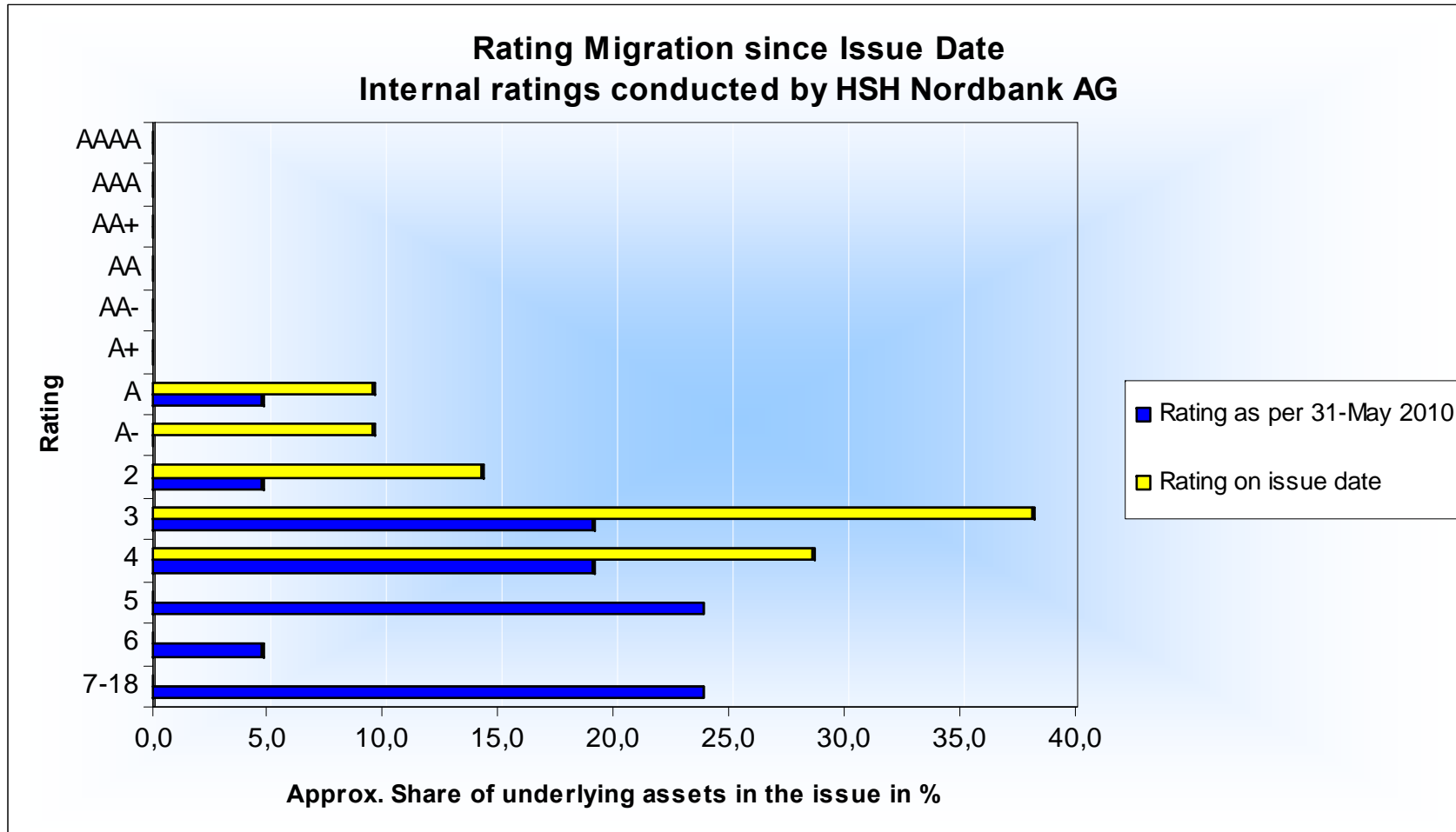
For footnotes and comments, please see page 9

5) Key Figures of the Underlying Obligors II

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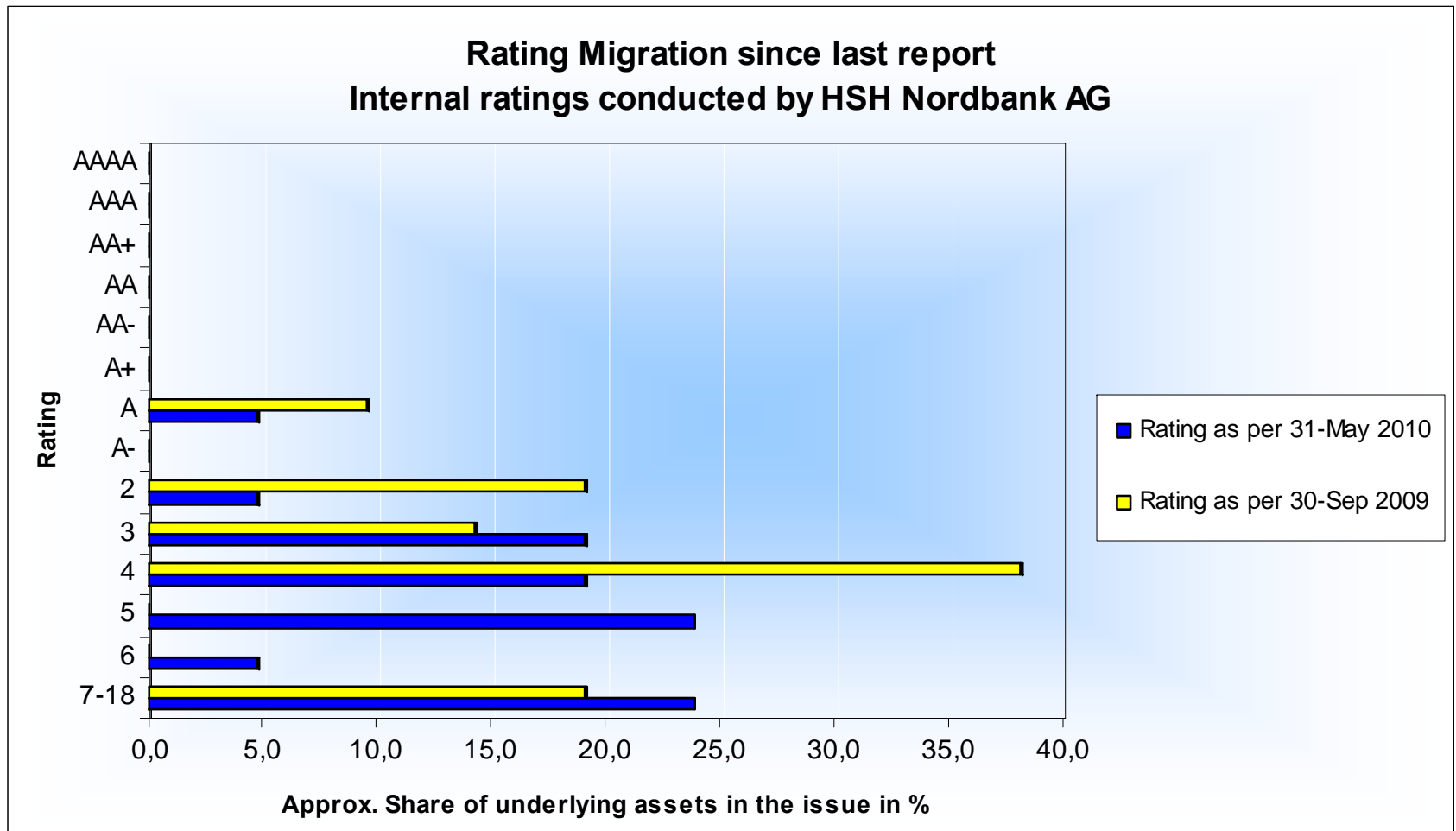
- 1) Bank Trelleborg has been taken over by Sydbank as per 27 March 2008
- 2) ebh bank: all assets and liabilities except for subordinated capital and equity of the former ebh bank have been transferred to "Bank A/S af 21. November 2008.
- 3) Fionia Bank has signed an agreement with the state company Financial Stability. As a consequence all assets and liabilities except subordinated capital and equity will be transferred to a new recapitalised business unit.
- 4) Forstædernes Bank merged with Nykredit Bank A/S – effective date: 1st April, 2010. Financial figures refer to Forstædernes Bank as at 31.12.2009.
- 5) Max Bank A/S and Skælskør Bank A/S announced on May 27th, 2010, its intension to merge - with Max Bank as surviving entity. The Danish State, as principal shareholder of Skælskør Bank expressed its willingness to support the merger.
- 6) Roskilde Bank has defaulted as per 24 August 2008. The Bank made a sales agreement with a new bank established by the Danish Central Bank and the Private Contingency Association.
- 7) Skælskør Bank was forced by the Danish FSA to correct its FYE 2008 figures.
- *) 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

6) 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) Ratings of underlying obligors

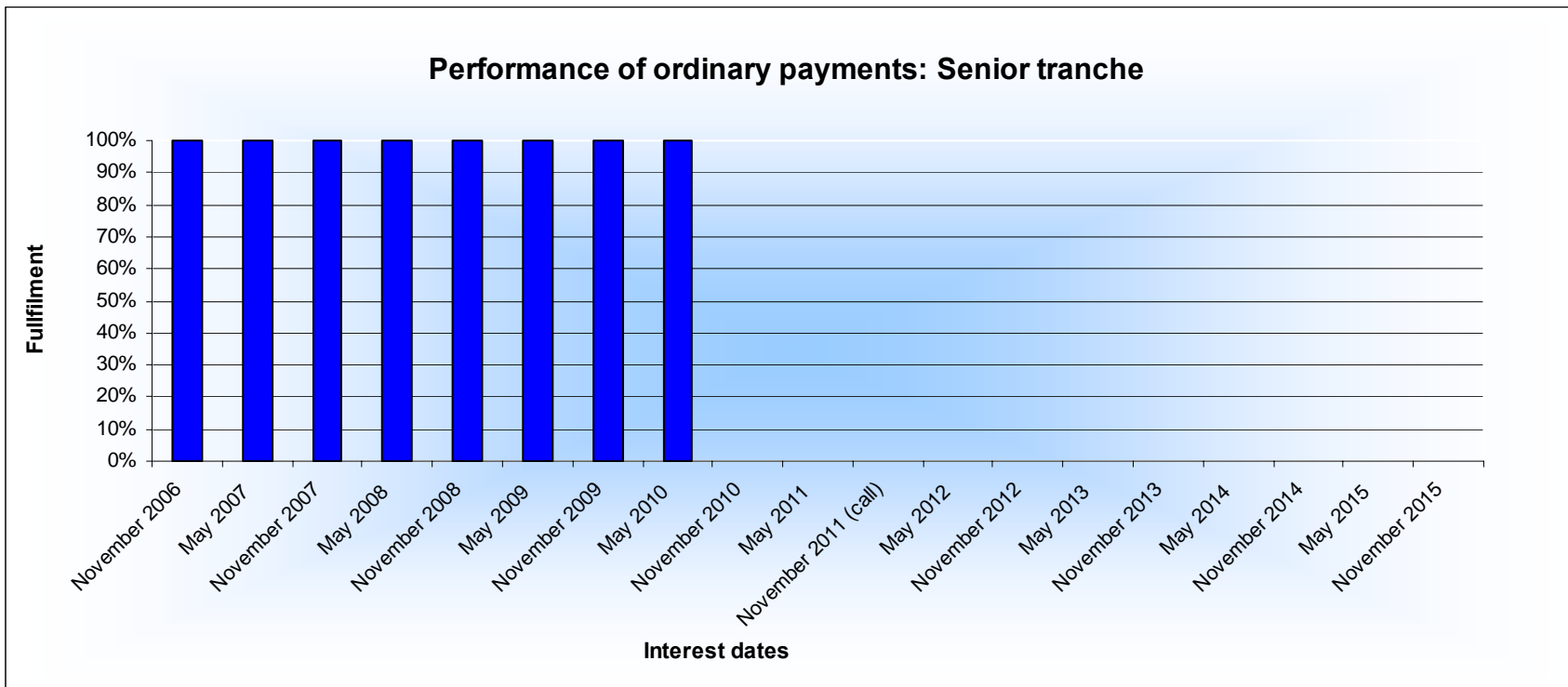


Note: HSH Nordbank AG's internal rating scale runs over 25 steps from 1(AAAA) as the best rating to 18 as the poorest rating.

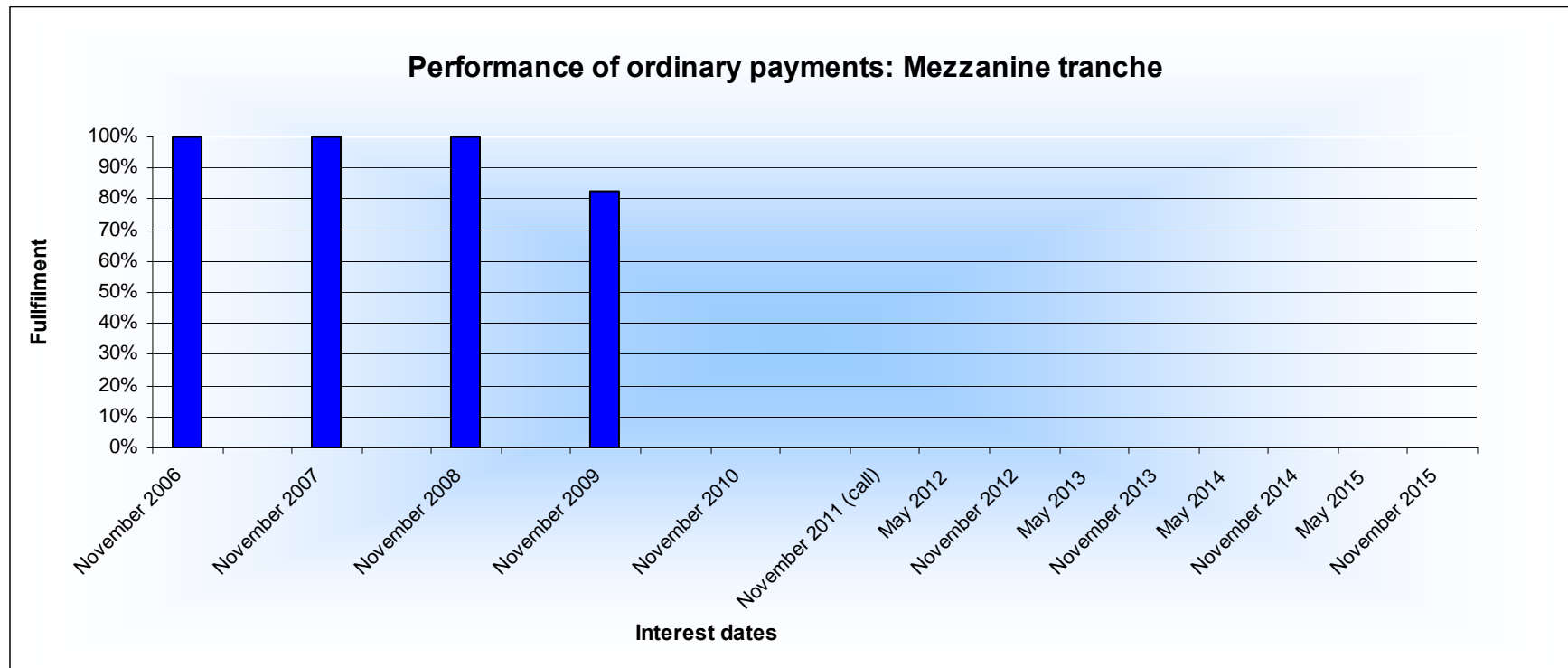
7) Rating of issued Notes

<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	Ba1 (on review for possible downgrade)	Aa1 (on review for possible downgrade)	AAA
B – Mezzanine	Ca	Caa2 (on review for possible downgrade)	Baa2
C – Junior	n.r.	n.r.	n.r.

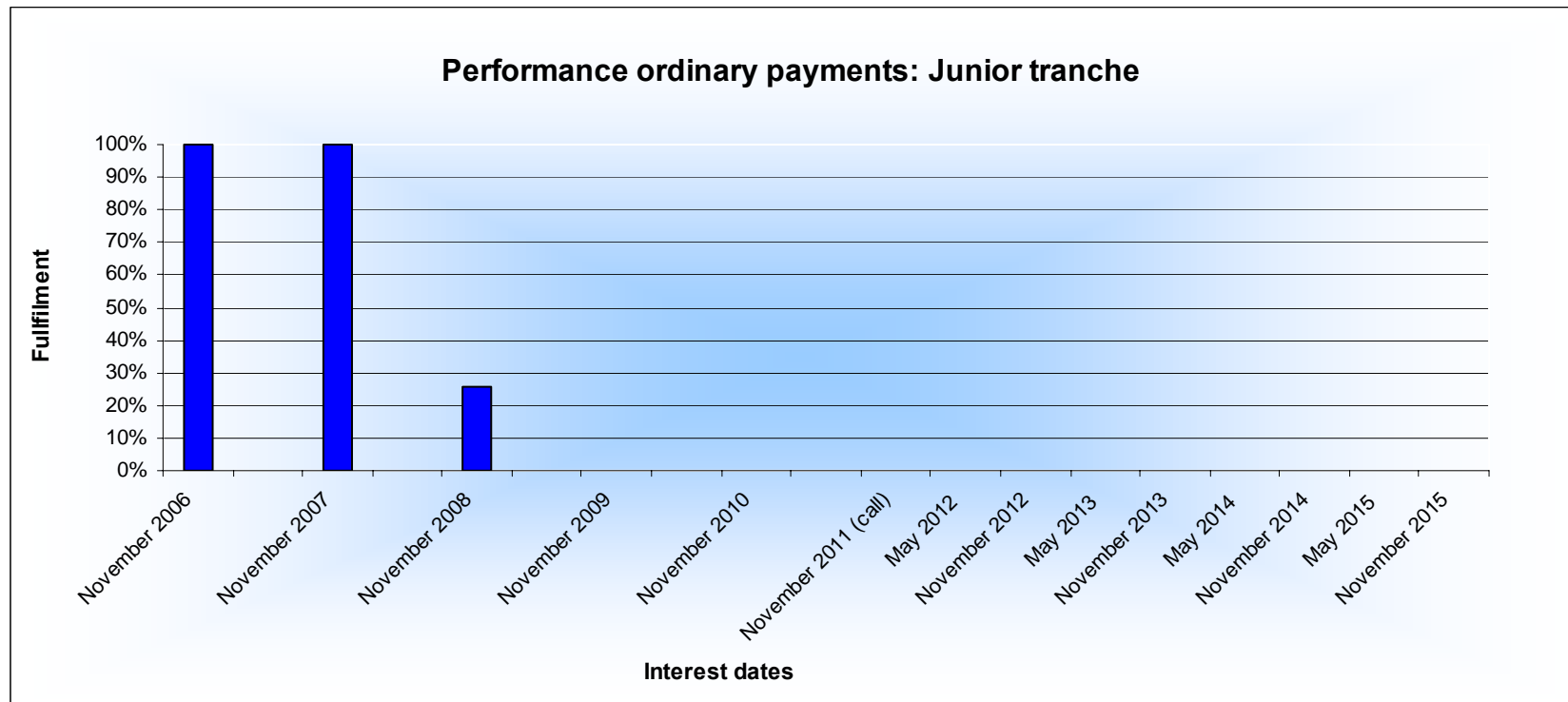
8) Performance of expected & ordinary payments I



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.)

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