



# Second Quarter 2015 Financial Results Supplement

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# Quarterly financial results



\$ Millions			2Q15
	2Q15	1Q15	vs 1Q15
1 Net interest income	\$ 3,969	\$ 3,647	\$ 322
2 Benefit for credit losses	857	499	358
3 Derivative gains (losses)	3,135	(2,403)	5,538
4 Other non-interest income (loss)	(594)	256	(850)
5 Non-interest income (loss)	2,541	(2,147)	4,688
6 Non-interest expense	(1,289)	(1,211)	(78)
7 Pre-tax income	\$ 6,078	\$ 788	\$ 5,290
8 Income tax expense	(1,909)	(264)	(1,645)
9 Net income	\$ 4,169	\$ 524	\$ 3,645
10 Total other comprehensive income (loss), net of taxes	(256)	222	(478)
11 Comprehensive income	\$ 3,913	\$ 746	\$ 3,167
12 Total equity / GAAP net worth (ending balance)	\$ 5,713	\$ 2,546	\$ 3,167

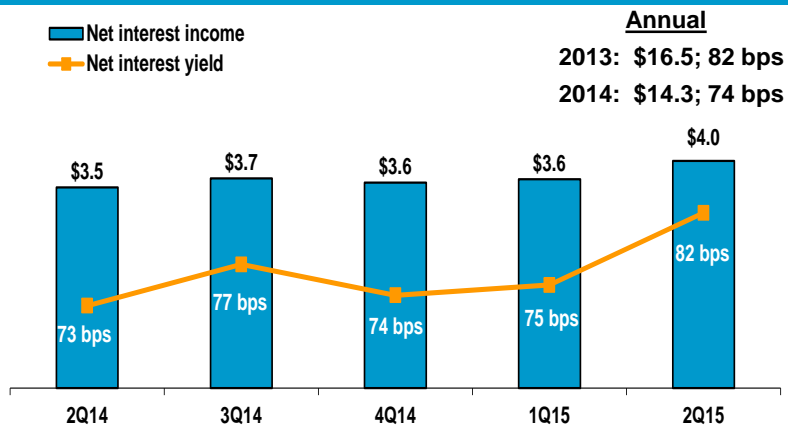
Note: Columns and rows may not add due to rounding.

# Financial results – key drivers



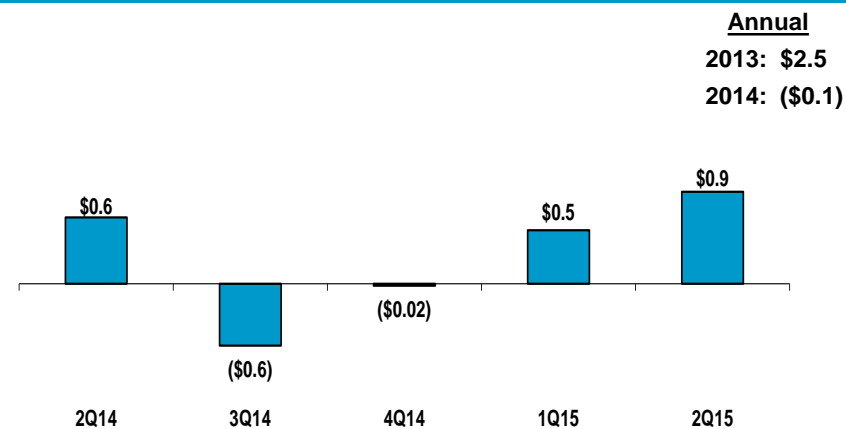
## Net Interest Income and Net Interest Yield

\$ Billions



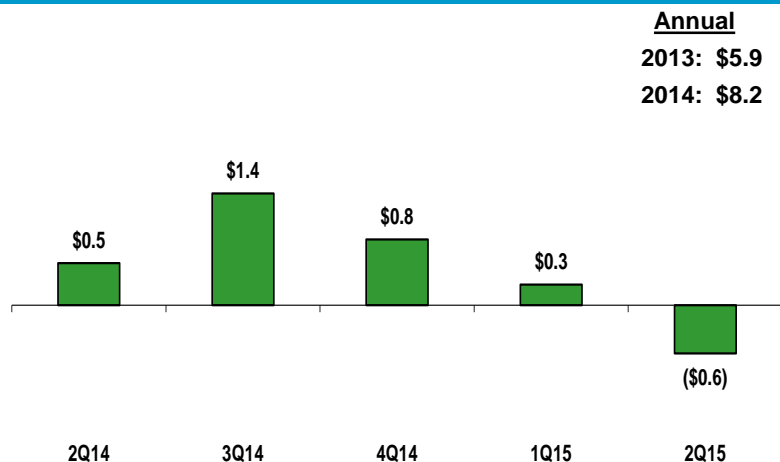
## Benefit (Provision) for Credit Losses

\$ Billions



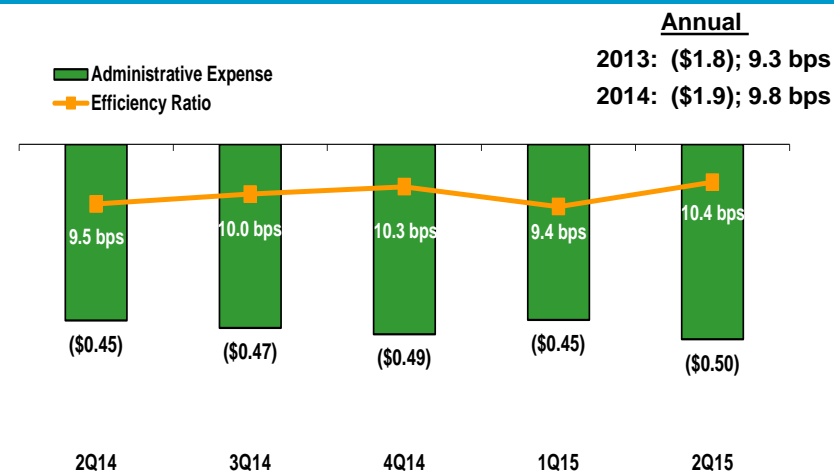
## Other Non-Interest Income (Loss)<sup>1</sup>

\$ Billions



## Administrative Expense and Efficiency Ratio<sup>2</sup>

\$ Billions

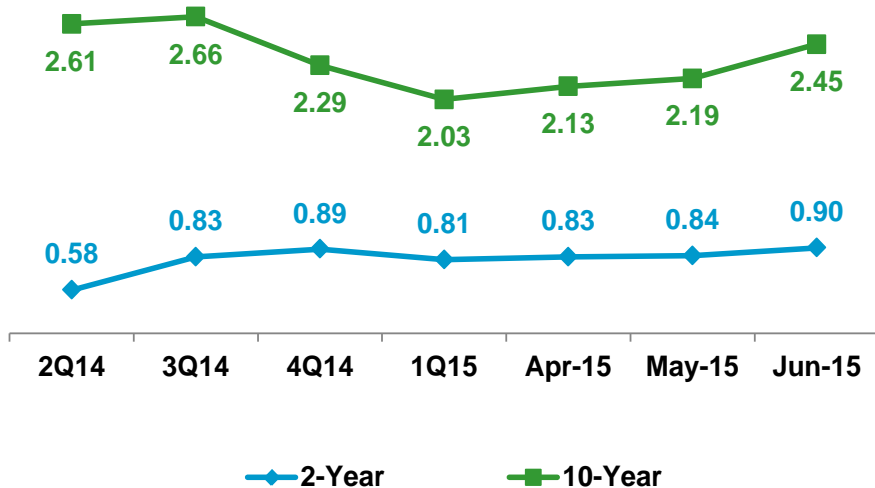


<sup>1</sup> Includes settlement benefits from private-label securities litigation.

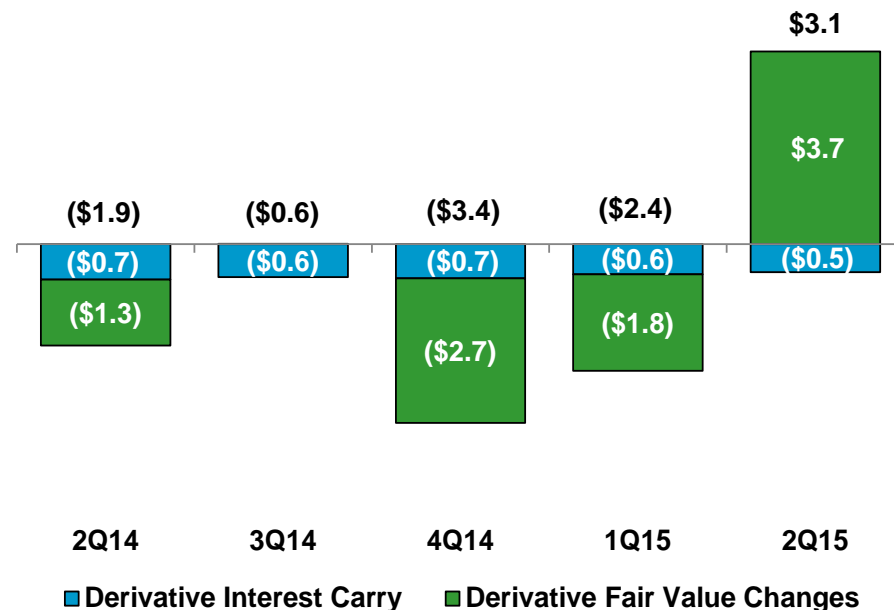
<sup>2</sup> Efficiency (in basis points) is the ratio of administrative expense to the average total mortgage portfolio, calculated on an annualized basis.

# Financial results – key drivers: Derivative gains (losses)

## 2-Year and 10-Year LIBOR Rates Percent (%)



## Derivative Gains (Losses) Fair Value Changes vs. Interest Carry<sup>1</sup> \$ Billions

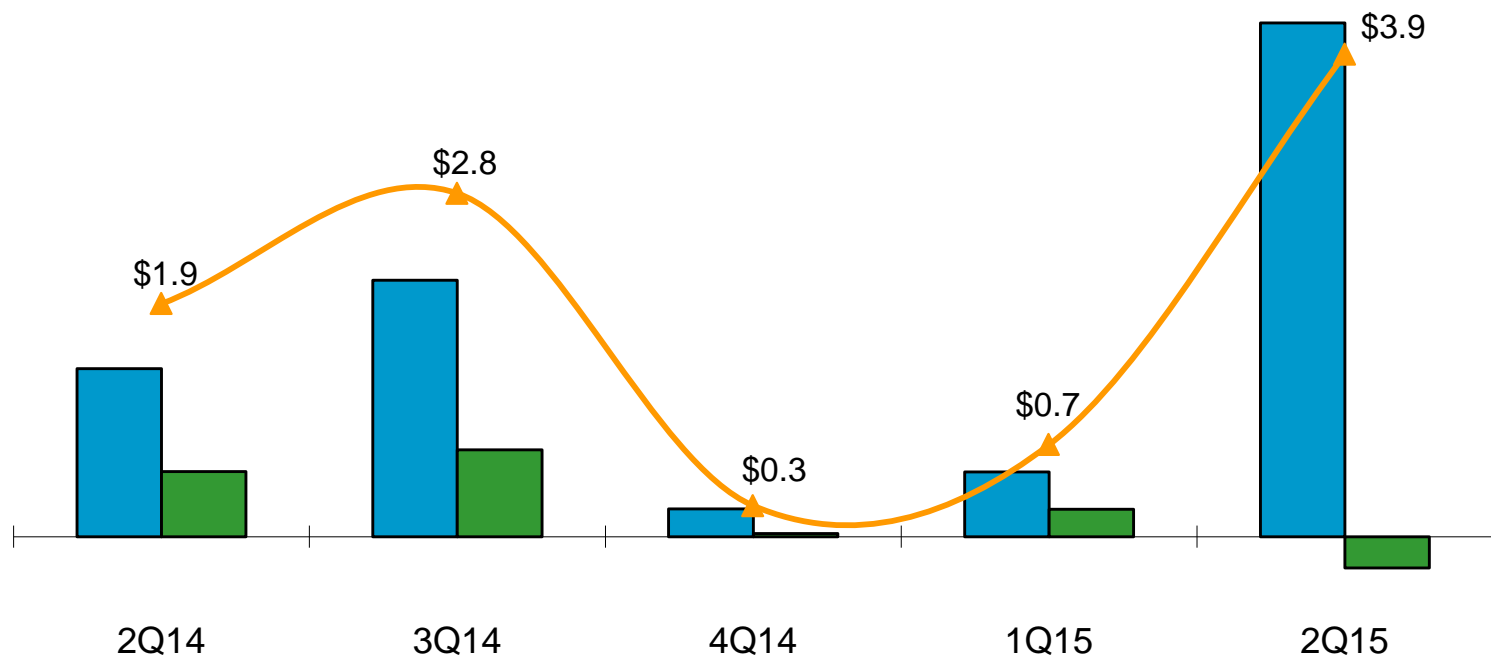





<sup>1</sup> Represents the net amount the company accrues during a period for interest-rate swap payments it will make or receive.

Note: Totals may not add due to rounding.

# Comprehensive income

\$ Billions



- A  Net income
- B  Total other comprehensive income (loss), net of taxes<sup>1</sup>
- C = A + B  Comprehensive income

<sup>1</sup> Consists of the after-tax changes in: (a) the unrealized gains and losses on available-for-sale securities; (b) the effective portion of derivatives previously designated as cash flow hedges; and (c) defined benefit plans.

# Treasury draw requests and dividend payments



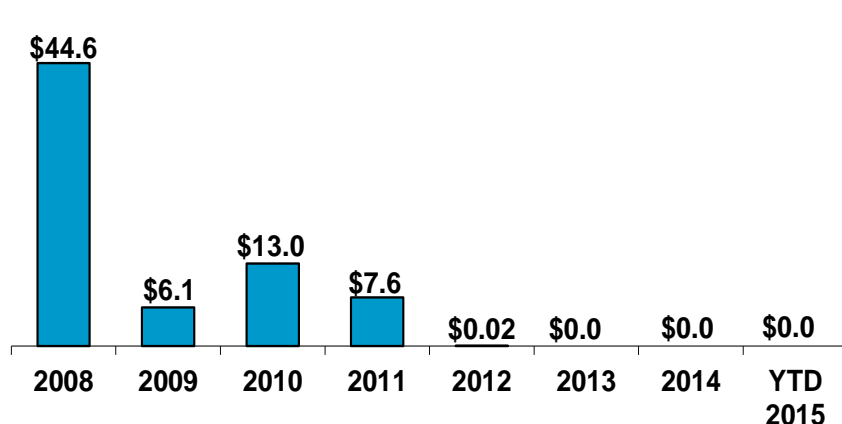
\$ Billions

## Draw Requests From Treasury

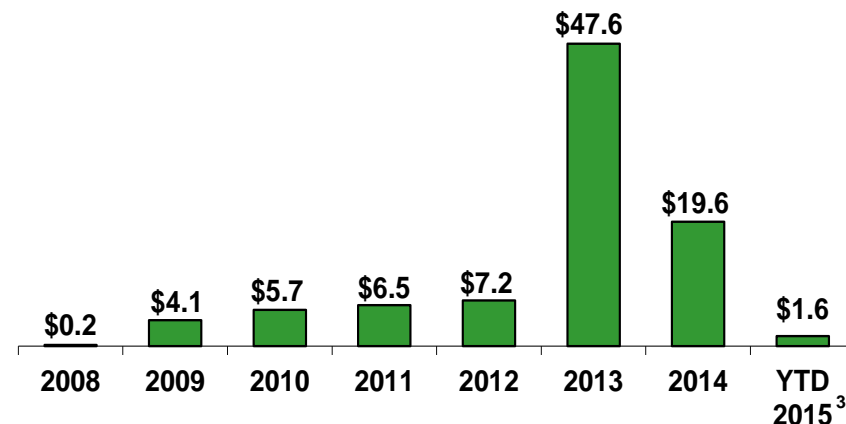
	Cumulative Total
Total Senior Preferred Stock Outstanding	\$72.3
Less: Initial Liquidation Preference <sup>1</sup>	\$1.0
Treasury Draws	\$71.3

## Dividend Payments to Treasury

	Cumulative Total
Dividend Payments as of 6/30/15	\$92.6
3Q15 Dividend Obligation	\$3.9
Total Dividend Payments <sup>2</sup>	\$96.5



■ Draw Requests from Treasury <sup>4</sup>



■ Dividend Payments to Treasury <sup>5</sup>

<sup>1</sup> The initial \$1 billion liquidation preference of senior preferred stock was issued to Treasury in September 2008 as consideration for Treasury's funding commitment. The company received no cash proceeds as a result of issuing this initial \$1 billion liquidation preference of senior preferred stock.

<sup>2</sup> Amounts may not add due to rounding.

<sup>3</sup> Amount does not include the September 2015 dividend obligation of \$3.9 billion.

<sup>4</sup> Annual amounts represent the total draws requested based on Freddie Mac's quarterly net deficits for the periods presented. Draw requests are funded in the subsequent quarter (e.g., \$19 million draw request for 1Q12 was funded in 2Q12).

<sup>5</sup> Represents quarterly cash dividends paid by Freddie Mac to Treasury during the periods presented. Through December 31, 2012, Treasury was entitled to receive cumulative quarterly cash dividends at the annual rate of 10% per year on the liquidation preference of the senior preferred stock. However, the fixed dividend rate was replaced with a net worth sweep dividend payment beginning in the first quarter of 2013. See the company's Annual Report on Form 10-K for the year ended December 31, 2014 for more information.

# Segment financial results

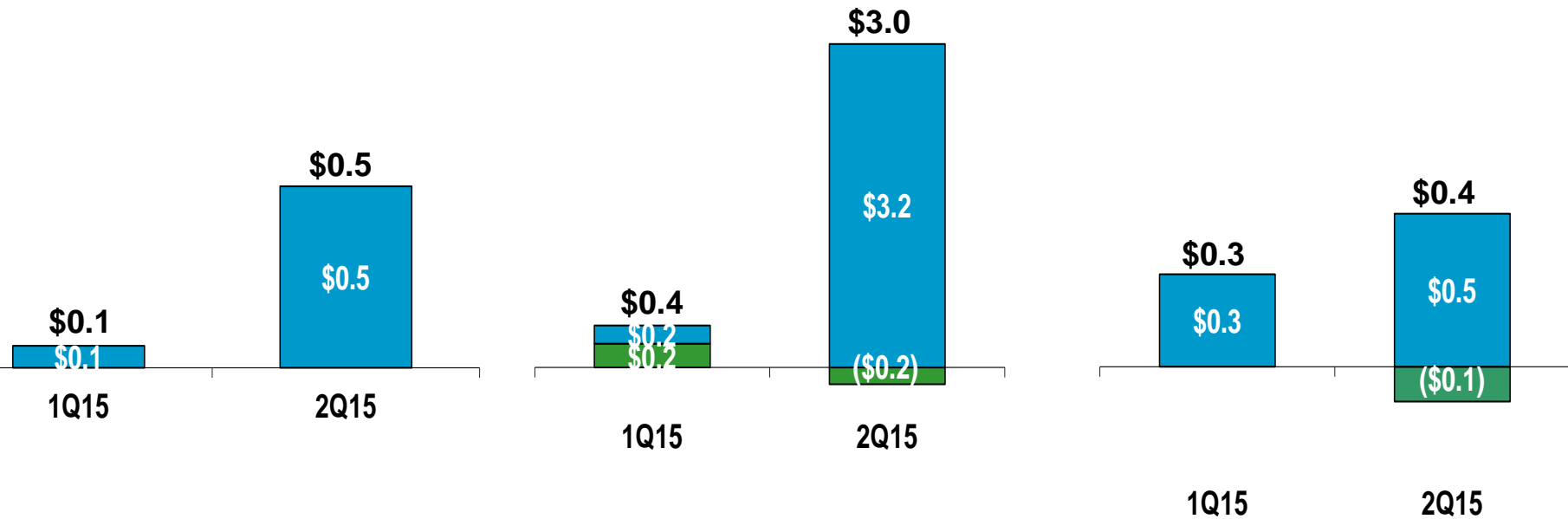


\$ Billions

## Single-Family Guarantee<sup>1</sup>

## Investments

## Multifamily



## Comprehensive Income

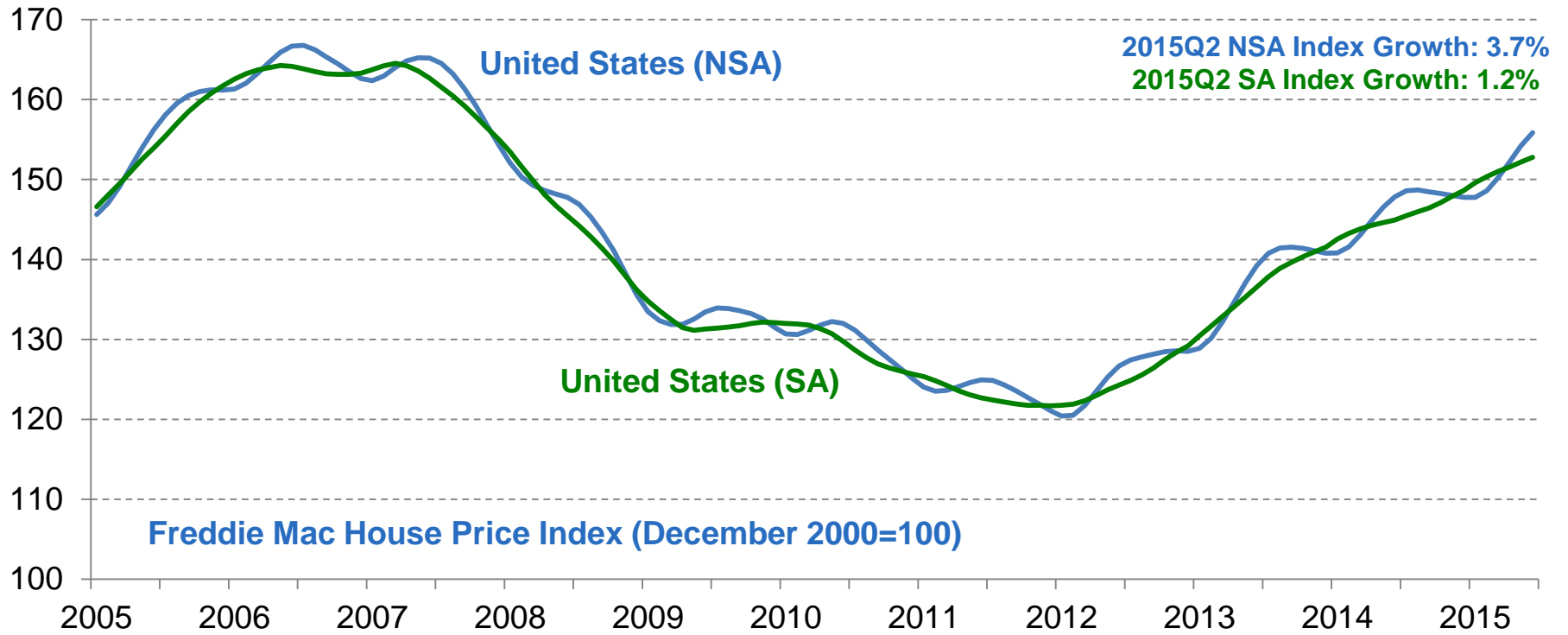
■ Segment Earnings
 ■ Segment Other Comprehensive Income (Loss)

<sup>1</sup> Comprehensive income approximated segment earnings for both 1Q15 and 2Q15.

Note: Totals may not add due to rounding.



**Cumulative decline of 6% since June 2006**  
(NSA Series)

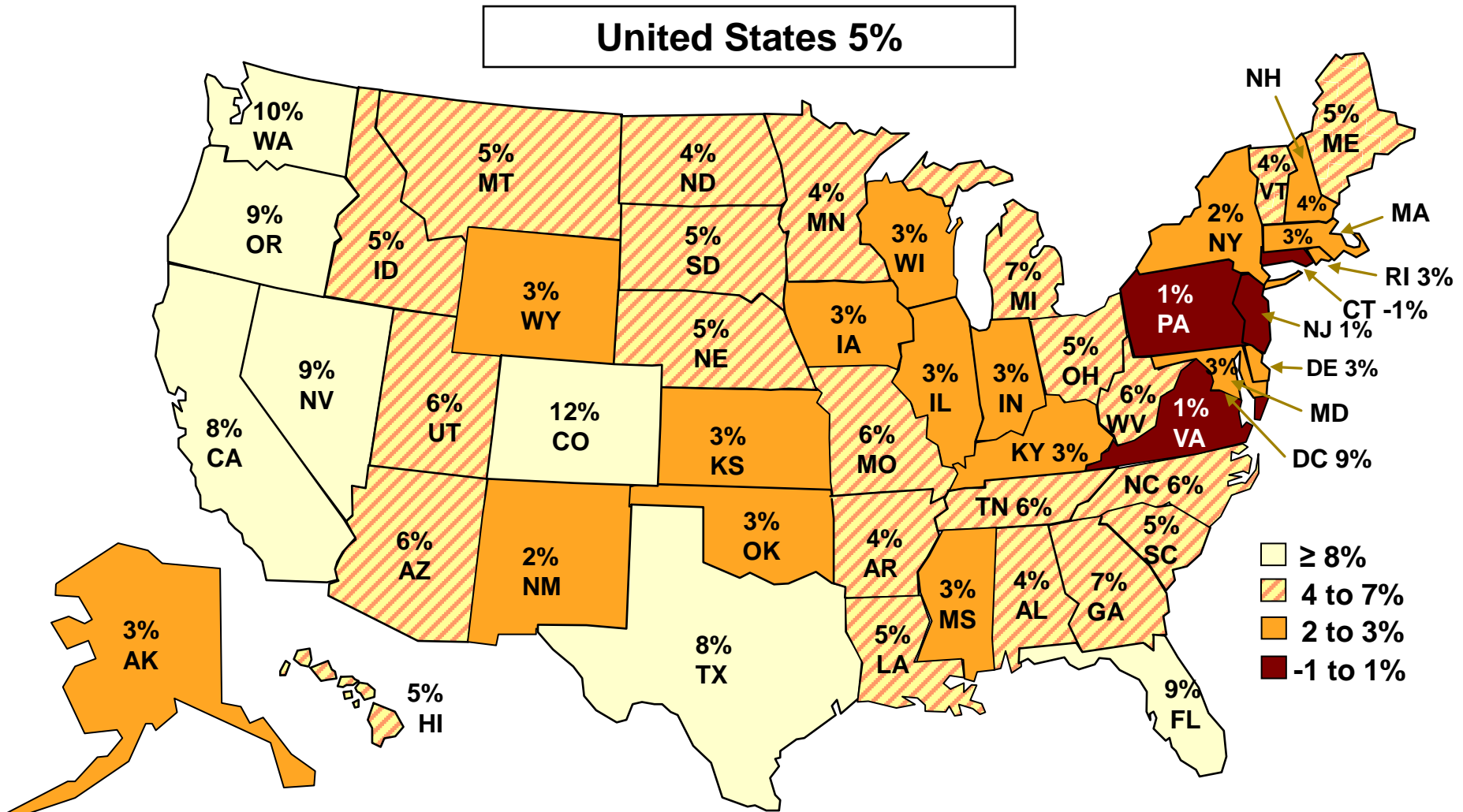


<sup>1</sup> National home prices use the Freddie Mac House Price Index for the U.S., which is a value-weighted average of the state indices where the value weights are based on Freddie Mac's single-family credit guarantee portfolio. Other indices of home prices may have different results, as they are determined using home prices relating to different pools of mortgage loans and calculated under different conventions than Freddie Mac's. Quarterly growth rates are calculated as a 3-month change based on the final month of each quarter. 'SA' denotes 'Seasonally Adjusted' and 'NSA' denotes 'Not Seasonally Adjusted'; seasonal factors typically result in stronger house-price appreciation during the second and third quarters. Historical growth rates change as new data becomes available. Values for the most recent periods typically see the largest changes. Cumulative decline, based on the NSA series, calculated as the percent change from June 2006 to June 2015.

Source: Freddie Mac.

# Home price performance by state

## June 2014 to June 2015<sup>1</sup>



<sup>1</sup> The Freddie Mac House Price Index for the U.S. is a value-weighted average of the state indexes where the value weights are based on Freddie Mac's single-family credit guarantee portfolio. Other indices of home prices may have different results, as they are determined using different pools of mortgage loans and calculated under different conventions. The Freddie Mac House Price Index for the U.S. is a non-seasonally adjusted monthly series. Percent changes were rounded to nearest whole percentage point.

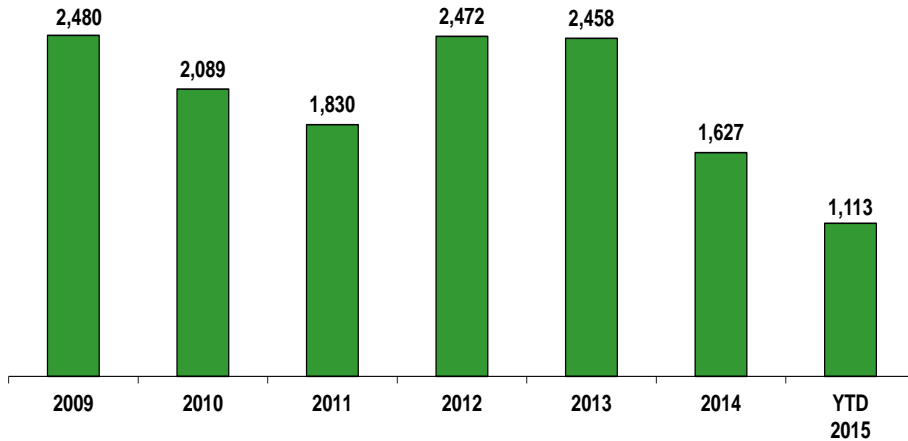
Source: Freddie Mac

# Housing market support



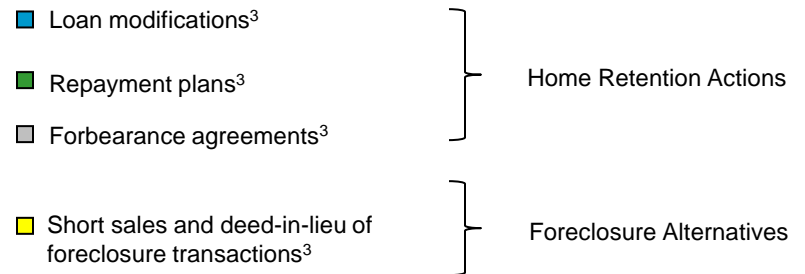
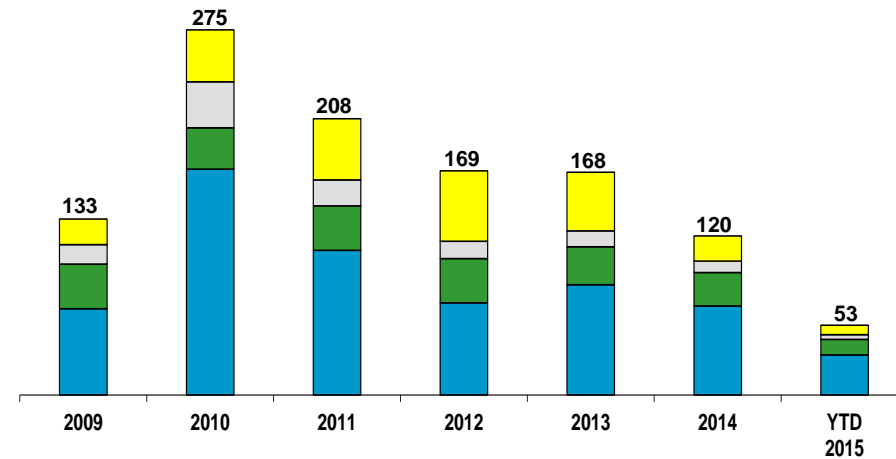
## Number of Families Freddie Mac Helped to Own or Rent a Home<sup>1</sup> In Thousands

Cumulative Since 2009: 14,069



## Single-Family Loan Workouts<sup>2</sup> Number of Loans (000)

Cumulative Since 2009: 1,126



<sup>1</sup> Based on the company's purchases of loans and issuances of mortgage-related securities. For the periods presented, a borrower may be counted more than once if the company purchased more than one loan (purchase or refinance mortgage) relating to the same borrower.

<sup>2</sup> Consists of both home retention actions and foreclosure alternatives.

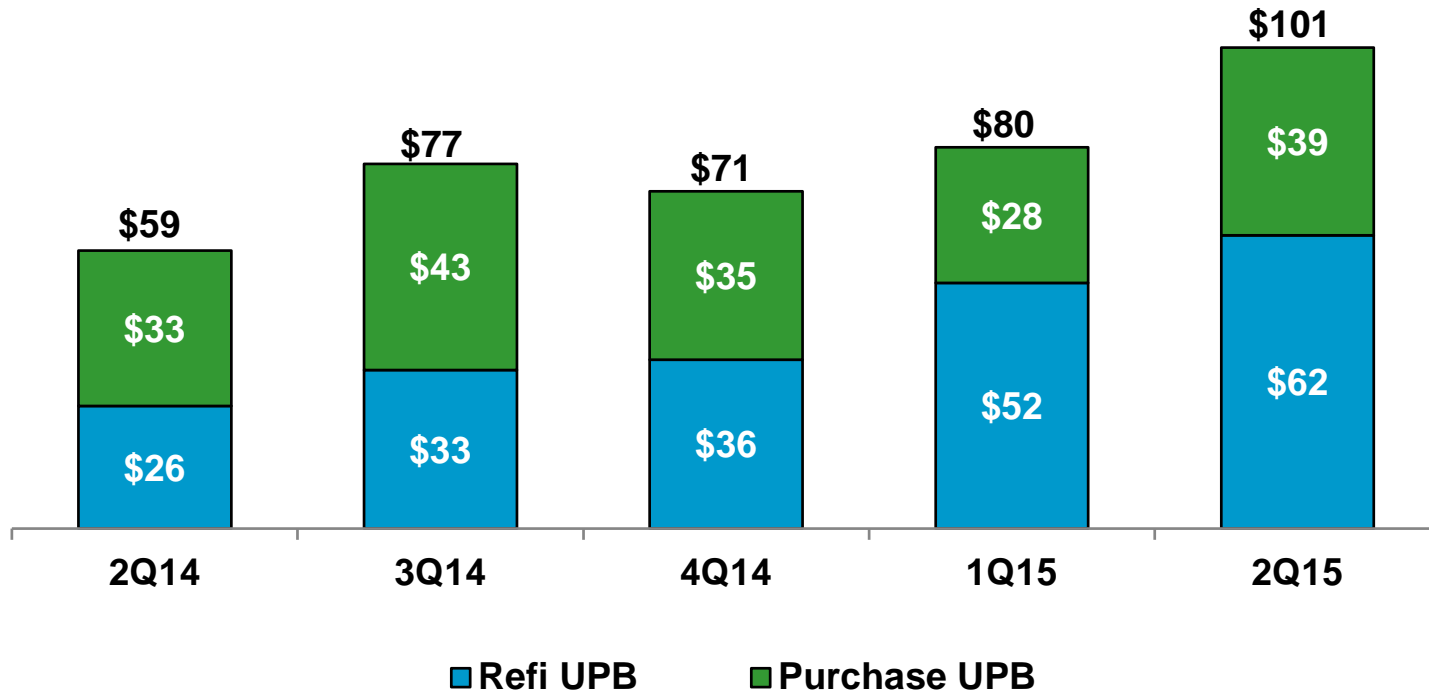
<sup>3</sup> These categories are not mutually exclusive and a borrower in one category may also be included in another category in the same or another period. For example, a borrower helped through a home retention action in one period may subsequently lose his or her home through a foreclosure alternative in a later period.

# Single-family new funding volume



\$ Billions

**Annual**  
2013: \$423  
2014: \$255



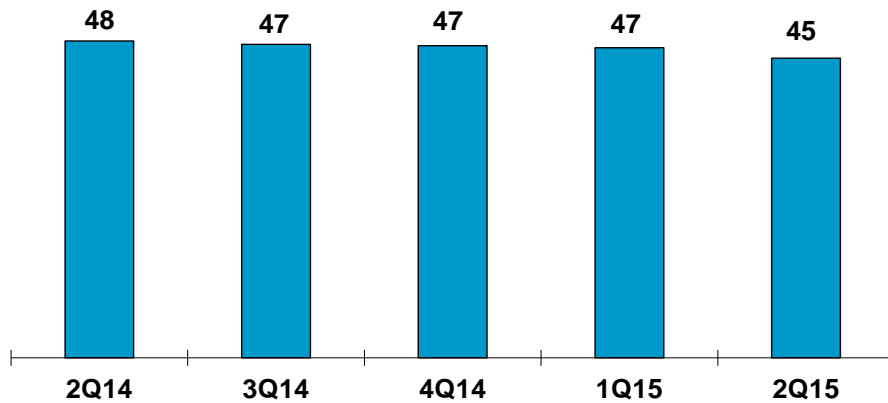
Note: Totals may not add due to rounding.

# Single-family management and guarantee fees charged on new acquisitions



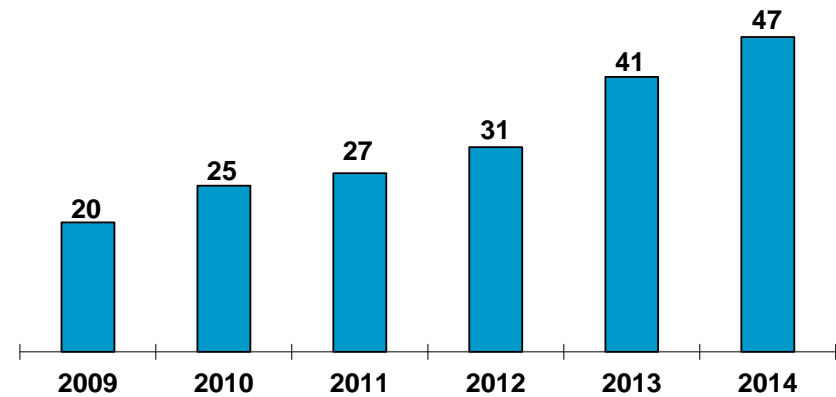
## Quarterly

*In Basis Points (bps), Annualized*



## Annual

*In Basis Points (bps)*



■ Single-Family Management and Guarantee Fee Charged on New Acquisitions  
(net of amounts remitted to Treasury)<sup>1, 2, 3</sup>

<sup>1</sup> Includes the effect of fee adjustments that are based on the price performance of Freddie Mac's PCs relative to comparable Fannie Mae securities.

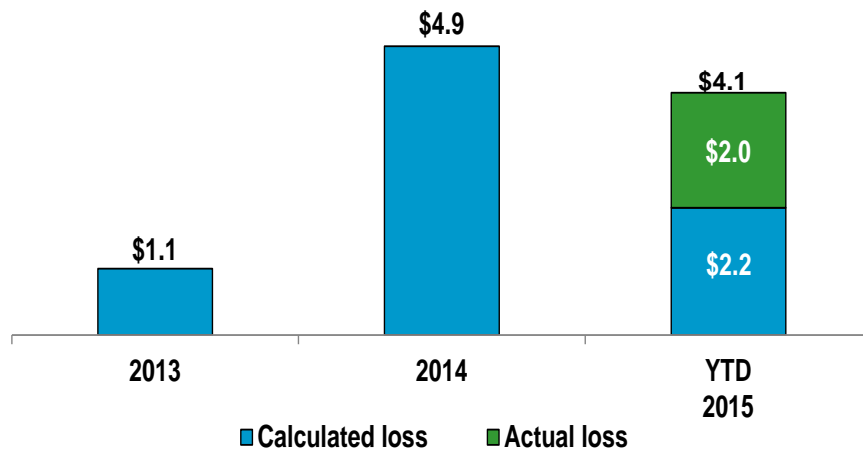
<sup>2</sup> Represents the estimated average rate of management and guarantee fees for new acquisitions during the period assuming amortization of delivery fees using the estimated life of the related loans rather than the original contractual maturity date of the related loans.

<sup>3</sup> Net of legislated 10 basis point guarantee fee remitted to Treasury as part of the Temporary Payroll Tax Cut Continuation Act of 2011.

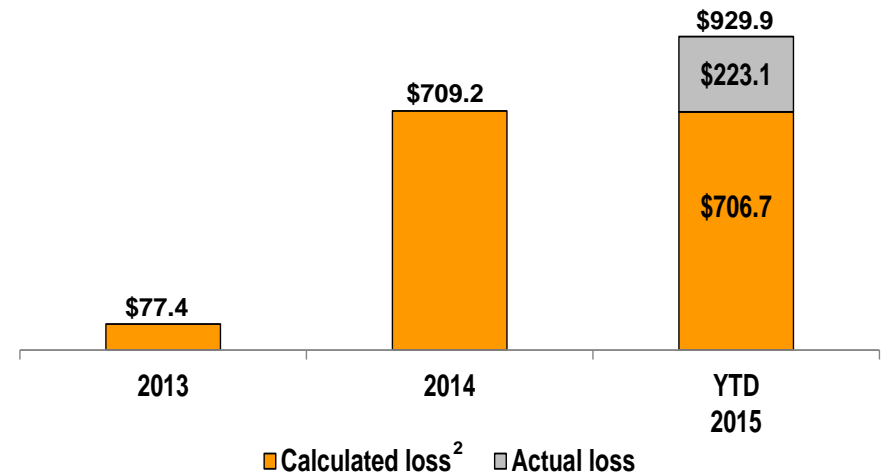
# Single-family risk transfer transactions



## Structured Agency Credit Risk (STACR®) Debt Note Issuances \$ Billions



## Agency Credit Insurance Structure® (ACIS® Reinsurance) Transactions \$ Millions



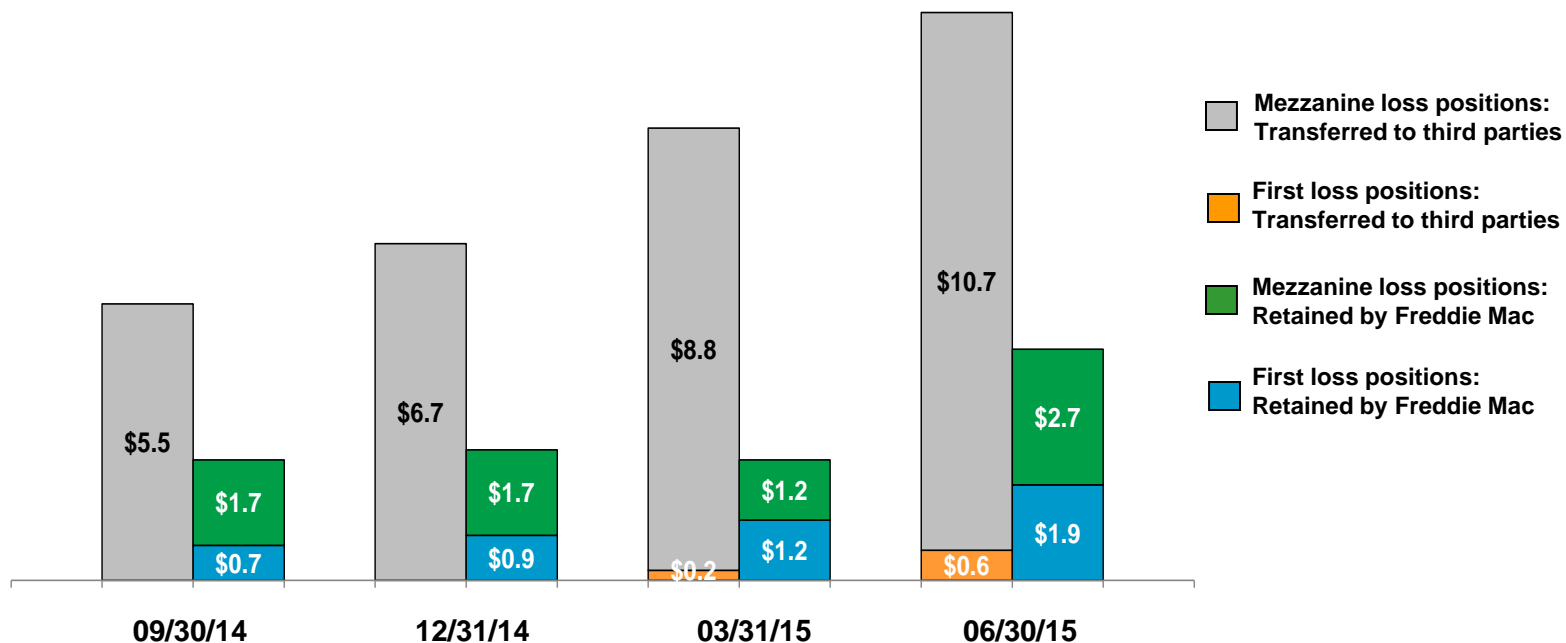
	Cumulative \$ Billions
STACR Issuances	\$10.2
ACIS Reinsurance Transactions	\$1.7
Reference Pool UPB <sup>1</sup>	\$343.8

<sup>1</sup> At issuance. Includes \$138.4 billion of UPB related to credit risk transfer transactions completed during the first half of 2015.

<sup>2</sup> In March 2015, Freddie Mac and one of its ACIS counterparties revised a number of the company's existing ACIS policies changing the coverage from calculated losses using a predefined formula to coverage based on actual losses.

# Single-family transferred credit risk<sup>1</sup>

## Single-family Transferred Credit Risk Based on Remaining Balance as of Period End \$ Billions



<b>Freddie Mac senior loss positions<sup>2</sup></b>	<b>\$166.3</b>	<b>\$183.3</b>	<b>\$216.3</b>	<b>\$292.8</b>
<b>Total reference pools</b>	<b>\$174.2</b>	<b>\$192.5</b>	<b>\$227.7</b>	<b>\$308.6</b>

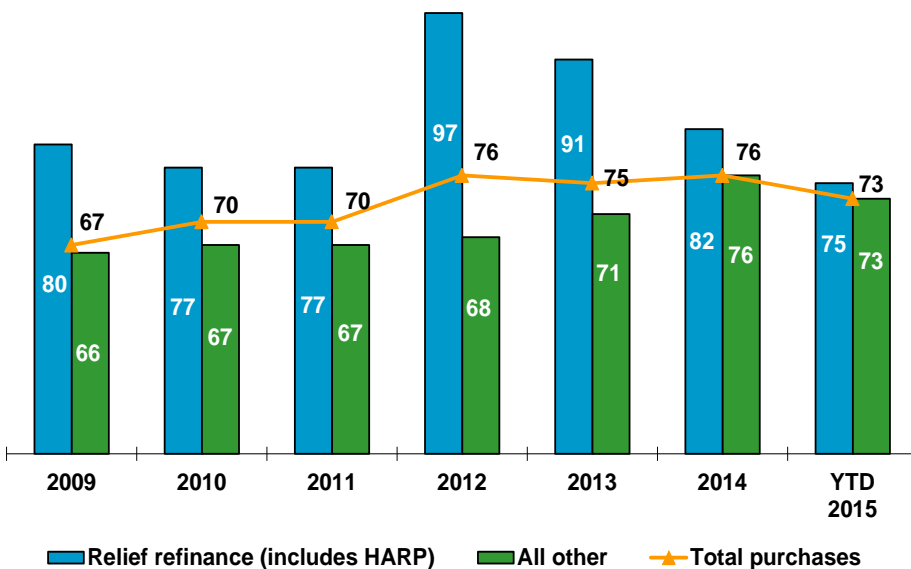
<sup>1</sup> Represents single-family credit risk transferred through STACR debt note and ACIS (re)insurance transactions.

<sup>2</sup> Freddie Mac holds the senior risk, which is unfunded and not issued.

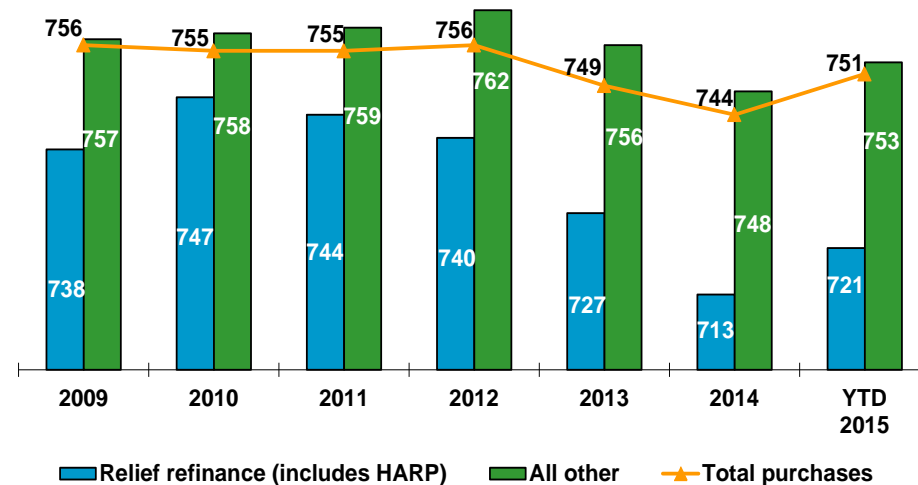
# Single-family credit quality - purchases



## Weighted Average Original LTV Ratio<sup>1</sup> Percent (%)



## Weighted Average Credit Score<sup>2</sup>



<sup>1</sup> Original LTV ratios are calculated as the unpaid principal balance (UPB) of the mortgage Freddie Mac guarantees including the credit-enhanced portion, divided by the lesser of the appraised value of the property at the time of mortgage origination or the mortgage borrower's purchase price. Second liens not owned or guaranteed by Freddie Mac are excluded from the LTV ratio calculation. The existence of a second lien mortgage reduces the borrower's equity in the home and, therefore, can increase the risk of default.

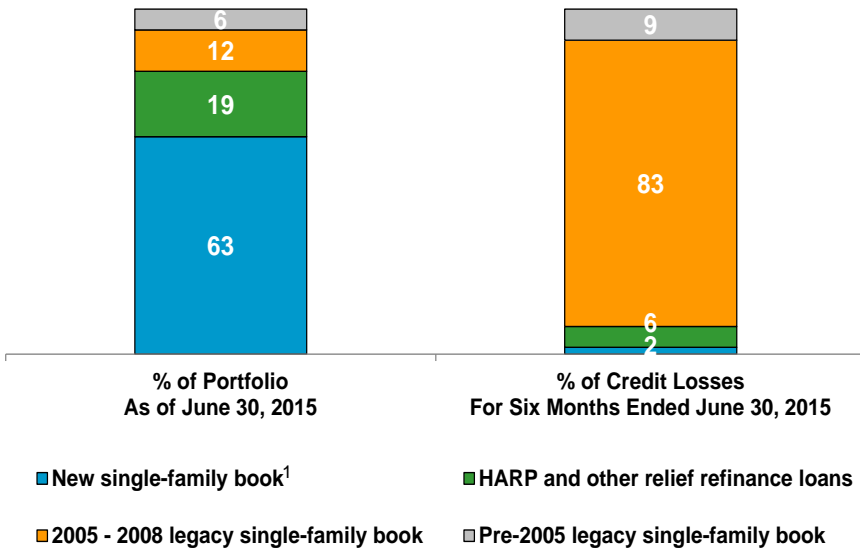
<sup>2</sup> Credit score data is based on FICO scores at the time of loan origination or Freddie Mac's purchase and may not be indicative of the borrowers' current creditworthiness. FICO scores can range between approximately 300 and 850 points.



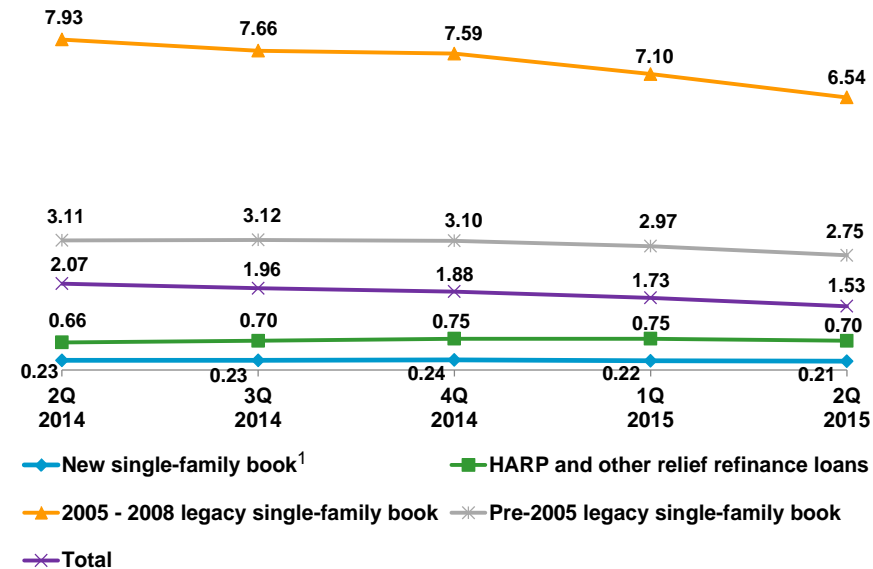
# Single-family credit quality – credit guarantee portfolio



## Concentration of Credit Risk Percent (%)



## Serious Delinquency Rates Percent (%)

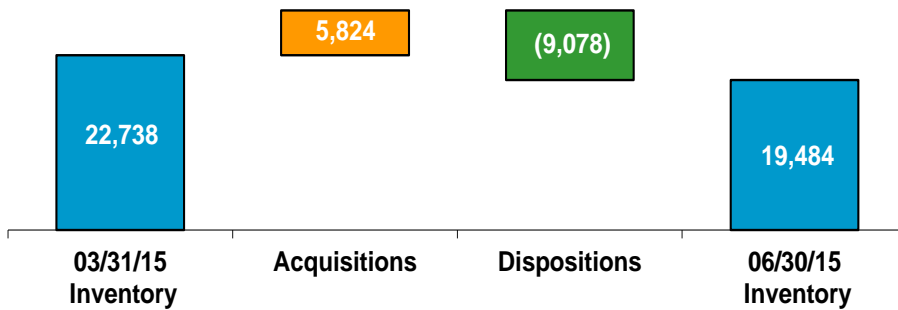


<sup>1</sup> Loans acquired after 2008, excluding HARP and other relief refinance loans which are presented separately.

# Single-family real estate owned

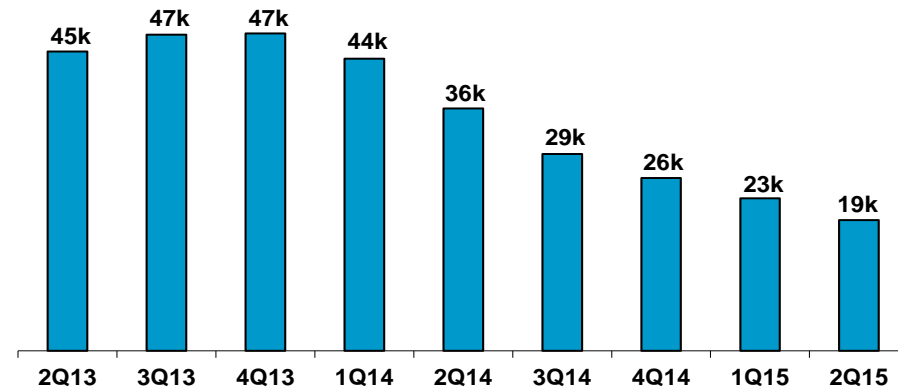
## Property Inventory 2Q15 Activity

(Number of Properties)



## Historical Trend Ending Property Inventory

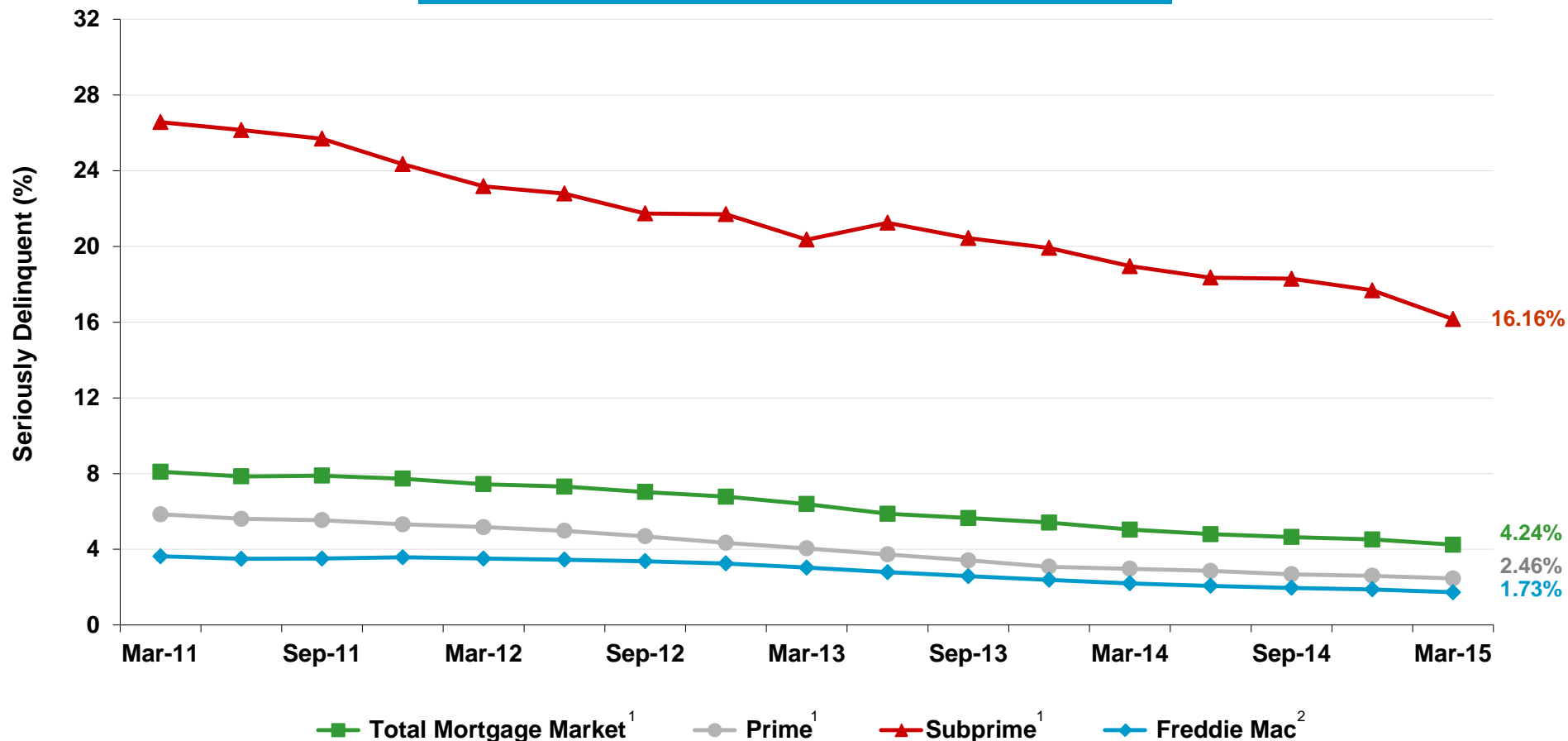
(Number of Properties)



# Single-family mortgage market and Freddie Mac delinquency rates



## Single-family Serious Delinquency Rates

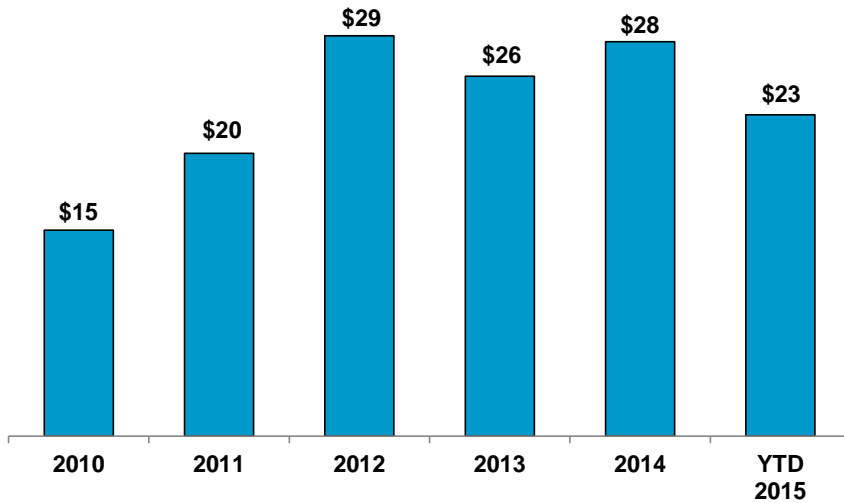


<sup>1</sup> Source: National Delinquency Survey from the Mortgage Bankers Association. Categories represent first lien single-family loans. Data is not yet available for the second quarter of 2015.

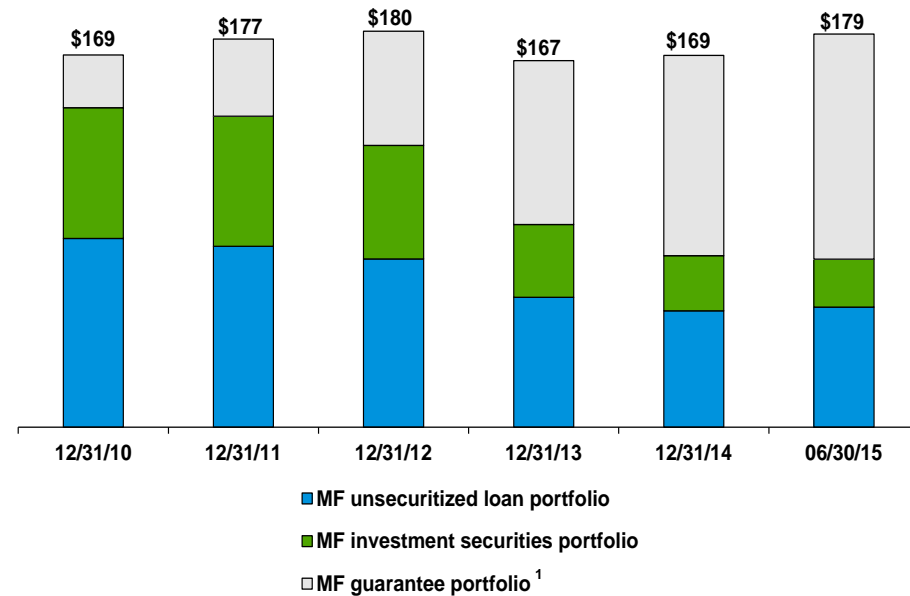
<sup>2</sup> See "MD&A – RISK MANAGEMENT – Credit Risk Overview – Single-Family Mortgage Credit Risk Framework and Profile– Monitoring Loan Performance" in Freddie Mac's Form 10-K for the year ended December 31, 2014, for information about the company's reported delinquency rates. The single-family serious delinquency rate at June 30, 2015 was 1.53%.

# Multifamily business volume and portfolio composition

**Multifamily New Business Volume**  
\$ Billions



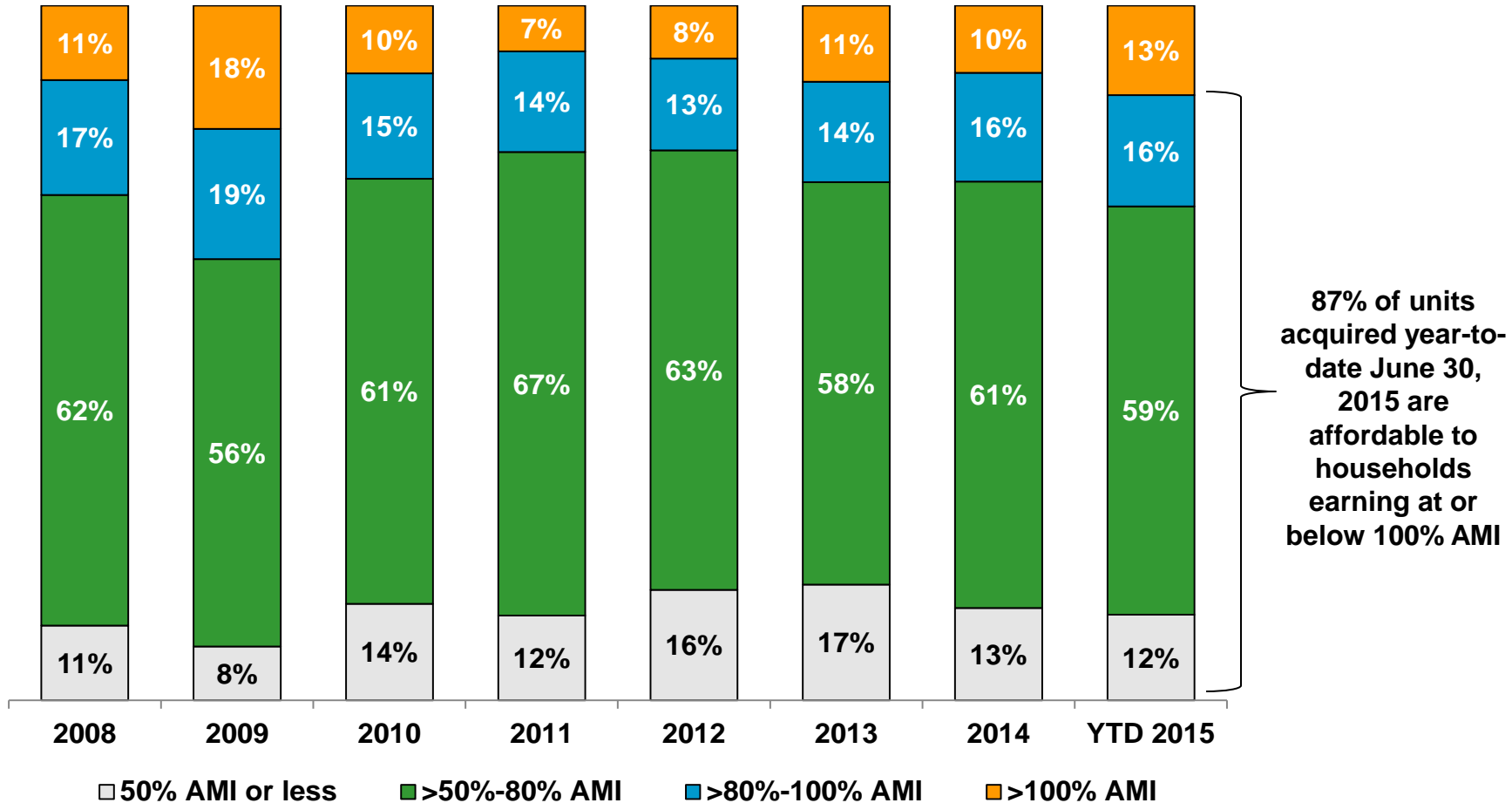
**Total Multifamily Portfolio**  
UPB \$ Billions



<sup>1</sup> Primarily K-Deals.

# Multifamily percentage of affordable units financed

**Multifamily Acquisitions of Units by Area Median Income (AMI)**  
*% of Units Acquired*

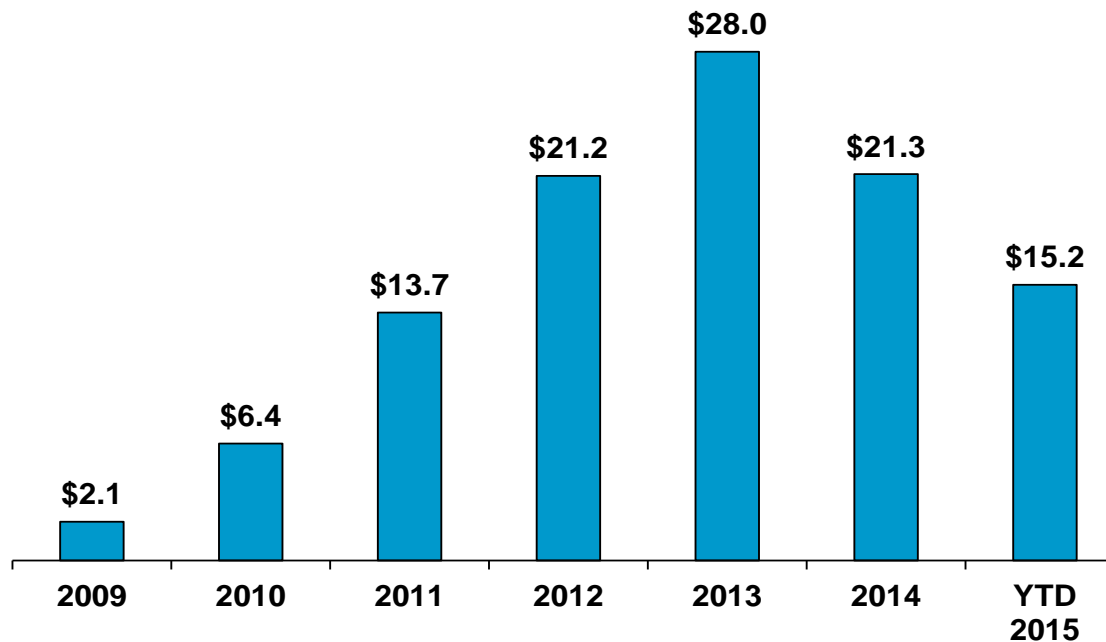


Note: Totals may not add due to rounding.

# Multifamily securitization volume



## K-Deal Securitization Volume<sup>1</sup> UPB \$ Billions

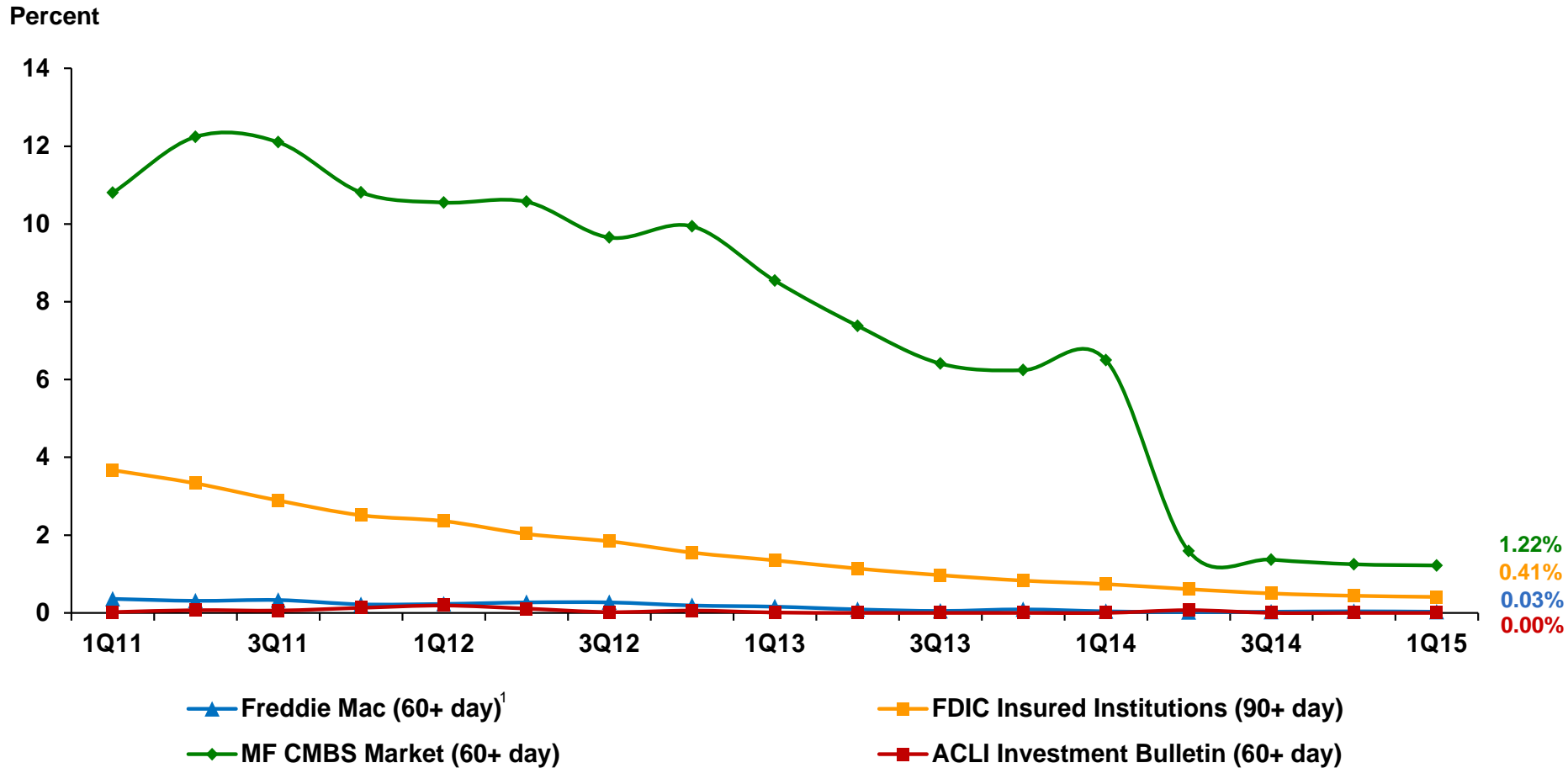


	2009	2010	2011	2012	2013	2014	YTD 2015	Total
<b>Total UPB<sup>1</sup></b>	\$2.1	\$6.4	\$13.7	\$21.2	\$28.0	\$21.3	\$15.2	\$108.0
<b>Number of Transactions</b>	2	6	12	17	19	17	12	85

<sup>1</sup> Represents the UPB of multifamily loans sold via Freddie Mac's K Certificate transactions.

Note: Totals may not add due to rounding.

# Multifamily market and Freddie Mac delinquency rates

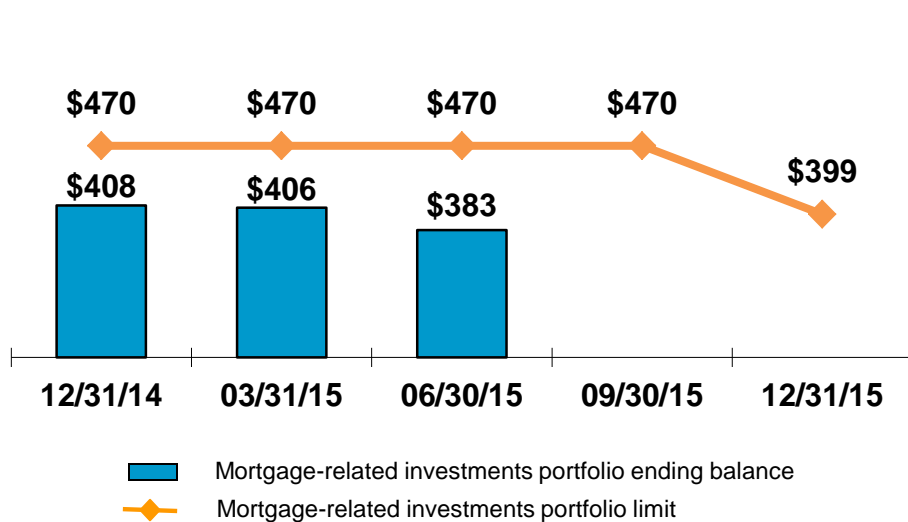


<sup>1</sup> See "MD&A – RISK MANAGEMENT – Credit Risk Overview – Multifamily Mortgage Credit Risk Profile" in Freddie Mac's Form 10-K for the year ended December 31, 2014, for information about the company's reported multifamily delinquency rate. The multifamily delinquency rate at June 30, 2015 was 0.01%.

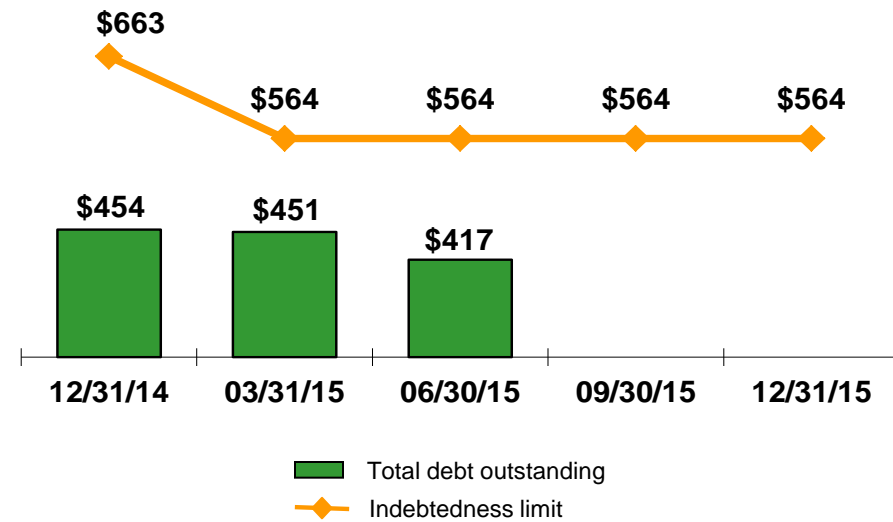
Source: Freddie Mac, FDIC Quarterly Banking Profile, TREPP (CMBS multifamily 60+ delinquency rate, excluding REOs), American Council of Life Insurers (ACLI). Non-Freddie Mac data is not yet available for the second quarter of 2015.

# Investments – Purchase Agreement portfolio limits

## Mortgage Assets <sup>1, 2</sup> \$ Billions



## Indebtedness <sup>1, 3</sup> \$ Billions



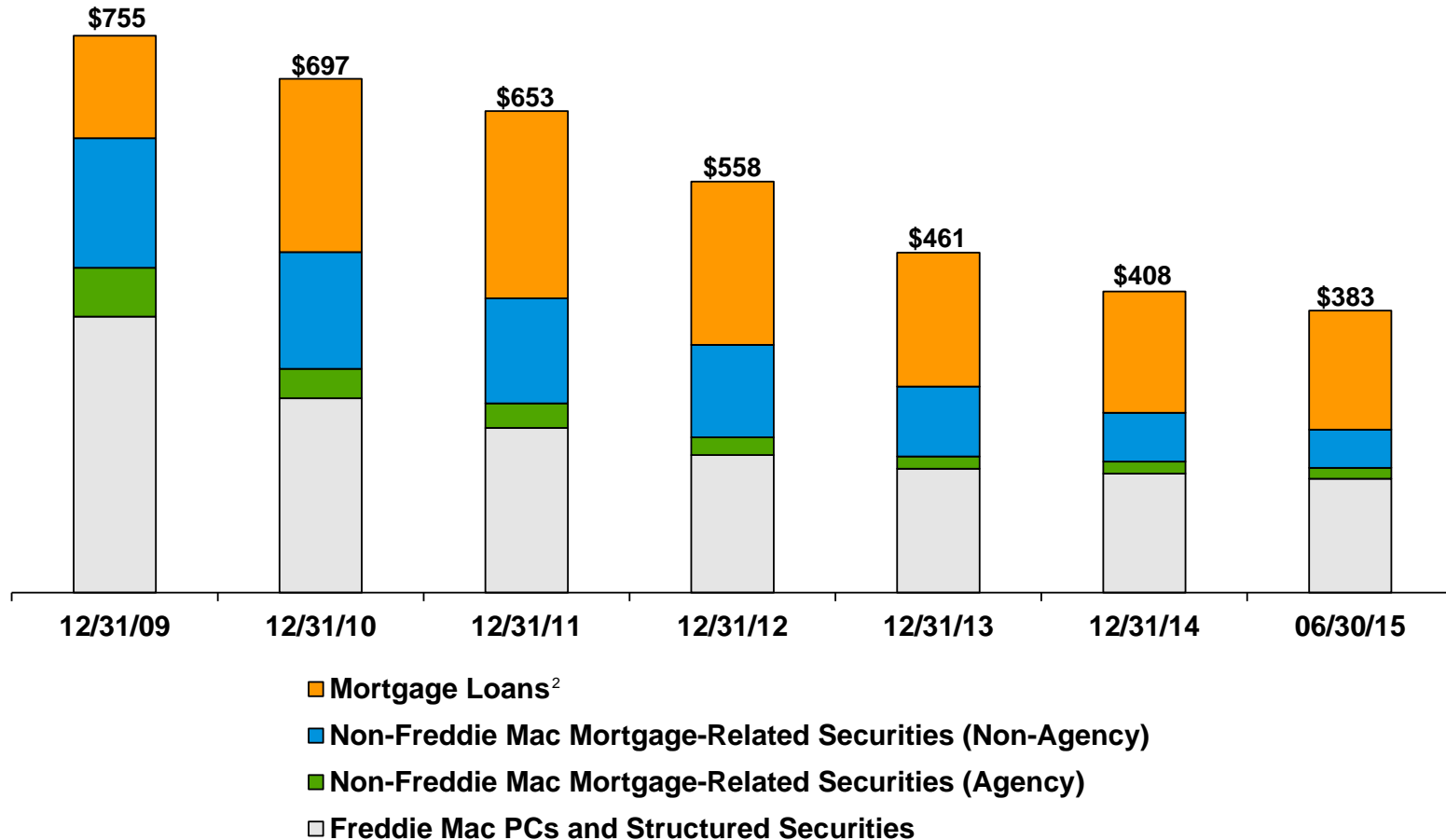
- <sup>1</sup> The company's Purchase Agreement with Treasury limits the amount of mortgage assets the company can own and indebtedness it can incur. Under the Purchase Agreement, mortgage assets and indebtedness are calculated without giving effect to the January 1, 2010 change in the accounting guidance related to the transfer of financial assets and consolidation of variable interest entities (VIEs). See the company's Annual Report on Form 10-K for the year ended December 31, 2014 for more information.
- <sup>2</sup> Represents the unpaid principal balance (UPB) of the company's mortgage-related investments portfolio. The company discloses its mortgage assets on this basis monthly in its Monthly Volume Summary reports, which are available on its Web site and in Current Reports on Form 8-K filed with the Securities and Exchange Commission (SEC).
- <sup>3</sup> Represents the par value of the company's unsecured short-term and long-term debt securities issued to third parties to fund its business activities. The company discloses its indebtedness on this basis in its Monthly Volume Summary reports, which are available on its Web site and in Current Reports on Form 8-K filed with the SEC.



# Investments – mortgage-related investments portfolio composition



**Mortgage-Related Investments Portfolio<sup>1</sup>**  
\$ Billions

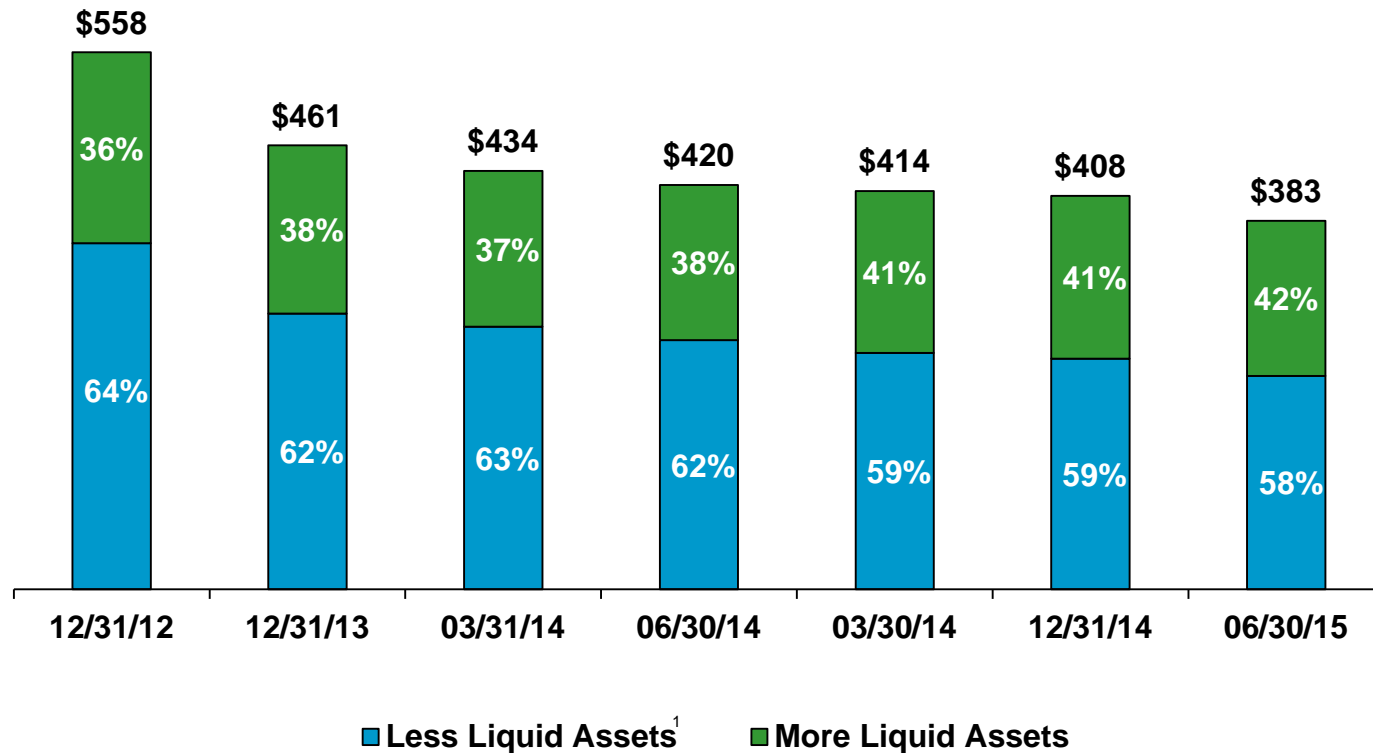


<sup>1</sup> Based on unpaid principal balances and excludes mortgage-related securities traded, but not yet settled. The mortgage-related investments portfolio is determined without giving effect to the January 1, 2010 change in accounting standards related to the transfer of financial assets and consolidation of variable interest entities (VIEs).

<sup>2</sup> Mortgage loans totaled \$161.2 billion at June 30, 2015 of which \$106.6 billion were single-family and \$54.7 billion were multifamily.

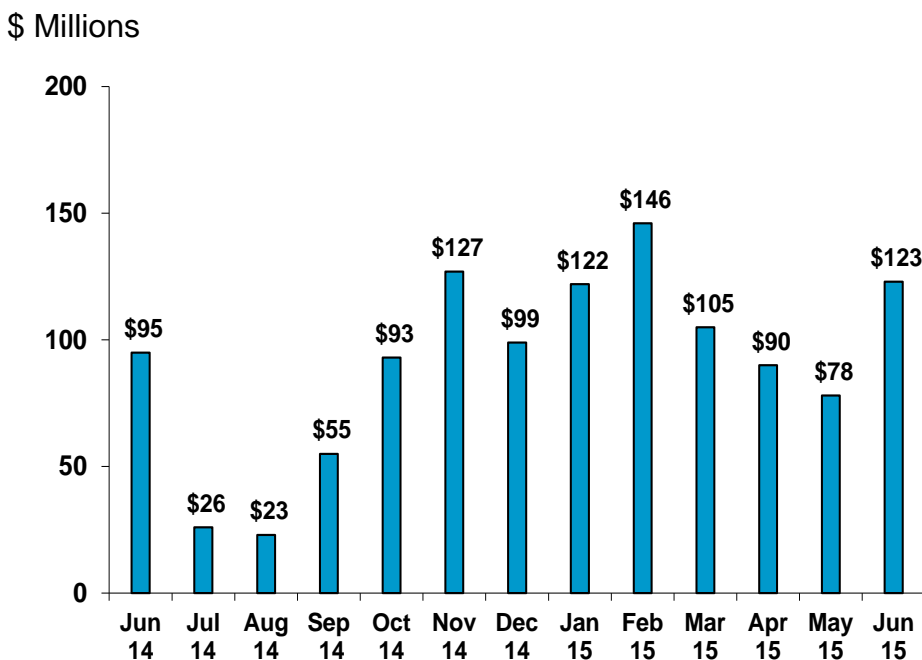
# Investments – mortgage-related investments portfolio: More liquid versus less liquid assets

## More Liquid versus Less Liquid Assets \$ Billions

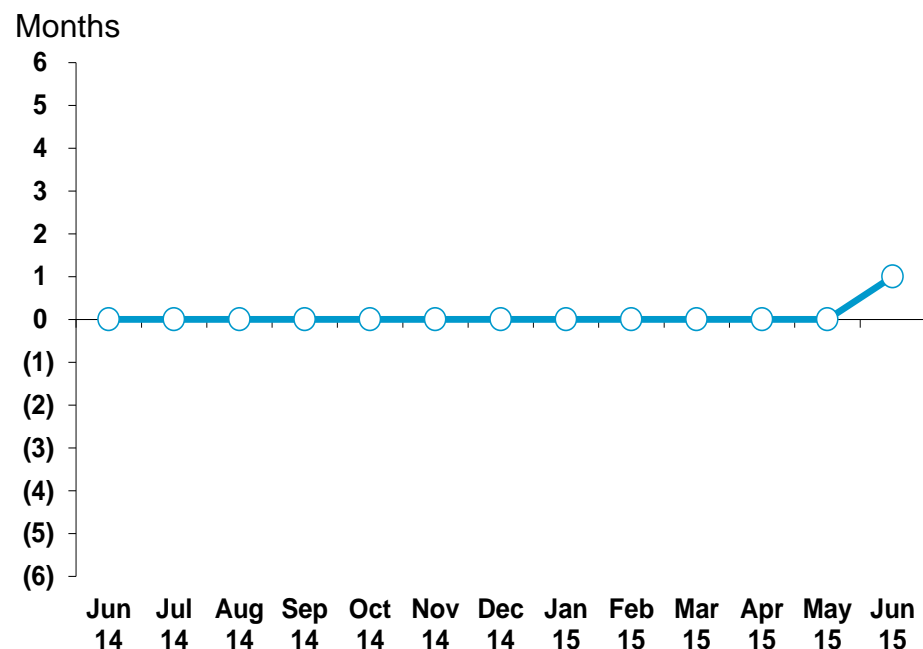


<sup>1</sup> Less liquid assets include unsecuritized single-family and multifamily mortgage loans, certain structured agency securities collateralized with non-agency mortgage-related securities, and the company's investments in non-agency mortgage-related securities.

## Average Monthly PMVS-Level<sup>1</sup>



## Average Monthly Duration Gap<sup>2</sup>



<sup>1</sup> Portfolio Market Value Sensitivity, or PMVS, is an estimate of the change in the market value of Freddie Mac's financial assets and liabilities from an instantaneous 50 basis point shock to interest rates, assuming no rebalancing actions are undertaken and assuming the mortgage-to-LIBOR basis does not change. PMVS-Level or PMVS-L measures the estimated sensitivity of the company's portfolio market value to parallel movements in interest rates.

<sup>2</sup> Duration gap measures the difference in price sensitivity to interest rate changes between Freddie Mac's financial assets and liabilities, and is expressed in months relative to the market value of assets.

## Freddie Mac obligations

Freddie Mac's securities are obligations of Freddie Mac only. The securities, including any interest or return of discount on the securities, are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

## No offer or solicitation of securities

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## Forward-looking statements

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