

Revised Forecast for the Housing Financing Fund (HFF), 2009

(HFF Bonds issuance, lending and payments)

The revised forecast on issued HFF Bonds for the purpose of financing loans in 2009 is in the range of ISK 19 – 21 billion, a decrease of ISK 9 – 11 billion from previous figures.

The Housing Financing Fund (HFF) expects new lending to range between ISK 31 and 33 billion in 2009, which is a decrease of ISK 5 – 7 billion from the previous forecast. Of that amount, loans for rental housing are estimated to amount to approximately ISK 8 – 10 billion, a decrease of ISK 2 billion.

HFF Bond Auctions and Lending

Forecast 2009	1.Q	2.Q	3.Q	4.Q	Total 2009
HFF Bond Issuance	6	7	0	6 - 8	19 - 21
HFF New lending	9	8	7	7 - 9	31 - 33

Figures are in ISK billions

Due to a significant change in market conditions, there is considerable uncertainty regarding forecasts on lending and bond issuance as there has been a considerable drop both in the real estate market and the financial market. Exact figures can, therefore, not be forecasted. As a result, some auction figures cannot be presented and may be transferred between quarters depending on market conditions.

HFF expects repayments to its creditors to range between ISK 62 and 64 billion in 2009, were the majority will be HFF Bond payments.

HFF Payments

Forecast 2009	1.Q	2.Q	3.Q	4.Q	Total 2009
HFF payments	18	15	14	15 - 17	62 - 64

Figures are in ISK billions

This forecast reflects present conditions in the property and mortgage market. Should market conditions change, adjustments to the above forecast can be expected. HFF reviews its forecast on a quarterly basis and more often if necessary.