

FREDDIE MAC
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

Line:	Year Ended December 31,		
	2005	2004	2003
(dollars in millions, except share-related amounts)			
	<i>Interest income</i>		
1	\$ 4,037	\$ 4,007	\$ 4,251
2	29,684	28,460	29,051
3	2,606	3,136	3,796
4	36,327	35,603	37,098
	<i>Interest expense</i>		
5	(6,102)	(2,908)	(2,785)
6	(23,246)	(22,950)	(22,083)
7	(29,348)	(25,858)	(24,868)
8	(551)	(708)	(1,641)
9	(29,899)	(26,566)	(26,509)
10	(1,058)	100	(1,091)
11	<i>Net interest income</i>	5,370	9,137
			9,498
	<i>Non-interest income (loss)</i>		
12	1,450	1,382	1,653
13	(1,064)	(1,135)	(1,461)
14	920	732	925
15	(1,357)	(4,475)	39
16	22	743	644
17	(127)	(348)	(1,114)
18	206	(327)	(1,775)
19	125	159	352
20	24	230	493
21	<i>Non-interest income (loss)</i>	199	(3,039)
			(244)
	<i>Non-interest expense</i>		
22	(805)	(758)	(624)
23	(386)	(588)	(311)
24	(58)	(60)	(52)
25	(286)	(144)	(194)
26	(1,535)	(1,550)	(1,181)
27	(251)	(143)	5
28	(40)	3	(7)
29	(320)	(281)	(200)
30	(96)	(129)	(157)
31	(771)	(271)	(696)
32	<i>Non-interest expense</i>	(3,013)	(2,371)
			(2,236)
33	2,556	3,727	7,018
34	(367)	(790)	(2,202)
35	2,189	2,937	4,816
36	(59)	-	-
37	<i>Net income</i>	\$ 2,130	\$ 2,937
38	(223)	(210)	(216)
39	<i>Net income available to common stockholders</i>	\$ 1,907	\$ 2,727
			\$ 4,600
	Basic net income (loss) per common share:		
40	\$ 2.84	\$ 3.96	\$ 6.69
41	\$ (0.09)	\$ -	\$ -
42	\$ 2.76	\$ 3.96	\$ 6.69
	Diluted net income (loss) per common share:		
43	\$ 2.83	\$ 3.94	\$ 6.68
44	\$ (0.08)	\$ -	\$ -
45	\$ 2.75	\$ 3.94	\$ 6.68
	Weighted average common shares outstanding (thousands)		
46	691,582	689,282	687,094
47	693,511	691,521	688,675
48	<i>Dividends per common share</i>	\$ 1.52	\$ 1.20
			\$ 1.04

FREDDIE MAC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

Line:	December 31, 2005	December 31, 2004	
	(dollars in millions)		
	Assets		
	<i>Retained portfolio</i>		
	Mortgage loans:		
1	Held-for-investment, at amortized cost	\$ 60,009	\$ 58,852
2	Reserve for losses on mortgage loans held-for-investment	(119)	(114)
3	Held-for-sale, at lower of cost or market value	1,538	2,582
4	Mortgage loans, net of reserve	61,428	61,320
	Mortgage-related securities:		
5	Available-for-sale, at fair value (includes \$168 and \$194, respectively, pledged as collateral that may be repledged)	638,465	590,461
6	Trading, at fair value	8,894	11,842
7	Participation Certificate residuals, at fair value	597	845
8	Total mortgage-related securities	647,956	603,148
9	<i>Retained portfolio</i>	709,384	664,468
	<i>Cash and investments</i>		
10	Cash and cash equivalents	10,468	35,253
	Investments:		
	Non-mortgage-related securities:		
11	Available-for-sale, at fair value	42,165	29,830
12	Securities purchased under agreements to resell and Federal funds sold	15,159	32,197
13	<i>Cash and investments</i>	67,792	97,280
14	Accounts and other receivables, net	6,373	7,286
15	Derivative assets, at fair value	7,097	15,257
16	Guarantee asset for Participation Certificates, at fair value	5,083	4,516
17	Real estate owned, net	629	741
18	Other assets	9,864	5,736
19	<i>Total assets</i>	\$ 806,222	\$ 795,284
	Liabilities and stockholders' equity		
	<i>Debt securities, net</i>		
	Senior debt:		
20	Due within one year	\$ 288,532	\$ 282,303
21	Due after one year	454,627	443,772
22	Subordinated debt, due after one year	5,633	5,622
23	<i>Total debt securities, net</i>	748,792	731,697
24	Due to Participation Certificate investors	10,607	13,654
25	Accrued interest payable	7,611	7,329
26	Guarantee obligation for Participation Certificates	5,541	4,065
27	Derivative liabilities, at fair value	590	226
28	Reserve for guarantee losses on Participation Certificates	295	150
29	Other liabilities	4,646	5,238
30	<i>Total liabilities</i>	778,082	762,359
31	Commitments and contingencies		
32	<i>Minority interests in consolidated subsidiaries</i>	949	1,509
	<i>Stockholders' equity</i>		
33	Preferred stock, at redemption value	4,609	4,609
34	Common stock, \$0.21 par value, 726,000,000 shares authorized, 725,882,280 shares issued and 692,717,422 shares and 690,606,185 shares outstanding, respectively	152	152
35	Additional paid-in capital	924	873
36	Retained earnings	31,559	30,728
	Accumulated other comprehensive income (loss) (AOCT), net of taxes, related to:		
37	Available-for-sale securities	(2,485)	4,339
38	Cash flow hedge relationships	(6,287)	(7,924)
39	Minimum pension liability	(1)	(8)
40	Total accumulated other comprehensive income (loss), net of taxes	(8,773)	(3,593)
41	Treasury stock, at cost, 33,164,858 shares and 35,276,095 shares, respectively	(1,280)	(1,353)
42	<i>Total stockholders' equity</i>	27,191	31,416
43	<i>Total liabilities and stockholders' equity</i>	\$ 806,222	\$ 795,284

FREDDIE MAC
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

Line:	Year Ended December 31,					
	2005		2004		2003	
	Shares	Amount	Shares	Amount	Shares	Amount
	(dollars and shares in millions)					
	<i>Preferred stock, at redemption value</i>					
1						
2						
	<i>Common stock, par value</i>					
3						
4						
	<i>Additional paid-in capital</i>					
5						
6						
7						
8						
9						
10						
	<i>Retained earnings</i>					
11						
12						
13						
14						
15						
	<i>AOCI, net of taxes</i>					
16						
17						
18						
19						
20						
	<i>Treasury stock, at cost</i>					
21						
22						
23						
24						
	<i>Comprehensive income (loss)</i>					
25						
26						
27						