



Mare Baltic PCC Ltd. – 2005-1 Cell

ScandiNotes® III

**Investor Report
June 30, 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: 30,32	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 Fjordbank Mors A/S:

On 1 November 2010 Morsø Sparekasse and Morsø Bank A/S merged to Fjordbank Mors A/S. Fjordbank Mors A/S has signed an agreement with the state company Financial Stability effective on 24 June 2011. As a consequence all assets and liabilities except for subordinated capital and equity were transferred to a newly formed subsidiary bank under Financial Stability. Fjordbank Mors A/S is participating with a nominal loan amount of EUR 7.5 million in ScandiNotes® III.

Default of Amagerbanken:

On 06 February 2011 Amagerbanken A/S announced that it will file a bankruptcy petition. Amagerbanken A/S is participating with a nominal loan amount of EUR 27 million in ScandiNotes® III. In case Amagerbanken 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 Amagerbanken 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 Amagerbanken A/S debt and obligations is generated in the insolvency proceedings.

3) Net results of portfolio events since issue date

Senior Tranche

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 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.

The reduction in principal will be shared on a pro-rata basis by the Class A Note holders. This means that there has been a reduction of interest and principal on the Class A Notes of 19.46 per cent.

The loss for the Senior Note holders is thus, subject to any potential recoveries from the above mentioned banks, 19.46% 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 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 100 per cent.

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

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%	
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
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%	
Total:		280.000.000	100,0%	

4) Underlying obligors in ScandiNotes® III and nominal amounts

ScandiNotes® III – Partial redemption of Class A

The below listed financial institution participating in ScandiNotes® III, has decided to exercise its option to redeem the underlying loans, according to the underlying loan documentation.

- Sparebanken Öresund AB (publ), former Sparebanken Gripen AB (publ)

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

The Senior Notes have been redeemed on April 29, 2011 in an amount of EUR 5,000,000.00, equalling 5.250 per cent of the Class A Notes (ISIN DK0030015128).

The amount derives from the underlying swap and the expected redemption of the underlying loans. Additionally a principal payment of EUR 441,588 was redeemed on the Senior Tranche.

The Class A Notes have a nominal amount of EUR 89,789,812.00 after April 29, 2011. This nominal amount will be serviced by underlying loans amounting to EUR 58,500,000.00. Please note, that the numbers mentioned above, are expectations and are subject to the factual prepayment of the loans.

The following financial institution participating in ScandiNotes® III have already redeemed their loans in November 2010:

- Nykredit – former Forstædernes Bank
- Middelfart Sparekasse
- Spar Nord Bank
- Sydbank – former Sparekassen sparTrelleborg
- Sparekassen Østjylland
- Sparebank1 Buskerud-Vestfold – former Sparebank1 Vestfold
- Sparebanken Øst
- Vestjydsk Bank

5) Key Figures of the Underlying Obligor I

Country	Obligors	Total Assets			Total Equity			Subordinated Debt			Tier 2 ratio %		Loans and advances		
		2009	2010	Δ Pct.	2009	2010	Δ Pct.	2009	2010	Δ Pct.	2009	2010	2009	2010	Δ Pct.
Denmark	Amagerbanken ¹⁾	33.638	n.a.	n.a.	1.888	n.a.	n.a.	2.529	n.a.	n.a.	17,2	n.a.	22.164	n.a.	n.a.
Amounts in DKK m	ebh bank ²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fionia Bank ³⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fjordbank Mors ⁴⁾	8.765	13.194	51%	711	766	8%	437	841	92%	10,8	11,9	6.509	8.852	36%
	Max Bank ⁵⁾	7.053	9.781	39%	320	472	48%	604	830	37%	15,4	14,8	4.435	6.304	42%
	Roskilde Bank ⁶⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Sparekassen Farsø	4.156	5.018	21%	354	305	-14%	370	371	0%	15,8	14,6	2.932	3.002	2%
	Sparekassen Lolland ⁷⁾	10.179	11.343	11%	1.105	1.018	-8%	471	470	0%	15,6	14,0	7.172	6.716	-6%
	Totalbanken	3.146	3.197	2%	328	337	3%	213	168	-21%	18,3	17,8	2.058	2.025	-2%
	Tønder Bank	2.724	2.803	3%	265	271	2%	200	200	0%	17,8	17,2	1.974	1.817	-8%
Østjyds Bank	6.134	6.979	14%	632	649	3%	560	560	0%	17,7	17,7	4.672	4.911	5%	
Iceland															
Amounts in ISK m	Icebank Ltd.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	SPRON	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Annual reports 2009/2010

For footnotes and comments, please see page 10

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	
		2009	2010	Δ Pct.	2009	2010	2009	2010	2009	2010
Denmark <i>Amounts in DKK m</i>	Amagerbanken ¹⁾	1.139	n.a.	n.a.	4,2%	n.a.	9,6%	n.a.	142,9%	n.a.
	ebh bank ²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fionia Bank ³⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fjordbank Mors ⁴⁾	256	261	2%	5,1%	2,2%	7,9%	7,3%	212,8%	151,5%
	Max Bank ⁵⁾	270	326	21%	1,9%	1,3%	6,0%	5,9%	116,3%	111,1%
	Roskilde Bank ⁶⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Sparekassen Farsø	172	140	-19%	2,2%	3,0%	3,7%	6,3%	117,6%	153,8%
	Sparekassen Lolland ⁷⁾	434	362	-17%	3,3%	2,5%	5,3%	7,3%	138,9%	131,6%
	Totalbanken	152	139	-9%	1,9%	1,6%	3,8%	3,5%	91,7%	91,7%
	Tønder Bank	145	155	7%	2,4%	2,8%	3,6%	3,8%	87,7%	92,6%
Østjydsk Bank	272	305	12%	1,7%	2,2%	3,5%	5,6%	92,6%	96,1%	
Iceland <i>Amounts in ISK m</i>										
	Icebank Ltd. SPRON	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Annual reports 2009/2010

For footnotes and comments, please see page 10

5) Key Figures of the Underlying Obligors III

Country	Obligors	Net Profit after tax			Net Commission & interest income			Income/Cost ratio			Annual impairments of loans and advances			Excess liquidity cover	
		2009	2010	Δ Pct.	2009	2010	Δ Pct.	2009	2010	Δ Pct.	2009	2010	Δ Pct.	2009	2010
Denmark <i>Amounts in DKK m</i>	Amagerbanken ¹⁾	-469	n.a.	n.a.	1.162	n.a.	n.a.	0,7	n.a.	n.a.	1.180	n.a.	n.a.	209	n.a.
	ebh bank ²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fionia Bank ³⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Fjordbank Mors ⁴⁾	-254	-127	-50%	274	269	-2%	0,5	0,7	-45%	438	243	-45%	117	154
	Max Bank ⁵⁾	-42	-28	-33%	258	303	17%	0,8	0,9	-4%	111	107	-4%	202	209
	Roskilde Bank ⁶⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Sparekassen Farsø	-24	-64	167%	170	158	-7%	0,9	0,7	23%	100	123	23%	161	233
	Sparekassen Lolland ⁷⁾	-130	-91	-30%	387	372	-4%	0,7	0,8	-42%	345	201	-42%	150	290
	Totalbanken	8	10	25%	145	134	-8%	1,1	1,1	-25%	60	45	-25%	121	158
	Tønder Bank	16	8	-50%	143	145	1%	1,1	1,1	10%	58	64	10%	191	236
Østjysk Bank	18	9	-50%	285	295	4%	1,1	1,0	30%	111	144	30%	174	244	
Iceland <i>Amounts in ISK m</i>	Icebank Ltd.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	SPRON	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Annual reports 2009/2010

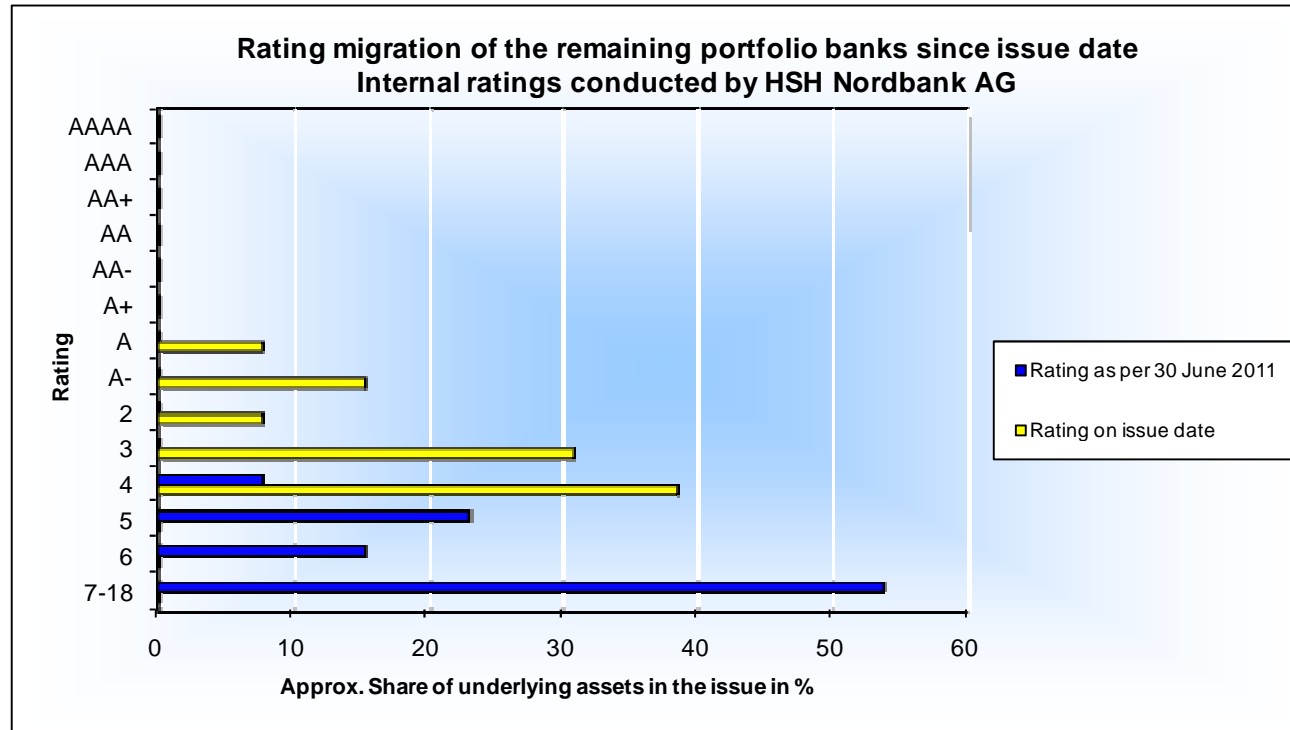
For footnotes and comments, please see page 10

5) Key Figures of the Underlying Obligors IV

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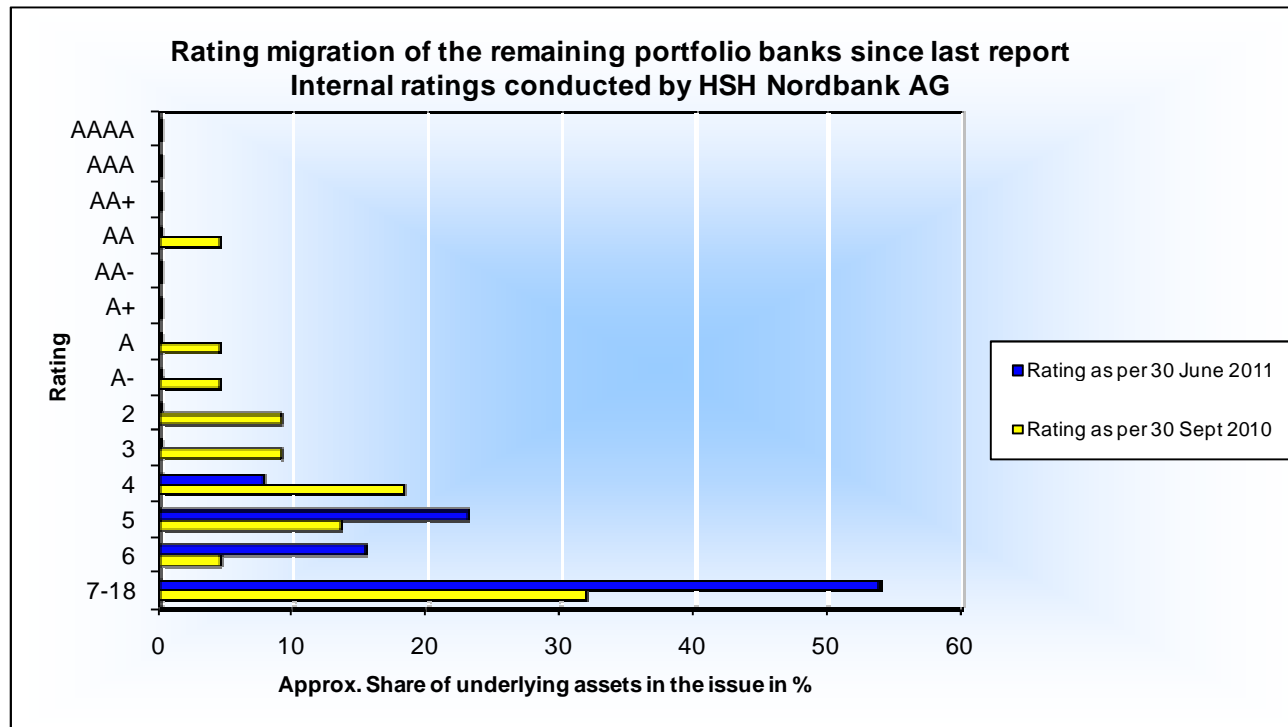
- 1) Amagerbanken A/S has signed an agreement with the state company Financial Stability effective on 06 February 2011. As a consequence all assets and liabilities except for subordinated capital and equity were transferred to a newly formed subsidiary bank under Financial Stability.
 - 2) ebh bank: all assets and liabilities except for subordinated capital and equity of the former ebh bank have been transferred to "Bank A/S" of 21 November 2008.
 - 3) Fionia Bank has signed an agreement with the state company Financial Stability effective on 23 February 2009. As a consequence all assets and liabilities except for subordinated capital and equity were transferred to a newly formed subsidiary bank under Financial Stability.
 - 4) Fjordbank Mors A/S has signed an agreement with the state company Financial Stability effective on 24 June 2011. As a consequence all assets and liabilities except for subordinated capital and equity were transferred to a newly formed subsidiary bank under Financial Stability.
 - 5) The Danish Financial Supervisory Authority granted its permission for Max Bank A/S and Skælskør Bank A/S to merge on 15 September 2010 with Max Bank A/S as surviving entity. The Financial Stability Company approved the merger on 2 September 2010.
 - 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) SparLolland announced the acquisition of Eik Bank Danmark 2010 A/S on 17 December 2010 and completed the integration on 28 February 2011.
- *) 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 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

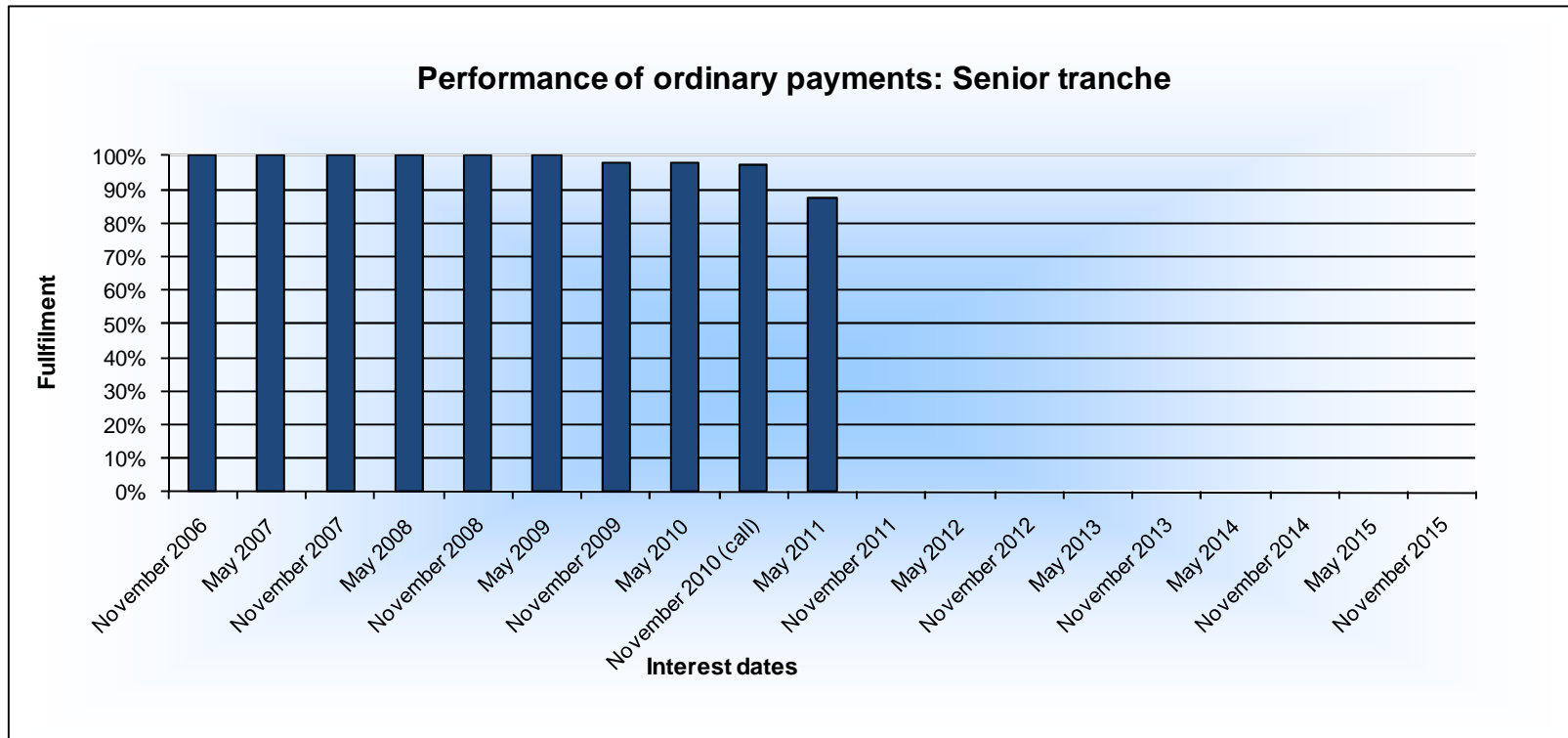


Note: HSH Nordbank AG's internal rating scale runs over 25 steps from 1(AAAA) as the best rating to 18 as the poorest rating.

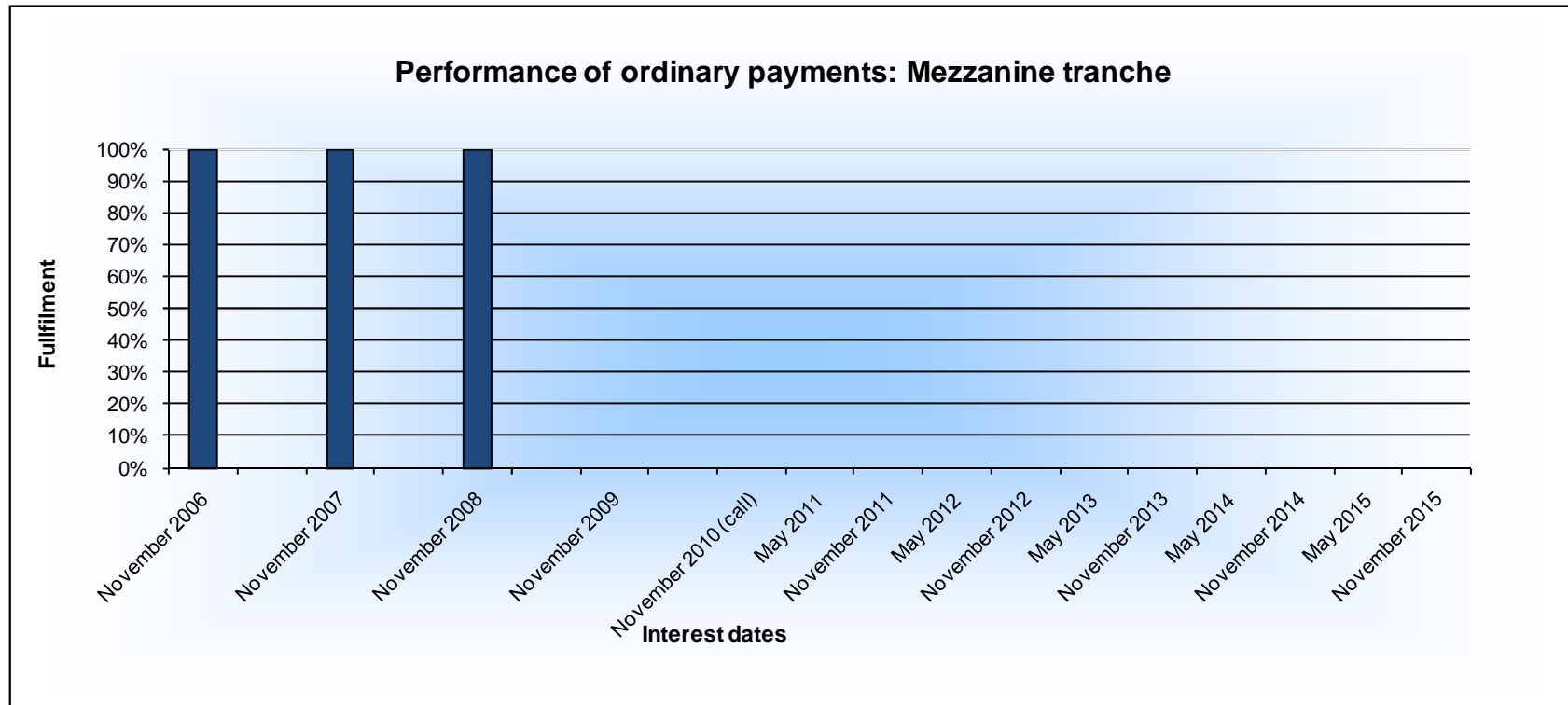
7) Rating of issued Notes

<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	Ca	Caa3	Aa2
B – Mezzanine	C	C	Baa2
C – Junior	n.r.	n.r.	n.r..

8) Performance of expected & ordinary payments I

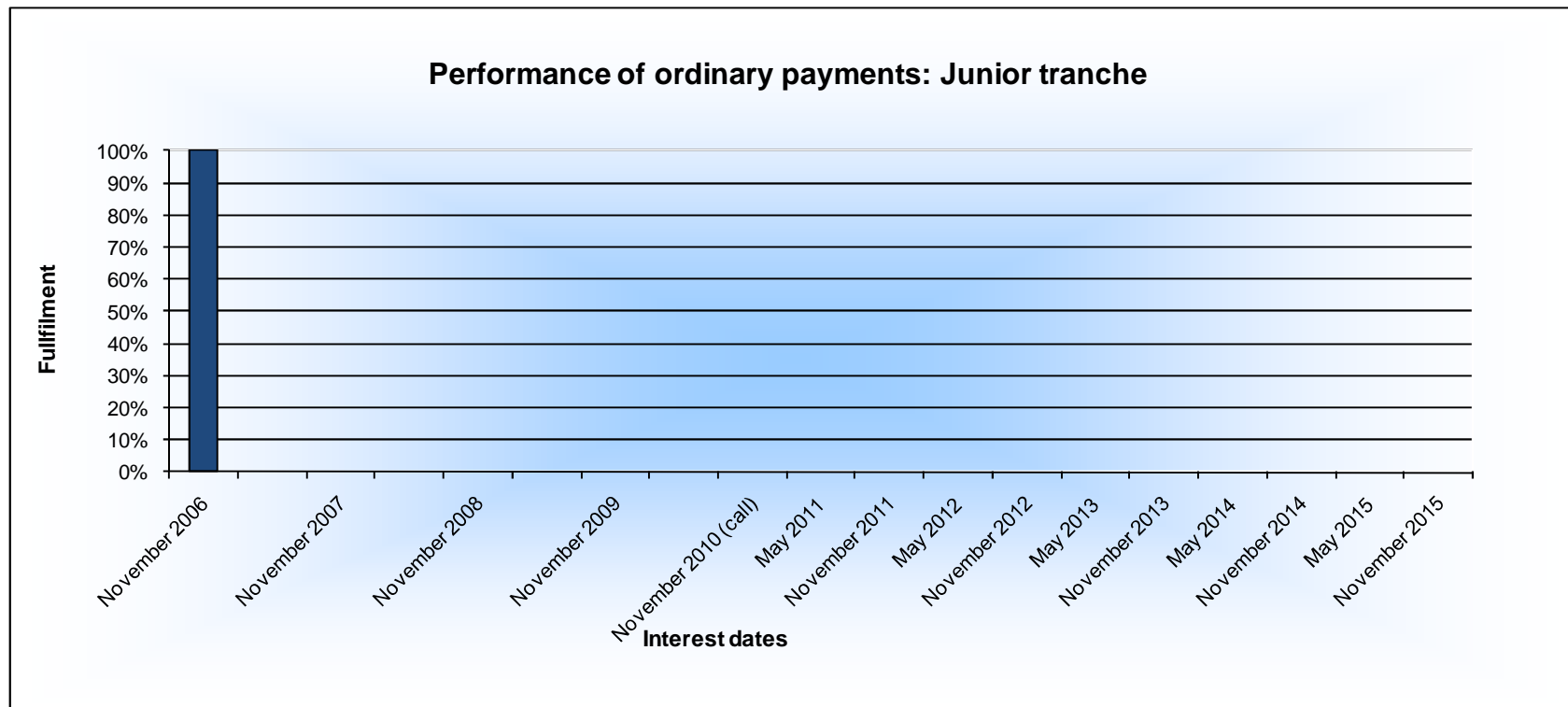


8) Performance of expected & ordinary payments II



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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