

BUSINESS BALANCES AND GROWTH (\$ in Millions)

	Mortgage Portfolio, Net ¹		Outstanding MBS ²		Book of Business	
	End Balance	Growth Rate ³	End Balance	Growth Rate ³	End Balance	Growth Rate ³
January 2001	\$ 621,268	31.1%	\$ 710,245	6.2%	\$ 1,331,513	17.1%
February 2001	630,198	18.7%	717,159	12.3%	1,347,357	15.3%
March 2001	640,734	22.0%	725,685	15.2%	1,366,419	18.4%
April 2001	650,607	20.1%	738,462	23.3%	1,389,069	21.8%
May 2001	653,337	5.2%	757,981	36.8%	1,411,318	21.0%
June 2001	662,998	19.3%	773,836	28.2%	1,436,834	24.0%
July 2001	675,154	24.4%	784,582	18.0%	1,459,736	20.9%
August 2001	684,022	17.0%	801,323	28.8%	1,485,345	23.2%
September 2001	686,801	5.0%	816,724	25.7%	1,503,525	15.7%
October 2001	693,476	12.3%	828,607	18.9%	1,522,083	15.9%
November 2001	696,218	4.8%	842,290	21.7%	1,538,508	13.7%
December 2001	705,167	16.6%	858,867	26.3%	1,564,034	21.8%
YTD 2001	\$ 705,167	16.1%	\$ 858,867	21.5%	\$ 1,564,034	19.0%

BUSINESS VOLUMES (\$ in Millions)

	Single-family Issues	Multifamily Issues	MBS			Portfolio Purchases	Business Volume
			Lender-originated Issues ⁴	FannieMae MBS Purchases ⁵	MBS Issues Acquired by Others		
January 2001	\$ 21,769	\$ 1,264	\$ 23,033	\$ 12,588	\$ 10,445	\$ 20,598	\$ 31,043
February 2001	25,938	742	26,680	11,633	15,047	17,230	32,277
March 2001	32,333	1,012	33,345	11,987	21,358	20,899	42,257
April 2001	43,444	1,186	44,630	15,133	29,497	24,015	53,512
May 2001	45,666	1,165	46,831	10,078	36,753	16,825	53,578
June 2001	48,794	2,025	50,818	16,630	34,189	24,430	58,619
July 2001	47,123	1,382	48,505	20,191	28,314	26,082	54,396
August 2001	45,598	1,288	46,886	13,436	33,450	22,111	55,561
September 2001	42,639	782	43,421	10,588	32,832	16,016	48,848
October 2001	39,794	672	40,466	13,512	26,953	20,220	47,173
November 2001	53,162	940	54,102	18,186	35,916	25,389	61,305
December 2001	65,261	1,343	66,604	26,620	39,984	36,769	76,753
YTD 2001	\$ 511,521	\$ 13,801	\$ 525,322	\$ 180,583	\$ 344,739	\$ 270,584	\$ 615,323

MORTGAGE PORTFOLIO COMMITMENTS, PURCHASES, AND SALES (\$ in Millions)

	Retained Commitments	Purchases				Mortgage Portfolio Sales
		Single-family	Multifamily	Total Purchases	Net Yield ⁶	
January 2001	\$ 26,559	\$ 19,556	\$ 1,042	\$ 20,598	7.02%	\$ 1,460
February 2001	24,636	16,723	507	17,230	6.85%	1,010
March 2001	25,147	20,092	807	20,899	6.71%	106
April 2001	21,070	23,440	575	24,015	6.78%	688
May 2001	24,613	16,400	425	16,825	6.71%	186
June 2001	19,909	23,799	631	24,430	6.77%	523
July 2001	18,833	25,267	815	26,082	6.77%	242
August 2001	18,857	21,496	615	22,111	6.69%	100
September 2001	16,389	15,551	465	16,016	6.69%	260
October 2001	33,599	19,715	505	20,220	6.51%	83
November 2001	49,102	25,006	383	25,389	5.96%	1,813
December 2001	17,784	35,395	1,374	36,769	5.89%	2,510
YTD 2001	\$ 296,498	\$ 262,441	\$ 8,143	\$ 270,584	6.56%	\$ 8,981

DECEMBER 2001

This reports Fannie Mae's monthly and year-to-date activity for mortgage commitments, purchases and sales, portfolio growth rate, net interest margin, delinquencies, and mortgage-backed securities.

BUSINESS HIGHLIGHTS

- Fannie Mae's business volume for December hit a new record of over \$77 billion, 25 percent higher than November.
- Mortgage portfolio purchases rose to the highest monthly volume this year at \$36.8 billion. The portfolio grew at a compound annual rate of 16.6 percent in December.
- Retained commitments were \$17.8 billion in December, down from the record \$49.1 billion in November. Outstanding portfolio commitments ended the year at \$55 billion. As these commitments settle, they will boost portfolio growth during the first few months of 2002.
- The net interest margin averaged 119 basis points in December.

ANNUAL RESULTS

- Operating Earnings per Share were \$5.20 in 2001, 21 percent ahead of 2000. This result was driven by strong business growth and a higher net interest margin.

¹ Net portfolio is net of unamortized discount, deferred price adjustments, and the allowance for losses. It contains \$431 billion of Fannie Mae MBS as of December 31, 2001.

² MBS held by investors other than Fannie Mae's portfolio.

³ Growth rates are compounded.

⁴ Excludes MBS issued from Fannie Mae's portfolio, which was \$1,003 million in December 2001.

⁵ Included in total portfolio purchases.

⁶ Yields shown on a taxable-equivalent basis.

LIQUIDATIONS (\$ in Millions)

	Mortgage Portfolio Liquidations		Outstanding MBS Liquidations	
	Amount	Annual Rate	Amount	Annual Rate
January 2001	\$ 5,330	10.37%	\$ 7,949	13.46%
February 2001	7,334	14.01%	9,131	15.35%
March 2001	10,279	19.33%	12,938	21.52%
April 2001	13,418	24.83%	17,408	28.53%
May 2001	13,925	25.52%	17,418	27.94%
June 2001	14,217	25.82%	18,529	29.03%
July 2001	13,644	24.37%	17,810	27.43%
August 2001	13,179	23.18%	16,809	25.44%
September 2001	13,012	22.69%	17,431	25.85%
October 2001	13,591	23.54%	15,154	22.10%
November 2001	20,996	36.13%	24,046	34.54%
December 2001	25,487	43.50%	25,917	36.56%
YTD 2001	\$ 164,412	24.73%	\$ 200,540	25.91%

DELINQUENCY RATES

Conventional At-Risk Portfolio and MBS	
Single-family ¹	Multifamily ²
0.46%	0.05%
0.46%	0.04%
0.44%	0.05%
0.43%	0.04%
0.43%	0.04%
0.43%	0.07%
0.43%	0.11%
0.43%	0.10%
0.45%	0.10%
0.46%	0.12%
0.47%	0.33%

AVERAGE INVESTMENTS AND NET INTEREST MARGIN (\$ in Millions)

	Average Investment Balances			Average Investment Yield	Average Borrowing Cost	Average Interest Margin
	Net Mortgages	Liquid Investments	Total Net Investments			
January 2001	\$ 612,012	\$ 54,489	\$ 666,501	7.19%	6.41%	1.00%
February 2001	624,100	57,429	681,529	7.11%	6.32%	1.03%
March 2001	632,178	55,245	687,423	7.09%	6.24%	1.07%
April 2001	640,809	51,539	692,347	7.06%	6.18%	1.11%
May 2001	647,471	57,699	705,170	6.97%	6.10%	1.09%
June 2001	654,199	61,055	715,254	6.91%	6.07%	1.06%
July 2001	663,946	56,509	720,455	6.91%	6.04%	1.06%
August 2001	675,415	56,217	731,632	6.88%	5.97%	1.11%
September 2001	680,149	60,033	740,182	6.82%	5.88%	1.13%
October 2001	685,804	59,652	745,456	6.76%	5.74%	1.21%
November 2001	687,403	58,682	746,085	6.71%	5.69%	1.24%
December 2001	694,856	77,184	772,040	6.53%	5.56%	1.19%
YTD 2001	\$ 658,195	\$ 58,811	\$ 717,006	6.90%	6.00%³	1.11%³

INTEREST RATE RISK DISCLOSURES

Effective Duration Gap (in months)	Rate Level Shock (50bp) ⁴		Rate Slope Shock (25bp) ⁴		
	1 Year Portfolio Net Interest Income at Risk	4 Year Portfolio Net Interest Income at Risk	1 Year Portfolio Net Interest Income at Risk	4 Year Portfolio Net Interest Income at Risk	
January 2001	-3	3.9%	3.6%	3.6%	5.2%
February 2001	-2	3.0%	2.1%	3.2%	5.2%
March 2001	1	3.8%	3.2%	3.1%	4.7%
April 2001	7	3.2%	4.9%	2.0%	2.6%
May 2001	7	1.9%	4.5%	1.5%	2.2%
June 2001	5	1.7%	4.4%	0.9%	2.0%
July 2001	0	1.1%	2.9%	1.8%	3.4%
August 2001	-1	1.5%	2.1%	1.9%	3.7%
September 2001	-1	2.4%	3.6%	2.8%	4.0%
October 2001	-10	1.8%	6.9%	3.8%	6.0%
November 2001	3	4.2%	3.8%	3.1%	5.3%
December 2001	5	5.1%	4.5%	2.4%	4.3%

¹ Includes loans three or more months delinquent or in foreclosure process as a percent of the number of loans.

² Includes loans two or more months delinquent as a percent of loan dollars.

³ Includes the amortization of purchased option premium which is shown as other expense in the income statement, effective in January 2001.

⁴ Expresses projected net interest income under the more adverse of the interest rate and yield curve scenarios as a percentage of projected net interest income without the rate shocks.

The information presented in this report is unaudited and includes, in the opinion of management, all adjustments (consisting of normally recurring accruals) necessary for a fair presentation. The data should be read in conjunction with audited financial statements and notes to financial statements that are available from the corporation. For more information regarding Fannie Mae, or for a more detailed quarterly report on Fannie Mae's activity, please visit www.fanniemae.com or contact us at (202) 752-7115.