

Housing Financing Fund - Forecast 2012

(HFF bonds issuance, loans and payments)

The Housing Financing Fund's (HFF's) forecast on HFF bond issuance for financing new mortgages in 2012 is ISK 36 - 44 billion at market value and ISK 24 - 29 billion at nominal value.

HFF estimates to issue ISK 23 - 31 billion in mortgages in 2012, which is lower than forecasted in 2011. Of that amount, it is estimated that mortgages to legal entities will amount to ISK 2 - 3 billion.

HFF Bond Auctions and Loans

Forecast 2012	1.Q	2.Q	3.Q	4.Q	Total
HFF's Bond Issuance (m.value)	9 - 11	11 - 13	7 - 9	9 - 11	36 - 44
HFF's Bond Issuance (nom.value)	6 - 7	7 - 9	5 - 6	6 - 7	24 - 29
HFF's New Loans	5 - 7	7 - 9	6 - 8	5 - 7	23 - 31

Figures are in ISK billions

There is considerable uncertainty regarding forecasts on lending and bond issuance due to circumstances in the financing and real estate markets. Exact figures can, therefore, not be forecasted. Therefore, some figures might be transferred between quarters, depending on market conditions.

The possibility of HFF issuing non-indexed loans may also affect the 2012 forecast.

HFF expects its repayments to creditors to range between ISK 71 - 79 billion in 2012, mostly due to repayments on HFF bonds.

HFF's repayments to creditors

Forecast 2012	1.Q	2.Q	3.Q	4.Q	Total
HFF's Repayments	17 - 19	19 - 21	16 - 18	19 - 21	71 - 79

Figures are in ISK billions

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

The Fund will meet its financing requirements in 2012, partly by selling some of its market treasuries, mostly in series RIKS 30 0701, amounting to ISK 7 - 9 billion, as included in the forecast.