

**FREDDIE MAC**  
**SUMMARY OF SELECTED FINANCIAL INFORMATION**  
**TABLE 1**  
**(unaudited)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>	
							2007	2008
	<b><u>Net Income (dollars in millions, except share-related amounts):</u></b>							
1	\$ 771	\$ 793	\$ 761	\$ 774	\$ 798	\$ 1,529	\$ 1,564	\$ 2,327
2	(77)	1,549	117	(1,395)	731	164	1,472	895
3	(1,224)	(1,519)	(3,070)	(3,457)	(2,103)	(3,545)	(2,743)	(5,648)
4	(530)	823	(2,192)	(4,078)	(574)	(1,852)	293	(2,426)
5	397	(94)	954	1,626	423	1,031	303	1,454
6	<b>\$ (133)</b>	<b>\$ 729</b>	<b>\$ (1,238)</b>	<b>\$ (2,452)</b>	<b>\$ (151)</b>	<b>\$ (821)</b>	<b>\$ 596</b>	<b>\$ (972)</b>
7	<b>\$ (230)</b>	<b>\$ 632</b>	<b>\$ (1,342)</b>	<b>\$ (2,565)</b>	<b>\$ (424)</b>	<b>\$ (1,053)</b>	<b>\$ 405</b>	<b>\$ (1,476)</b>
8	661,376	655,784	647,377	646,110	646,338	646,868	659,365	646,603
9	<b>\$ (0.35)</b>	<b>\$ 0.96</b>	<b>\$ (2.07)</b>	<b>\$ (3.97)</b>	<b>\$ (0.66)</b>	<b>\$ (1.63)</b>	<b>\$ 0.61</b>	<b>\$ (2.28)</b>
10	\$ 335	\$ 328	\$ 326	\$ 163	\$ 164	\$ 165	\$ 663	\$ 329
11	661,554	650,138	646,065	646,267	646,722	647,015	650,138	647,015
12	75%	11%	44%	40%	74%	56%	(103)%	60%
	<b><u>Regulatory Capital Measures (period end, dollars in millions):</u></b>							
13	\$ 28,539	\$ 24,528	\$ 25,483	\$ 26,724	\$ 16,024	\$ 12,948		
14	(6,964)	(11,045)	(9,189)	(11,143)	(22,296)	(24,180)		
15	35,503	35,573	34,672	37,867	38,320	37,128		
16	26,112	26,355	26,001	26,473	26,937	28,710		
17	\$ 9,391	\$ 9,218	\$ 8,671	\$ 11,394	\$ 11,383	\$ 8,418		
18	\$ 33,945	\$ 34,261	\$ 33,802	\$ 34,415	\$ 32,324	\$ 34,451		
19	\$ 1,558	\$ 1,312	\$ 870	\$ 3,452	\$ 5,996	\$ 2,677		

- (1) Net income (loss) available (applicable) to common stockholders and diluted earnings (loss) per common share are computed independently for each of the quarters presented; therefore, cumulative amounts will not equal the aggregate of quarterly amounts.
- (2) Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), the par value of outstanding non-cumulative perpetual preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.
- (3) OFHEO is the authoritative source of the capital calculations that underlie our capital classifications. In January 2004, OFHEO directed us to maintain a mandatory target capital surplus of 30% of our statutory minimum capital requirement. In March 2008, OFHEO reduced the mandatory target capital surplus to 20% of our statutory minimum capital requirement.

**FREDDIE MAC**  
**NET INTEREST YIELD ANALYSIS**  
**TABLE 2A**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30, 2007	2008
<b>Net Interest Income:</b>								
Interest income:								
1 Mortgage loans	\$ 1,066	\$ 1,075	\$ 1,103	\$ 1,205	\$ 1,243	\$ 1,320	\$ 2,141	\$ 2,563
2 Mortgage-related securities	8,551	8,784	8,943	8,615	8,133	8,380	17,335	16,513
3 Total retained portfolio	9,617	9,859	10,046	9,820	9,376	9,700	19,476	19,076
4 Investments <sup>(1)</sup>	623	634	592	436	399	400	1,257	799
5 Securities purchased under agreements to resell and federal funds sold	349	332	367	235	121	120	681	241
6 Total income on interest-earning assets	10,589	10,825	11,005	10,491	9,896	10,220	21,414	20,116
Interest expense:								
7 Short-term debt	(2,208)	(2,249)	(2,292)	(2,167)	(2,044)	(1,637)	(4,457)	(3,681)
8 Long-term debt	(7,176)	(7,331)	(7,521)	(7,120)	(6,725)	(6,711)	(14,507)	(13,436)
9 Total interest expense on debt securities	(9,384)	(9,580)	(9,813)	(9,287)	(8,769)	(8,348)	(18,964)	(17,117)
10 Due to Participation Certificate investors <sup>(2)</sup>	(103)	(121)	(98)	(96)	—	—	(224)	—
11 Total expense on interest-bearing liabilities	(9,487)	(9,701)	(9,911)	(9,383)	(8,769)	(8,348)	(19,188)	(17,117)
12 Expense related to derivatives	(331)	(331)	(333)	(334)	(329)	(343)	(662)	(672)
13 Total funding of interest-earning assets	(9,818)	(10,032)	(10,244)	(9,717)	(9,098)	(8,691)	(19,850)	(17,789)
14 Net interest income	771	793	761	774	798	1,529	1,564	2,327
15 Fully taxable-equivalent adjustments <sup>(3)</sup>	95	99	98	100	107	105	194	212
16 Net interest income (fully taxable-equivalent basis)	\$ 866	\$ 892	\$ 859	\$ 874	\$ 905	\$ 1,634	\$ 1,758	\$ 2,539
<b>Average Balances:</b>								
17 Mortgage loans <sup>(4)</sup>	\$ 66,583	\$ 67,994	\$ 71,163	\$ 77,821	\$ 84,291	\$ 89,813	\$ 67,288	\$ 87,052
18 Mortgage-related securities <sup>(5)</sup>	643,853	648,023	655,215	636,283	628,721	664,727	645,938	646,724
19 Total retained portfolio	710,436	716,017	726,378	714,104	713,012	754,540	713,226	733,776
20 Investments <sup>(1)(5)</sup>	48,741	49,106	44,135	33,657	39,456	54,061	48,924	46,758
21 Securities purchased under agreements to resell and federal funds sold	26,482	24,887	27,046	19,463	14,435	20,660	25,684	17,548
22 Total interest-earning assets	785,659	790,010	797,559	767,224	766,903	829,261	787,834	798,082
23 Short-term debt	171,249	172,592	175,407	178,426	204,650	240,119	171,921	222,385
24 Long-term debt	580,146	581,482	588,936	557,328	538,295	569,443	580,814	553,869
25 Total debt securities	751,395	754,074	764,343	735,754	742,945	809,562	752,735	776,254
26 Due to Participation Certificate investors <sup>(2)</sup>	7,667	9,061	7,401	7,149	—	—	8,364	—
27 Total interest-bearing liabilities	759,062	763,135	771,744	742,903	742,945	809,562	761,099	776,254
28 Net non-interest-bearing funding	26,597	26,875	25,815	24,321	23,958	19,699	26,735	21,828
29 Total funding of interest-earning assets	\$785,659	\$790,010	\$797,559	\$767,224	\$766,903	\$829,261	\$787,834	\$798,082
<b>Yield/Cost:</b>								
30 Mortgage loans	6.40%	6.32%	6.20%	6.19%	5.90%	5.88%	6.36%	5.89%
31 Mortgage-related securities	5.31	5.42	5.46	5.42	5.17	5.04	5.37	5.11
32 Total retained portfolio	5.41	5.51	5.53	5.50	5.26	5.14	5.46	5.20
33 Investments	5.11	5.11	5.25	5.06	4.01	2.92	5.11	3.38
34 Securities purchased under agreements to resell and federal funds sold	5.28	5.33	5.42	4.85	3.34	2.32	5.30	2.74
35 Yield on total interest-earning assets	5.39	5.47	5.51	5.46	5.16	4.93	5.43	5.04
36 Short-term debt	(5.16)	(5.16)	(5.12)	(4.75)	(3.95)	(2.70)	(5.16)	(3.27)
37 Long-term debt	(4.95)	(5.04)	(5.10)	(5.10)	(4.99)	(4.71)	(4.99)	(4.85)
38 Total debt securities	(5.00)	(5.07)	(5.10)	(5.02)	(4.70)	(4.11)	(5.03)	(4.40)
39 Due to Participation Certificate investors <sup>(2)</sup>	(5.37)	(5.32)	(5.31)	(5.41)	—	—	(5.35)	—
40 Cost of interest-bearing liabilities	(5.00)	(5.07)	(5.10)	(5.02)	(4.70)	(4.11)	(5.03)	(4.40)
41 Expense related to derivatives	(0.17)	(0.17)	(0.17)	(0.18)	(0.18)	(0.17)	(0.17)	(0.17)
42 Impact of net non-interest-bearing funding	0.17	0.18	0.17	0.17	0.15	0.10	0.17	0.12
43 Total funding of interest-earning assets	(5.00)	(5.06)	(5.10)	(5.03)	(4.73)	(4.18)	(5.03)	(4.45)
44 Net interest yield	0.39	0.41	0.41	0.43	0.43	0.75	0.40	0.59
45 Fully taxable-equivalent adjustments <sup>(3)</sup>	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06
46 Net interest yield (fully taxable-equivalent basis)	0.44%	0.46%	0.46%	0.48%	0.48%	0.80%	0.45%	0.65%

(1) Consist of cash and cash equivalents and non-mortgage-related securities.

(2) As a result of the creation of the securitization trusts in December of 2007, due to PC investors interest expense is now recorded in trust management fees within other income on our consolidated statements of income.

(3) The determination of net interest income/yield (fully taxable-equivalent basis), which reflects fully taxable-equivalent adjustments to interest income, involves the conversion of tax-exempt sources of interest income to the equivalent amounts of interest income that would be necessary to derive the same net return if the investments had been subject to income taxes using our federal statutory tax rate of 35%.

(4) Non-performing loans, where interest income is recognized when collected, are included in average balances.

(5) For securities in our retained and investment portfolio, we calculate average balances based on their unpaid principal balance plus their associated deferred fees and costs (e.g., premiums and discounts), but exclude the effects of mark-to-fair-value changes.

**FREDDIE MAC**  
**NET INTEREST INCOME**  
**TABLE 2B**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>	
							<u>2007</u>	<u>2008</u>
<b><u>Net Interest Income:</u></b>								
1	\$1,575	\$1,483	\$1,526	\$1,454	\$1,511	\$2,267	\$3,058	\$3,778
	Amortization expense, net: <sup>(1)</sup>							
2	(150)	(17)	(81)	(20)	(58)	(90)	(167)	(148)
3	(323)	(342)	(351)	(326)	(326)	(305)	(665)	(631)
4	(473)	(359)	(432)	(346)	(384)	(395)	(832)	(779)
	Expense related to derivatives:							
5	(331)	(331)	(333)	(334)	(327)	(307)	(662)	(634)
	Accrual of periodic settlements of derivatives: <sup>(3)</sup>							
6	—	—	—	—	(2)	(36)	—	(38)
7	—	—	—	—	(2)	(36)	—	(38)
8	(331)	(331)	(333)	(334)	(329)	(343)	(662)	(672)
9	771	793	761	774	798	1,529	1,564	2,327
10	95	99	98	100	107	105	194	212
11	\$ 866	\$ 892	\$ 859	\$ 874	\$ 905	\$1,634	\$1,758	\$2,539

- (1) Represents amortization related to premiums, discounts, deferred fees and other adjustments to the carrying value of our financial instruments and the reclassification of previously deferred balances from AOCI for certain derivatives in cash flow hedge relationships related to individual debt issuances and mortgage purchase transactions.
- (2) Represents changes in fair value of derivatives in cash flow hedge relationships that were previously deferred in AOCI and have been reclassified to earnings as the associated hedged forecasted issuance of debt and mortgage purchase transactions affect earnings.
- (3) Reflects the accrual of periodic cash settlements of all derivatives in qualifying hedge accounting relationships.

**FREDDIE MAC**  
**NON-INTEREST INCOME (LOSS)**

**TABLE 3**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b>Non-Interest Income (Loss):</b>								
1	\$ 628	\$ 591	\$ 718	\$ 698	\$ 789	\$ 757	\$1,219	\$ 1,546
2	(523)	820	(465)	(1,316)	(1,394)	1,114	297	(280)
3	430	474	473	528	1,169	769	904	1,938
Derivative gains (losses):								
Foreign-currency denominated derivatives gains (losses) <sup>(1)</sup> :								
4	198	332	1,155	656	1,237	(48)	530	1,189
5	(106)	(394)	157	8	193	(490)	(500)	(297)
6	(655)	286	(1,612)	(2,261)	(1,330)	1,020	(369)	(310)
7	39	94	112	87	(345)	(367)	133	(712)
8	(524)	318	(188)	(1,510)	(245)	115	(206)	(130)
Gains (losses) on investment activity:								
9	25	20	257	203	971	(2,279)	45	(1,308)
10	17	3	19	(25)	71	(5)	20	66
11	34	(249)	228	219	215	38	(215)	253
12	(56)	(294)	(1)	(13)	(71)	(1,040)	(350)	(1,111)
13	(2)	(20)	(25)	(46)	33	(41)	(22)	(8)
14	18	(540)	478	338	1,219	(3,327)	(522)	(2,108)
Unrealized gains (losses) on foreign-currency denominated debt recorded at fair value <sup>(1)</sup> :								
15	—	—	—	—	(1,214)	88	—	(1,126)
16	—	—	—	—	(171)	481	—	310
17	—	—	—	—	(1,385)	569	—	(816)
18	7	89	91	158	305	(29)	96	276
19	35	72	125	273	226	121	107	347
20	(197)	(333)	(1,162)	(656)	—	—	(530)	—
21	49	58	47	92	47	75	107	122
22	\$ (77)	\$1,549	\$ 117	\$(1,395)	\$ 731	\$ 164	\$1,472	\$ 895

(1) We adopted Statement of Financial Accounting Standards, SFAS, No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of FASB Statement No. 115," on January 1, 2008. We initially elected the fair value option for our foreign-currency denominated debt. Due to this election, foreign currency exposure is now a component of Unrealized gains (losses) on foreign-currency denominated debt recorded at fair value. Prior to that date, translation gains and losses on our foreign-currency denominated debt were reported in Foreign-currency gains (losses), net in our consolidated statements of income. Beginning in 2008, we use a combination of foreign-currency swaps and receive-fixed swaps — foreign-currency to foreign-currency to hedge the changes in fair value of our foreign-currency denominated debt related to fluctuations in exchange rates and interest rates.

(2) Includes mark-to-fair value adjustments recorded in accordance with Emerging Issues Task Force, or EITF, 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interest That Continue to Be Held by a Transferor in Securitized Financial Assets" on securities classified as trading. Prior period amounts have been revised to conform to the current period presentation.

**FREDDIE MAC**  
**MANAGEMENT AND GUARANTEE INCOME & RELATED INFORMATION**  
**TABLE 4**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b>Management and Guarantee Income:</b>								
1	\$ 598	\$ 629	\$ 657	\$ 707	\$ 757	\$ 778	\$ 1,227	\$ 1,535
2	30	(38)	61	(9)	32	(21)	(8)	11
3	\$ 628	\$ 591	\$ 718	\$ 698	\$ 789	\$ 757	\$ 1,219	\$ 1,546
4	15.9 bp	16.1 bp	16.2 bp	16.8 bp	17.4 bp	17.5 bp	16.0 bp	17.5 bp
5	0.8	(1.0)	1.5	(0.2)	0.8	(0.5)	(0.1)	0.1
6	16.7 bp	15.1 bp	17.7 bp	16.6 bp	18.2 bp	17.0 bp	15.9 bp	17.6 bp
7	\$ 412	\$ 451	\$ 390	\$ 410	\$ 379	\$ 403	\$ 451	\$ 403
<b>Gains (Losses) on Guarantee Asset:</b>								
8	\$ (523)	\$ (553)	\$ (585)	\$ (627)	\$ (689)	\$ (720)	\$ (1,076)	\$ (1,409)
9	127	130	138	154	215	243	257	458
10	(396)	(423)	(447)	(473)	(474)	(477)	(819)	(951)
11	(127)	1,243	(18)	(843)	(920)	1,591	1,116	671
12	\$ (523)	\$ 820	\$ (465)	\$ (1,316)	\$ (1,394)	\$ 1,114	\$ 297	\$ (280)
<b>Changes in Guarantee Asset, at Fair Value:</b>								
13	\$ 7,389	\$ 7,602	\$ 9,299	\$ 9,867	\$ 9,591	\$ 9,134	\$ 7,389	\$ 9,591
14	736	877	1,033	1,040	937	858	1,613	1,795
15	—	—	—	—	—	(87)	—	(87)
16	(523)	820	(465)	(1,316)	(1,394)	1,114	297	(280)
17	\$ 7,602	\$ 9,299	\$ 9,867	\$ 9,591	\$ 9,134	\$ 11,019	\$ 9,299	\$ 11,019
<b>Guarantee Obligation:</b>								
18	\$ 9,482	\$ 10,097	\$ 10,852	\$ 11,888	\$ 13,712	\$ 13,669	\$ 9,482	\$ 13,712
19	—	—	(1)	(6)	(6)	(6)	—	(12)
20	1,045	1,229	1,510	2,358	1,132	1,255	2,274	2,387
21	—	—	—	—	—	(127)	—	(127)
22	(430)	(474)	(473)	(528)	(1,169)	(769)	(904)	(1,938)
23	\$ 10,097	\$ 10,852	\$ 11,888	\$ 13,712	\$ 13,669	\$ 14,022	\$ 10,852	\$ 14,022

(1) Amortization of credit and buy-down fees incurred since 2003 is recorded in income on guarantee obligation.

(2) Represents a reduction associated with the extinguishment of our previously issued long-term credit guarantees upon conversion into either PCs or Structured Transactions within the same month.

(3) Represents portions of the guarantee obligation that correspond to incurred credit losses reclassified to reserve for guarantee losses on PCs.

(4) Beginning January 1, 2008, we adopted Statement of Financial Accounting Standards, or SFAS, No. 157, "Fair Value Measurements," or SFAS 157. This did not result in an immediate impact to our financial statements upon adoption; however, we began estimating the fair value of newly-issued guarantee obligations as an amount equal to the fair value of compensation received in the related securitization transaction as a practical expedient. As a result, we no longer record deferred gains nor immediate "day one" losses on most newly-issued guarantees.

(5) Includes amortization related to deferred credit and buy-down fees received from counterparties in guarantor swap and similar transactions ("upfront fees") of \$109 million and \$133 million for the second quarter of 2007 and 2008, respectively.

**FREDDIE MAC**  
**DERIVATIVES NOT IN HEDGE ACCOUNTING RELATIONSHIPS**  
**TABLE 5A**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,		
							2007	2008	
<b>Derivative Gains (Losses):</b>									
1	Purchased call swaptions	\$ (553)	\$ (1,168)	\$ 1,657	\$ 2,536	\$ 3,240	\$ (2,542)	\$ (1,721)	\$ 698
2	Written call swaptions	2	48	(16)	(155)	(6)	27	50	21
3	Purchased put swaptions	(8)	244	(70)	(170)	(125)	72	236	(53)
4	Written put swaptions	(2)	(144)	27	47	3	(93)	(146)	(90)
Receive-fixed swaps:									
5	Foreign-currency denominated	(106)	(394)	157	8	193	(490)	(500)	(297)
6	U.S. dollar denominated	365	(3,106)	3,026	3,955	9,503	(7,204)	(2,741)	2,299
7	Total gains (losses) on receive-fixed swaps	259	(3,500)	3,183	3,963	9,696	(7,694)	(3,241)	2,002
8	Pay-fixed swaps	(478)	4,531	(6,513)	(8,902)	(15,133)	11,259	4,053	(3,874)
9	Futures	19	(70)	105	88	647	(154)	(51)	493
10	Foreign-currency swaps <sup>(1)</sup>	198	332	1,155	656	1,237	(48)	530	1,189
11	Forward purchase and sale commitments	(5)	(66)	185	331	511	(243)	(71)	268
12	Other <sup>(2)</sup>	5	17	(13)	9	30	(102)	22	(72)
13	Subtotal	(563)	224	(300)	(1,597)	100	482	(339)	582
Accrual of periodic settlements:									
14	Receive-fixed swaps <sup>(3)</sup>	(58)	(37)	(66)	(166)	73	648	(95)	721
15	Pay-fixed swaps	148	155	182	218	(477)	(1,118)	303	(1,595)
16	Foreign-currency swaps	(52)	(25)	(5)	34	57	101	(77)	158
17	Other	1	1	1	1	2	2	2	4
18	Total accrual of periodic settlements	39	94	112	87	(345)	(367)	133	(712)
19	Total derivative gains (losses)	\$ (524)	\$ 318	\$ (188)	\$ (1,510)	\$ (245)	\$ 115	\$ (206)	\$ (130)
<b>Notional or Contractual Amounts (period end):</b>									
20	Purchased call swaptions	\$194,772	\$236,752	\$ 262,802	\$ 259,272	\$ 242,022	\$ 213,897		
21	Written call swaptions	7,500	3,400	1,000	1,900	3,500	1,500		
22	Purchased put swaptions	19,325	19,325	18,325	18,725	29,675	21,175		
23	Written put swaptions	500	2,600	1,000	2,650	7,150	38,150		
24	Receive-fixed swaps	270,053	214,657	282,070	301,649	326,247	245,054		
25	Pay-fixed swaps	251,391	284,927	380,370	409,682	421,650	395,874		
26	Futures	95,140	113,000	109,848	196,270	134,633	147,291		
27	Foreign-currency swaps	23,854	22,709	23,842	20,118	15,441	15,353		
28	Forward purchase and sale commitments	8,915	54,783	61,800	72,662	77,597	63,512		
29	Other <sup>(2)</sup>	34,650	35,719	62,159	39,953	84,590	148,021		
30	Total notional or contractual amounts	\$906,100	\$987,872	\$1,203,216	\$1,322,881	\$1,342,505	\$1,289,827		

(1) Foreign-currency swaps are defined as swaps in which the net settlement is based on one leg calculated in a foreign-currency and the other leg calculated in U.S. dollars.

(2) Consists of basis swaps, certain option-based contracts (including written options), interest-rate caps, swap guarantee derivatives and credit derivatives.

(3) Includes imputed interest on zero-coupon swaps.

**FREDDIE MAC**  
**TOTAL DERIVATIVE PORTFOLIO**  
**TABLE 5B**  
**(unaudited)**  
**(dollars in millions)**

Line:	December 31, 2007		June 30, 2008	
	Notional or Contractual Amount	Fair Value <sup>(1)</sup>	Notional or Contractual Amount	Fair Value <sup>(1)</sup>
	Interest-rate swaps:			
1	\$ 301,649	\$ 3,648	\$ 245,054	\$ (469)
2	409,682	(11,492)	411,074	(5,491)
3	498	—	32,205	(22)
4	<u>711,829</u>	<u>(7,844)</u>	<u>688,333</u>	<u>(5,982)</u>
	Option-based:			
5	259,272	7,134	213,897	6,685
6	1,900	(27)	1,500	(33)
7	18,725	631	21,175	660
8	2,650	(74)	38,150	(414)
9	30,486	(23)	103,977	942
10	<u>313,033</u>	<u>7,641</u>	<u>378,699</u>	<u>7,840</u>
11	196,270	92	147,291	(64)
12	20,118	4,568	15,353	4,788
13	72,662	327	63,512	85
14	7,667	10	10,116	24
15	1,302	(4)	1,723	(6)
16	1,322,881	4,790	1,305,027	6,685
17		1,659		998
18		—		(85)
19		<u>(6,204)</u>		<u>(8,067)</u>
20	<u>\$1,322,881</u>	<u>\$ 245</u>	<u>\$1,305,027</u>	<u>\$ (469)</u>

(1) The fair value by derivative type presented in this table is shown prior to netting by counterparty. The value of derivatives presented on our consolidated balance sheets, however, is netted by counterparty and includes net derivative-related receivable or payable, and is net of cash collateral held or posted, and is reported in the derivative assets, net and derivative liabilities, net captions. The total fair value of the derivative portfolio, net presented in this table equals the difference between the value of the derivative assets and derivative liabilities presented on our consolidated balance sheets. The fair values for futures are directly derived from quoted market prices. Fair values of other derivatives are derived primarily from valuation models using market data inputs.

(2) Includes the related accrued interest (payable) receivable, net on derivative collateral positions.

**FREDDIE MAC**  
**NON-INTEREST EXPENSE**  
**TABLE 6**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>	
							2007	2008
<b><u>Non-Interest Expense:</u></b>								
Administrative expenses:								
1	\$ 213	\$ 227	\$ 216	\$ 172	\$ 231	\$ 241	\$ 440	\$ 472
2	89	104	103	96	72	55	193	127
3	14	16	16	18	15	18	30	33
4	87	95	93	115	79	90	182	169
5	403	442	428	401	397	404	845	801
6	248	447	1,372	787	1,240	2,537	695	3,777
7	14	16	51	125	208	265	30	473
8	177	150	392	1,269	15	—	327	15
9	216	264	649	736	51	120	480	171
10	108	135	111	115	117	108	243	225
11	9	9	4	(30)	3	5	18	8
12	49	56	63	54	72	106	105	178
13	\$1,224	\$1,519	\$3,070	\$3,457	\$2,103	\$3,545	\$2,743	\$5,648

- (1) Certain prior period amounts previously reported as a component of other administrative expenses have been reclassified to salaries and employee benefits and professional services to conform to the current period presentation.
- (2) Consist of losses recognized upon issuance of a PC when the fair value of the guarantee obligation exceeds the fair value of the guarantee asset (including upfront fees paid or received). Beginning January 1, 2008, we began estimating the fair value of newly-issued guarantee obligations as an amount equal to the fair value of compensation received in the related securitization transaction. As a result, we no longer record deferred gains nor do we record immediate "day one," losses on most newly-issued guarantees.
- (3) Represent losses on non-performing loans purchased out of our guaranteed PC and Structured Securities, when the unpaid principal balance, net of our loan loss reserve exceeds the estimated fair market value of the loan purchased. Effective December 2007, we made certain operational changes for purchasing delinquent loans from PC pools, which reduced the number of these loans we purchase and, consequently, this reduced the amount of our losses on loans purchased during the first two quarters of 2008.

**FREDDIE MAC**  
**CONSOLIDATED FAIR VALUE BALANCE SHEETS<sup>(1)</sup>**

**TABLE 7**  
**(unaudited)**  
**(dollars in billions)**

Line:	2007								2008			
	March 31,		June 30,		September 30,		December 31,		March 31,		June 30,	
	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>
<b>Assets:</b>												
1	\$ 66.7	\$ 65.6	\$ 68.3	\$ 66.1	\$ 71.6	\$ 68.8	\$ 80.0	\$ 76.8	\$ 86.5	\$ 83.9	\$ 89.1	\$ 84.1
2	645.0	645.0	634.4	634.4	634.3	634.3	629.8	629.8	601.1	601.1	671.8	671.8
3	711.7	710.6	702.7	700.5	705.9	703.1	709.8	706.6	687.6	685.0	760.9	755.9
4	10.0	10.0	11.8	11.8	12.2	12.2	8.6	8.6	8.3	8.3	43.6	43.6
5	31.9	31.9	41.7	41.7	21.3	21.3	35.1	35.1	48.2	48.2	12.9	12.9
6	34.2	34.2	27.5	27.5	17.3	17.3	6.6	6.6	17.2	17.2	15.3	15.3
7	0.3	0.3	0.5	0.5	0.7	0.7	0.8	0.8	1.0	1.0	0.4	0.4
8	7.6	8.5	9.3	10.2	9.9	10.7	9.6	10.4	9.1	9.9	11.0	11.8
9	17.7	16.2	20.6	16.8	19.6	20.9	23.9	31.8	31.6	42.5	34.9	44.3
10	\$813.4	\$811.7	\$814.1	\$809.0	\$786.9	\$786.2	\$794.4	\$799.9	\$803.0	\$812.1	\$879.0	\$884.2
<b>Liabilities and Minority Interests:</b>												
11	\$750.2	\$749.8	\$751.4	\$744.4	\$726.9	\$728.9	\$738.6	\$749.3	\$759.8	\$778.6	\$835.8	\$842.7
12	10.1	7.3	10.9	7.7	11.9	14.2	13.7	26.2	13.7	29.3	14.0	36.6
13	0.2	0.2	0.4	0.4	0.2	0.2	0.6	0.6	0.9	0.9	0.9	0.9
14	0.7	—	1.0	—	2.1	—	2.6	—	3.5	—	5.3	—
15	23.2	22.0	25.6	24.4	20.0	18.8	12.0	11.0	9.0	8.3	10.0	9.5
16	0.5	0.5	0.3	0.2	0.3	0.3	0.2	0.2	0.1	0.2	0.1	0.1
17	784.9	779.8	789.6	777.1	761.4	762.4	767.7	787.3	787.0	817.3	866.1	889.8
<b>Net Assets Attributable to Stockholders:</b>												
18	6.6	6.5	7.1	6.8	8.1	7.4	14.1	12.3	14.1	11.7	14.1	11.3
19	21.9	25.4	17.4	25.1	17.4	16.4	12.6	0.3	1.9	(16.9)	(1.2)	(16.9)
20	28.5	31.9	24.5	31.9	25.5	23.8	26.7	12.6	16.0	(5.2)	12.9	(5.6)
21	\$813.4	\$811.7	\$814.1	\$809.0	\$786.9	\$786.2	\$794.4	\$799.9	\$803.0	\$812.1	\$879.0	\$884.2

- (1) The consolidated fair value balance sheets do not purport to present our net realizable, liquidation or market value as a whole. Furthermore, amounts we ultimately realize from the disposition of assets or settlement of liabilities may vary significantly from the fair values presented.
- (2) Carrying amounts equal the amounts reported on our GAAP consolidated balance sheets.
- (3) Methodologies employed to calculate fair values are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes. The estimated impact of these improvements resulted in net after-tax changes to the fair value of total net assets of approximately \$0.1 billion, \$0.2 billion, \$(0.2) billion and \$0.1 billion at March 31, 2007, June 30, 2007, September 30, 2007 and December 31, 2007, respectively. During the six months ended June 30, 2008, our fair value results were impacted by several changes in our approach for estimating the fair value of certain financial instruments, primarily related to our valuation of our guarantee obligation as a result of our adoption of SFAS 157 on January 1, 2008 and other improvements to our methodology. These changes resulted in net after-tax changes in the fair value of total net assets of approximately \$4.6 billion and \$(1.2) billion at March 31, 2008 and June 30, 2008, respectively.
- (4) The fair value of the guarantee asset reported exceeds the carrying value primarily because the fair value includes the guarantee asset related to PCs that were issued prior to the implementation of FIN 45 in 2003 and thus are not recognized on our GAAP consolidated balance sheets.
- (5) Fair values include estimated income taxes calculated using the 35% federal statutory rate on the difference between the consolidated fair value balance sheets net assets attributable to common stockholders, including deferred taxes from our GAAP consolidated balance sheets, and the GAAP consolidated balance sheets equity attributable to common stockholders.

**FREDDIE MAC**  
**MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES<sup>(1)(2)(3)</sup>**  
**TABLE 8A**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b><u>Total Mortgage Portfolio:</u></b>								
1	\$1,826,720	\$1,892,132	\$1,952,949	\$2,021,935	\$2,102,676	\$2,149,689	\$1,826,720	\$2,102,676
2	146,463	149,401	145,185	136,642	134,416	162,012	295,864	296,428
3	10	(893)	(2,725)	(38)	(972)	(2,472)	(883)	(3,444)
4	(81,061)	(87,691)	(73,474)	(55,863)	(86,431)	(107,535)	(168,752)	(193,966)
5	65,412	60,817	68,986	80,741	47,013	52,005	126,229	99,018
6	\$1,892,132	\$1,952,949	\$2,021,935	\$2,102,676	\$2,149,689	\$2,201,694	\$1,952,949	\$2,201,694
7	14%	13%	14%	16%	9%	10%	14%	9%
8	18%	19%	15%	11%	16%	20%	18%	18%
<b><u>Total Guaranteed PCs and Structured Securities:</u></b>								
9	\$1,477,023	\$1,536,525	\$1,592,524	\$1,664,776	\$1,738,833	\$1,784,077	\$1,477,023	\$1,738,833
10	114,365	118,008	125,093	113,510	115,974	132,070	232,373	248,044
11	(54,863)	(62,009)	(52,841)	(39,453)	(70,730)	(92,344)	(116,872)	(163,074)
12	59,502	55,999	72,252	74,057	45,244	39,726	115,501	84,970
13	\$1,536,525	\$1,592,524	\$1,664,776	\$1,738,833	\$1,784,077	\$1,823,803	\$1,592,524	\$1,823,803
14	16%	15%	18%	18%	10%	9%	16%	10%
15	15%	16%	13%	9%	16%	21%	16%	19%

- (1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. Also excludes credit-related impairments on mortgage-related securities within our retained portfolio.  
(2) See our Monthly Volume Summary, or MVS, in the Investor Relations section of our website for definitions of certain captions used in this table.  
(3) Effective December 2007, we established securitization trusts for the underlying assets of our guaranteed PCs and Structured Securities issued. As a result, the reported balance of our mortgage portfolios for 4Q-2007 and all 2008 periods reflect the publicly-available security balances of guaranteed PCs and Structured Securities. For periods prior to 4Q-2007 we reported these balances based on the unpaid principal balance of the underlying mortgage loans.

**FREDDIE MAC**  
**MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES<sup>(1)(2)(3)</sup>**  
**TABLE 8B**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b>Retained Portfolio:</b>								
1	\$ 703,959	\$ 714,454	\$ 712,136	\$ 713,164	\$ 720,813	\$ 712,462	\$ 703,959	\$ 720,813
2	59,173	60,632	67,201	60,768	39,986	120,996	119,805	160,982
3	(8,255)	(19,490)	(29,402)	(24,321)	(18,856)	(8,709)	(27,745)	(27,565)
4	(40,423)	(43,460)	(36,771)	(28,798)	(29,481)	(32,951)	(83,883)	(62,432)
5	10,495	(2,318)	1,028	7,649	(8,351)	79,336	8,177	70,985
6	\$ 714,454	\$ 712,136	\$ 713,164	\$ 720,813	\$ 712,462	\$ 791,798	\$ 712,136	\$ 791,798
7	6%	(1%)	1%	4%	(5%)	45%	2%	20%
8	23%	24%	21%	16%	16%	19%	24%	17%
9	38%	36%	35%	34%	33%	36%	36%	36%
<b>Retained Portfolio Components (at period end):</b>								
10	\$ 358,847	\$ 351,711	\$ 356,005	356,970	\$ 346,850	\$ 413,907	\$ 351,711	\$ 413,907
11	288,471	291,382	284,132	281,685	277,278	286,868	291,382	286,868
12	67,136	69,043	73,027	82,158	88,334	91,023	69,043	91,023
13	\$ 714,454	\$ 712,136	\$ 713,164	\$ 720,813	\$ 712,462	\$ 791,798	\$ 712,136	\$ 791,798
<b>Guaranteed PCs and Structured Securities Held by Third Parties:</b>								
14	\$1,122,761	\$1,177,678	\$1,240,813	\$1,308,771	\$1,381,863	\$1,437,227	\$1,122,761	\$1,381,863
15	114,365	118,008	125,093	113,510	115,974	132,070	232,373	248,044
16	(27,075)	(29,239)	(47,109)	(37,636)	(21,544)	(91,054)	(56,314)	(112,598)
17	9,638	20,565	29,423	27,153	18,456	7,185	30,203	25,641
18	(42,011)	(46,199)	(39,449)	(29,935)	(57,522)	(75,532)	(88,210)	(133,054)
19	54,917	63,135	67,958	73,092	55,364	(27,331)	118,052	28,033
20	\$1,177,678	\$1,240,813	\$1,308,771	\$1,381,863	\$1,437,227	\$1,409,896	\$1,240,813	\$1,409,896
21	20%	21%	22%	22%	16%	(8%)	21%	4%
22	15%	16%	13%	9%	17%	21%	16%	19%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. Also excludes credit-related impairments on mortgage-related securities within our retained portfolio.

(2) See our MVS in the Investor Relations section of our website for definitions of certain captions used in this table.

(3) Effective December 2007, we established securitization trusts for the underlying assets of our guaranteed PCs and Structured Securities issued. As a result, the reported balance of our mortgage portfolios for 4Q-2007 and all 2008 periods reflect the publicly-available security balances of guaranteed PCs and Structured Securities. For periods prior to 4Q-2007 we reported these balances based on the unpaid principal balance of the underlying mortgage loans.

**FREDDIE MAC**  
**CHARACTERISTICS OF MORTGAGE LOANS AND MORTGAGE-RELATED SECURITIES IN THE RETAINED PORTFOLIO**  
**TABLE 9**  
**(unaudited)**  
**(dollars in millions)**

Line:	December 31, 2007			June 30, 2008		
	Fixed-Rate	Variable-Rate	Total	Fixed-Rate	Variable-Rate	Total
Single-family <sup>(1)</sup>						
Conventional: <sup>(2)</sup>						
1 Amortizing	\$ 20,461	\$ 1,266	\$ 21,727	\$ 23,621	\$ 1,128	\$ 24,749
2 Interest-only	246	1,434	1,680	379	814	1,193
3 Total conventional	20,707	2,700	23,407	24,000	1,942	25,942
4 RHS / FHA / VA	1,182	—	1,182	1,253	—	1,253
5 Total single-family	21,889	2,700	24,589	25,253	1,942	27,195
6 Multifamily <sup>(3)</sup>	53,114	4,455	57,569	59,743	4,085	63,828
7 Total mortgage loans	75,003	7,155	82,158	84,996	6,027	91,023
PCs and Structured Securities: <sup>(1)(4)</sup>						
8 Single-family	269,896	84,415	354,311	314,483	96,779	411,262
9 Multifamily	2,522	137	2,659	267	2,378	2,645
10 Total PCs and Structured Securities	272,418	84,552	356,970	314,750	99,157	413,907
Non-Freddie Mac mortgage-related securities: <sup>(1)</sup>						
Agency mortgage-related securities: <sup>(5)</sup>						
Fannie Mae:						
11 Single-family	23,140	23,043	46,183	37,273	35,434	72,707
12 Multifamily	759	163	922	661	134	795
Ginnie Mae:						
13 Single-family	468	181	649	429	163	592
14 Multifamily	82	—	82	49	—	49
15 Total agency mortgage-related securities	24,449	23,387	47,836	38,412	35,731	74,143
Non-agency mortgage-related securities:						
Single-family:						
16 Subprime	498	100,827	101,325	464	85,160	85,624
17 Alt-A and other	3,762	47,551	51,313	3,466	44,105	47,571
18 Commercial mortgage backed securities	25,709	39,095	64,804	25,452	39,386	64,838
19 Obligations of states and political subdivisions <sup>(6)</sup>	14,870	65	14,935	13,251	48	13,299
20 Manufactured housing <sup>(7)</sup>	1,250	222	1,472	1,192	201	1,393
21 Total non-agency mortgage-related securities <sup>(8)</sup>	46,089	187,760	233,849	43,825	168,900	212,725
22 Total unpaid principal balance of retained portfolio	\$417,959	\$302,854	720,813	\$481,983	\$309,815	791,798
23 Premiums, discounts, deferred fees, impairments of unpaid principal balances and other basis adjustments			(655)			383
24 Net unrealized (losses) on mortgage-related securities, pre-tax			(10,116)			(30,853)
25 Allowance for loan losses on mortgage loans held-for-investment			(256)			(468)
26 Total retained portfolio per consolidated balance sheets			\$709,786			\$760,860

- (1) Variable-rate single-family mortgage loans and mortgage-related securities include those with a contractual coupon rate that, prior to contractual maturity, is either scheduled to change or is subject to change based on changes in the composition of the underlying collateral. Single-family mortgage loans also include mortgages with balloon/reset provisions.
- (2) Includes \$2.2 billion and \$1.6 billion as of December 31, 2007 and June 30, 2008, respectively, of mortgage loans categorized as Alt-A due solely to reduced documentation standards at the time of loan origination. Although we do not categorize our single-family loans into prime or subprime, we recognize that certain of the mortgage loans in our retained portfolio exhibit higher risk characteristics. Total single-family loans include \$1.3 billion at both December 31, 2007 and June 30, 2008, of loans with higher-risk characteristics, which we define as loans with original LTV ratios greater than 90% and borrower credit scores less than 620 at the time of loan origination.
- (3) Variable-rate multifamily mortgage loans include only those loans that, as of the reporting date, have a contractual coupon rate that is subject to change.
- (4) For PCs and Structured Securities, we are subject to the credit risk associated with the underlying mortgage loan collateral.
- (5) Agency mortgage-related securities are generally not separately rated by nationally recognized statistical rating organizations, but are viewed as having a level of credit quality at least equivalent to non-agency mortgage-related securities AAA-rated or equivalent.
- (6) Consist of mortgage revenue bonds. Approximately 67% and 61% of these securities were AAA-rated at December 31, 2007 and June 30, 2008, respectively, based on the lowest rating available.
- (7) At December 31, 2007 and June 30, 2008, 34% and 33%, respectively, of mortgage-related securities backed by manufactured housing bonds were rated BBB- or above, based on the lowest rating available. For the same dates, 93% of manufactured housing bonds had credit enhancements, including primary monoline insurance that covered 23% of the manufactured housing bonds. At December 31, 2007 and June 30, 2008, we had secondary insurance on 72% and 73%, respectively, of these bonds that were not covered by the primary monoline insurance. Approximately 28% and 3% of these securities were AAA-rated at December 31, 2007 and June 30, 2008, respectively, based on the lowest rating available.
- (8) Credit ratings for most non-agency mortgage-related securities are designated by no fewer than two nationally recognized statistical rating organizations. At December 31, 2007 and June 30, 2008, approximately 96% and 75%, respectively, of total non-agency mortgage-related securities were AAA-rated, based on the lowest rating available.

**FREDDIE MAC**  
**CREDIT QUALITY INDICATORS**  
**TABLE 10**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>		
							2007	2008	
<b>Credit Enhancements:</b>									
1	Credit-enhanced percentage of new business purchases	14%	18%	22%	28%	25%	19%	16%	22%
2	Credit-enhanced percentage of total mortgage portfolio <sup>(1)</sup> (period end)	16%	16%	16%	17%	17%	18%	16%	18%
<b>Delinquencies (at period end):<sup>(2)</sup></b>									
Single-family:									
<i>Non-credit-enhanced portfolio</i>									
3	Delinquency rate	0.25%	0.26%	0.34%	0.45%	0.54%	0.67%	0.26%	0.67%
4	Total number of delinquent loans	23,173	25,307	32,823	44,948	54,923	68,080	25,307	68,080
<i>Credit-enhanced portfolio</i>									
5	Delinquency rate	1.18%	1.17%	1.34%	1.62%	1.81%	2.10%	1.17%	2.10%
6	Total number of delinquent loans	22,285	22,602	27,123	34,621	39,942	47,216	22,602	47,216
<i>Total Single-family Portfolio</i>									
7	Delinquency rate	0.40%	0.42%	0.51%	0.65%	0.77%	0.93%	0.42%	0.93%
8	Total number of delinquent loans	45,458	47,909	59,946	79,569	94,865	115,296	47,909	115,296
Multifamily:									
9	Delinquency rate	0.06%	0.05%	0.06%	0.02%	0.01%	0.04%	0.05%	0.04%
10	Net carrying value of delinquent loans	\$ 32	\$ 30	\$ 32	\$ 10	\$ 7	\$ 34	\$ 30	\$ 34
<b>REO Balances (at period end):</b>									
11	Single-family	\$ 871	\$ 1,014	\$ 1,321	\$ 1,736	\$ 2,214	\$ 2,580	\$ 1,014	\$ 2,580
12	Multifamily	7	6	—	—	—	—	6	—
13	Total	\$ 878	\$ 1,020	\$ 1,321	\$ 1,736	\$ 2,214	\$ 2,580	\$ 1,020	\$ 2,580
<b>REO Inventory (number of units):</b>									
14	Beginning property inventory	8,785	9,650	10,260	11,916	14,394	18,419	8,785	14,394
15	Properties acquired	4,638	5,013	5,905	7,284	9,939	12,410	9,651	22,349
16	Properties disposed	(3,773)	(4,403)	(4,249)	(4,806)	(5,914)	(8,800)	(8,176)	(14,714)
17	Ending property inventory	9,650	10,260	11,916	14,394	18,419	22,029	10,260	22,029
<b>REO Operations Income (Expense):</b>									
18	Single-family	\$ (14)	\$ (16)	\$ (50)	\$ (125)	\$ (208)	\$ (265)	\$ (30)	\$ (473)
19	Multifamily	—	—	(1)	—	—	—	—	—
20	Total	\$ (14)	\$ (16)	\$ (51)	\$ (125)	\$ (208)	\$ (265)	\$ (30)	\$ (473)
<b>Loan Loss Reserves:<sup>(3)</sup></b>									
21	Beginning balance	\$ 619	\$ 803	\$ 1,138	\$ 2,312	\$ 2,822	\$ 3,872	\$ 619	\$ 2,822
22	Provision for credit losses <sup>(4)</sup>	248	447	1,372	787	1,240	2,537	695	3,777
23	Charge-offs — single-family, net	(30)	(36)	(32)	(36)	(163)	(451)	(66)	(614)
24	Charge-offs — multifamily, net	—	—	(2)	(1)	—	—	—	—
25	Transfers, net	(34)	(76)	(164)	(240)	(27)	(145)	(110)	(172)
26	Ending balance	\$ 803	\$ 1,138	\$ 2,312	\$ 2,822	\$ 3,872	\$ 5,813	\$ 1,138	\$ 5,813
<b>Total Credit Losses:<sup>(5)</sup></b>									
27	Total credit losses	\$ 58	\$ 79	\$ 126	\$ 236	\$ 528	\$ 810	\$ 137	\$ 1,338
28	Annualized credit losses / average total mortgage portfolio <sup>(6)</sup>	1.5 bp	2.0 bp	3.0 bp	5.4 bp	11.6 bp	17.3 bp	1.7 bp	14.5 bp

(1) Based on the total mortgage portfolio, excluding Freddie Mac Structured Transactions, non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

(2) Single-family delinquencies are based on the number of mortgages 90 days or more delinquent or in foreclosure while multifamily delinquencies are based on net carrying value of mortgages 90 days or more delinquent or in foreclosure. Includes delinquencies on mortgage loans where the lender or third party retains the largest portion of the default risk. Delinquencies exclude mortgage loans whose original contractual terms have been modified under an agreement with the borrower as long as the borrower complies with the modified contractual terms.

(3) Loan loss reserves equals the sum of allowance for loan losses (consolidated balance sheets — Line 1) and reserve for guarantee losses on Participation Certificates (consolidated balance sheets — Line 27).

(4) Provision for credit losses includes our provision for losses incurred on our mortgage loans held for investment, which are a component of our retained portfolio, and our provision for guarantee losses incurred on mortgage loans underlying our issued PCs and Structured Securities.

(5) Equal to REO operations income (expense) (Line 20) plus Charge-offs, net (Lines 23 and 24) plus amounts previously transferred to reduce the carrying value of loans purchased under financial guarantees. The previously transferred reserves totaled \$41 million and \$251 million for the six months ended June 30, 2007 and 2008, respectively.

(6) Calculated using the average total mortgage portfolio, excluding non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

**FREDDIE MAC**  
**SINGLE-FAMILY NON-CREDIT-ENHANCED DELINQUENCY AND FORECLOSURE ACTIVITY BY REGION<sup>(1)</sup>**  
**TABLE 11**  
**(unaudited)**

Line:	2Q 2007		3Q 2007		4Q 2007		1Q 2008		2Q 2008	
	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>
<u>Northeast<sup>(2)</sup></u>										
1	Total number of loans	2,174	2,208	2,310	2,340	2,339				
2	Delinquent three or more payments	3	4	4	4	6	0.24%			
3	Foreclosures approved and in-process	3	3	5	6	6	0.29%			
4	Total delinquent loans	<u>6</u>	<u>7</u>	<u>9</u>	<u>10</u>	<u>12</u>	<u>0.53%</u>			
<u>Southeast<sup>(2)</sup></u>										
5	Total number of loans	1,818	1,856	1,937	1,971	1,951				
6	Delinquent three or more payments	3	4	6	6	7	0.37%			
7	Foreclosures approved and in-process	3	4	6	9	12	0.61%			
8	Total delinquent loans	<u>6</u>	<u>8</u>	<u>12</u>	<u>15</u>	<u>19</u>	<u>0.98%</u>			
<u>North Central<sup>(2)</sup></u>										
9	Total number of loans	2,290	2,304	2,312	2,313	2,323				
10	Delinquent three or more payments	3	4	5	5	6	0.24%			
11	Foreclosures approved and in-process	4	5	6	7	8	0.35%			
12	Total delinquent loans	<u>7</u>	<u>9</u>	<u>11</u>	<u>12</u>	<u>14</u>	<u>0.59%</u>			
<u>Southwest<sup>(2)</sup></u>										
13	Total number of loans	1,278	1,302	1,368	1,393	1,362				
14	Delinquent three or more payments	2	2	2	2	2	0.19%			
15	Foreclosures approved and in-process	1	2	2	3	3	0.19%			
16	Total delinquent loans	<u>3</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>0.38%</u>			
<u>West<sup>(2)</sup></u>										
17	Total number of loans	2,003	2,053	2,121	2,169	2,192				
18	Delinquent three or more payments	1	2	4	5	7	0.30%			
19	Foreclosures approved and in-process	2	3	5	8	11	0.50%			
20	Total delinquent loans	<u>3</u>	<u>5</u>	<u>9</u>	<u>13</u>	<u>18</u>	<u>0.80%</u>			
<u>Total</u>										
21	Total number of loans	9,563	9,723	10,048	10,186	10,168				
22	Delinquent three or more payments	12	16	21	22	28	0.27%			
23	Foreclosures approved and in-process	13	17	24	33	40	0.40%			
24	Total delinquent loans	<u>25</u>	<u>33</u>	<u>45</u>	<u>55</u>	<u>68</u>	<u>0.67%</u>			
25	90-day or more delinquency to REO, transition rate <sup>(4)</sup>		13.8%	15.1%	15.9%	17.6%	22.8%			

- (1) Includes Single-family non-credit-enhanced mortgage loans in our retained portfolio and those underlying our total guaranteed PCs and Structured Securities issued, but excluding Structured Transactions and that portion of Structured Securities backed by Ginnie Mae Certificates.
- (2) Region Designation: Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA).
- (3) Percentages are calculated based on loan counts.
- (4) Calculated based on all loans that have been reported as 90 days or more delinquent or in foreclosure in the preceding year, which have transitioned to REO. The rate excludes other dispositions that can result in a loss, such as short-sales and deed-in-lieu transactions.

**FREDDIE MAC**  
**REAL ESTATE OWNED (REO) ACTIVITY**  
**TABLE 12**  
**(unaudited)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b>Property Units, by Region:<sup>(1)</sup></b>								
Northeast								
1	Beginning Balance	622	702	828	1,118	1,474	622	1,474
2	Properties Acquired	396	492	644	804	1,267	888	2,577
3	Properties Disposed	(316)	(366)	(354)	(448)	(622)	(682)	(1,622)
4	Ending Property Inventory	<u>702</u>	<u>828</u>	<u>1,118</u>	<u>1,474</u>	<u>2,119</u>	<u>828</u>	<u>2,429</u>
Southeast								
5	Beginning Balance	1,753	1,896	1,960	2,243	2,686	1,753	2,686
6	Properties Acquired	987	1,123	1,276	1,556	1,983	2,110	4,597
7	Properties Disposed	(844)	(1,059)	(993)	(1,113)	(1,410)	(1,903)	(3,359)
8	Ending Property Inventory	<u>1,896</u>	<u>1,960</u>	<u>2,243</u>	<u>2,686</u>	<u>3,259</u>	<u>1,960</u>	<u>3,924</u>
North Central								
9	Beginning Balance	4,466	4,871	5,065	5,540	6,121	4,466	6,121
10	Properties Acquired	2,078	2,137	2,376	2,584	3,137	4,215	6,582
11	Properties Disposed	(1,673)	(1,943)	(1,901)	(2,003)	(2,145)	(3,616)	(4,940)
12	Ending Property Inventory	<u>4,871</u>	<u>5,065</u>	<u>5,540</u>	<u>6,121</u>	<u>7,113</u>	<u>5,065</u>	<u>7,763</u>
Southwest								
13	Beginning Balance	1,741	1,833	1,867	1,987	2,230	1,741	2,230
14	Properties Acquired	957	940	951	1,129	1,370	1,897	2,835
15	Properties Disposed	(865)	(906)	(831)	(886)	(1,055)	(1,771)	(2,414)
16	Ending Property Inventory	<u>1,833</u>	<u>1,867</u>	<u>1,987</u>	<u>2,230</u>	<u>2,545</u>	<u>1,867</u>	<u>2,651</u>
West								
17	Beginning Balance	203	348	540	1,028	1,883	203	1,883
18	Properties Acquired	220	321	658	1,211	2,182	541	5,758
19	Properties Disposed	(75)	(129)	(170)	(356)	(682)	(204)	(2,379)
20	Ending Property Inventory	<u>348</u>	<u>540</u>	<u>1,028</u>	<u>1,883</u>	<u>3,383</u>	<u>540</u>	<u>5,262</u>
Total								
21	Beginning Balance	8,785	9,650	10,260	11,916	14,394	8,785	14,394
22	Properties Acquired	4,638	5,013	5,905	7,284	9,939	9,651	22,349
23	Properties Disposed	(3,773)	(4,403)	(4,249)	(4,806)	(5,914)	(8,176)	(14,714)
24	Ending Property Inventory	<u>9,650</u>	<u>10,260</u>	<u>11,916</u>	<u>14,394</u>	<u>18,419</u>	<u>10,260</u>	<u>22,029</u>
25	Average Holding Period <sup>(2)</sup> (in days)	170	169	165	163	164	170	157
<b>REO Balance (dollars in millions)</b>								
Single-family property, by region <sup>(1)</sup> :								
26	Northeast	\$ 84	\$ 114	\$ 170	\$ 247	\$ 358	\$ 114	\$ 381
27	Southeast	148	174	226	293	330	174	373
28	North Central	405	436	490	542	619	436	636
29	Southwest	169	173	198	233	253	173	253
30	West	65	117	237	421	654	117	937
31	Total single-family property	871	1,014	1,321	1,736	2,214	1,014	2,580
32	Total multifamily property	7	6	—	—	—	6	—
33	Total REO Balance	<u>\$ 878</u>	<u>\$ 1,020</u>	<u>\$ 1,321</u>	<u>\$ 1,736</u>	<u>\$ 2,214</u>	<u>\$ 1,020</u>	<u>\$ 2,580</u>

(1) Region Designation: Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA).

(2) Represents weighted average holding period for single-family and multifamily properties based on number of REO properties.

**FREDDIE MAC**  
**SEGMENT EARNINGS — CONSOLIDATED TABLE<sup>(1)</sup>**  
**TABLE 13**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>	
							<u>2007</u>	<u>2008</u>
<b><u>Segment Earnings:</u></b>								
1	\$ 514	\$ 571	\$ 503	\$ 440	\$ 113	\$ 793	\$ 1,085	\$ 906
2	224	129	(483)	(126)	(458)	(1,388)	353	(1,846)
3	125	84	83	106	98	118	209	216
4	(16)	(43)	(45)	1	(4)	144	(59)	140
5	847	741	58	421	(251)	(333)	1,588	(584)
<b><u>Reconciliation to GAAP Net Income (Loss):</u></b>								
6	(1,082)	(471)	(1,725)	(2,389)	(1,194)	527	(1,553)	(667)
7	(502)	831	(925)	(2,672)	(174)	1,818	329	1,644
8	69	(379)	659	638	1,525	(3,096)	(310)	(1,571)
9	(93)	(97)	(98)	(100)	(110)	(105)	(190)	(215)
10	(1,608)	(116)	(2,089)	(4,523)	47	(856)	(1,724)	(809)
11	628	104	793	1,650	53	368	732	421
12	(980)	(12)	(1,296)	(2,873)	100	(488)	(992)	(388)
13	\$ (133)	\$ 729	\$(1,238)	\$(2,452)	\$ (151)	\$ (821)	\$ 596	\$ (972)

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” or MD&A, “NOTE 15: SEGMENT REPORTING” to the audited consolidated financial statements and “NOTE 16: SEGMENT REPORTING” to the unaudited consolidated financial statements in our Form 10 Registration Statement dated July 18, 2008, or Registration Statement, for more information regarding Segment Earnings and our segments, including reconciliations to GAAP results for certain quarterly and annual periods.

**FREDDIE MAC**  
**SEGMENT EARNINGS — INVESTMENTS<sup>(1)</sup>**

**TABLE 14**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>		
							<u>2007</u>	<u>2008</u>	
<b><u>Segment Earnings:</u></b>									
1	Net interest income	\$ 902	\$ 990	\$ 909	\$ 825	\$ 299	\$ 1,481	\$ 1,892	\$ 1,780
2	Non-interest income (loss)	24	30	(4)	(10)	15	(125)	54	(110)
	Non-interest expense:								
3	Administrative expenses	(128)	(133)	(125)	(129)	(131)	(130)	(261)	(261)
4	Other non-interest expense	(7)	(8)	(7)	(9)	(9)	(7)	(15)	(16)
5	Total non-interest expense	(135)	(141)	(132)	(138)	(140)	(137)	(276)	(277)
6	Segment Earnings before income tax expense	791	879	773	677	174	1,219	1,670	1,393
7	Income tax expense	(277)	(308)	(270)	(237)	(61)	(426)	(585)	(487)
8	Segment Earnings, net of taxes	514	571	503	440	113	793	1,085	906
<b><u>Reconciliation to GAAP Net Income (Loss):</u></b>									
9	Derivative- and foreign-currency denominated debt-related adjustments	(1,081)	(464)	(1,719)	(2,394)	(1,183)	530	(1,545)	(653)
10	Credit guarantee-related adjustments	1	—	1	—	—	—	1	—
11	Investment sales, debt retirements and fair value-related adjustments	69	(379)	659	638	1,525	(3,096)	(310)	(1,571)
12	Fully taxable-equivalent adjustments	(93)	(97)	(98)	(100)	(110)	(105)	(190)	(215)
13	Tax-related adjustments	448	394	469	715	(12)	1,004	842	992
14	Total reconciling items, net of taxes	(656)	(546)	(688)	(1,141)	220	(1,667)	(1,202)	(1,447)
15	Net income (loss) — GAAP basis	\$ (142)	\$ 25	\$ (185)	\$ (701)	\$ 333	\$ (874)	\$ (117)	\$ (541)
16	Net interest yield — Segment Earnings	50 bp	57 bp	53 bp	51 bp	19 bp	80 bp	53 bp	50 bp

(1) See MD&A, “NOTE 15: SEGMENT REPORTING” to the audited consolidated financial statements and “NOTE 16: SEGMENT REPORTING” to the unaudited consolidated financial statements in our Registration Statement for more information regarding Segment Earnings and our segments, including reconciliations to GAAP results for certain quarterly and annual periods.

**FREDDIE MAC**  
**SEGMENT EARNINGS — SINGLE-FAMILY GUARANTEE<sup>(1)</sup>**  
**TABLE 15**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	<u>Six Months Ended June 30,</u>	
							<u>2007</u>	<u>2008</u>
<b>Segment Earnings:</b>								
1	\$ 168	\$ 179	\$ 181	\$ 175	\$ 77	\$ 58	\$ 347	\$ 135
Non-interest income:								
2	677	704	738	770	895	840	1,381	1,735
3	22	28	27	40	104	103	50	207
4	699	732	765	810	999	943	1,431	1,942
Non-interest expense:								
5	(199)	(209)	(203)	(195)	(204)	(212)	(408)	(416)
6	(289)	(469)	(1,417)	(839)	(1,349)	(2,630)	(758)	(3,979)
7	(14)	(16)	(50)	(125)	(208)	(265)	(30)	(473)
8	(21)	(19)	(18)	(20)	(19)	(29)	(40)	(48)
9	(523)	(713)	(1,688)	(1,179)	(1,780)	(3,136)	(1,236)	(4,916)
10	344	198	(742)	(194)	(704)	(2,135)	542	(2,839)
11	(120)	(69)	259	68	246	747	(189)	993
12	224	129	(483)	(126)	(458)	(1,388)	353	(1,846)
<b>Reconciliation to GAAP Net Income:</b>								
13	(503)	833	(927)	(2,673)	(174)	1,822	330	1,648
14	176	(293)	325	936	61	(638)	(117)	(577)
15	(327)	540	(602)	(1,737)	(113)	1,184	213	1,071
16	\$ (103)	\$ 669	\$ (1,085)	\$ (1,863)	\$ (571)	\$ (204)	\$ 566	\$ (775)
<b>Segment Earnings — Management and Guarantee Fee Rates:</b>								
17	15.5 bp	15.5 bp	15.6 bp	15.9 bp	16.1 bp	15.8 bp	15.5 bp	16.0 bp
18	2.4	2.4	2.5	2.2	4.3	2.9	2.4	3.6
19	17.9 bp	17.9 bp	18.1 bp	18.1 bp	20.4 bp	18.7 bp	17.9 bp	19.6 bp

(1) See MD&A, “NOTE 15: SEGMENT REPORTING” to the audited consolidated financial statements and “NOTE 16: SEGMENT REPORTING” to the unaudited consolidated financial statements in our Registration Statement for more information regarding Segment Earnings and our segments, including reconciliations to GAAP results for certain quarterly and annual periods.

(2) In connection with the use of securitization trusts for the underlying assets of our PCs and Structured Securities in December 2007, we began recording trust management income in non-interest income. Trust management income represents the fees we earn as administrator, issuer and trustee. Previously, the benefit derived from interest earned on principal and interest cash flows between the time they were remitted to us by servicers and the date of distribution to our PC and Structured Securities holders was recorded to net interest income.

**FREDDIE MAC**  
**SEGMENT EARNINGS — MULTIFAMILY<sup>(1)</sup>**  
**TABLE 16**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b>Segment Earnings:</b>								
1	\$ 123	\$ 94	\$ 88	\$ 121	\$ 75	\$ 98	\$ 217	\$ 173
Non-interest income:								
2	14	16	14	15	17	17	30	34
3	<u>4</u>	<u>5</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>9</u>	<u>15</u>
4	18	21	21	23	25	24	39	49
Non-interest expense:								
5	(45)	(49)	(48)	(47)	(49)	(49)	(94)	(98)
6	(3)	(1)	(16)	(18)	(9)	(7)	(4)	(16)
7	—	—	(1)	—	—	—	—	—
8	(108)	(135)	(111)	(115)	(117)	(108)	(243)	(225)
9	<u>(4)</u>	<u>(8)</u>	<u>(4)</u>	<u>(5)</u>	<u>(4)</u>	<u>(5)</u>	<u>(12)</u>	<u>(9)</u>
10	<u>(160)</u>	<u>(193)</u>	<u>(180)</u>	<u>(185)</u>	<u>(179)</u>	<u>(169)</u>	<u>(353)</u>	<u>(348)</u>
11	(19)	(78)	(71)	(41)	(79)	(47)	(97)	(126)
12	138	135	129	132	149	149	273	298
13	<u>6</u>	<u>27</u>	<u>25</u>	<u>15</u>	<u>28</u>	<u>16</u>	<u>33</u>	<u>44</u>
14	125	84	83	106	98	118	209	216
<b>Reconciliation to GAAP Net Income:</b>								
15	(1)	(7)	(6)	5	(11)	(3)	(8)	(14)
16	—	(2)	1	1	—	(4)	(2)	(4)
17	<u>1</u>	<u>3</u>	<u>1</u>	<u>(3)</u>	<u>4</u>	<u>2</u>	<u>4</u>	<u>6</u>
18	<u>—</u>	<u>(6)</u>	<u>(4)</u>	<u>3</u>	<u>(7)</u>	<u>(5)</u>	<u>(6)</u>	<u>(12)</u>
19	<u>\$ 125</u>	<u>\$ 78</u>	<u>\$ 79</u>	<u>\$ 109</u>	<u>\$ 91</u>	<u>\$ 113</u>	<u>\$ 203</u>	<u>\$ 204</u>

(1) See MD&A, “NOTE 15: SEGMENT REPORTING” to the audited consolidated financial statements and “NOTE 16: SEGMENT REPORTING” to the unaudited consolidated financial statements in our Registration Statement for more information regarding Segment Earnings and our segments, including reconciliations to GAAP results for certain quarterly and annual periods.

**FREDDIE MAC**  
**SEGMENT EARNINGS — ALL OTHER<sup>(1)</sup>**  
**TABLE 17**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	Six Months Ended June 30,	
							2007	2008
<b><u>Segment Earnings:</u></b>								
1	\$ (1)	\$ —	\$ 1	\$ (1)	\$ —	\$ —	\$ (1)	\$ —
2	3	(1)	5	4	4	(3)	2	1
Non-interest expense:								
3	(31)	(51)	(52)	(30)	(13)	(13)	(82)	(26)
4	(9)	(8)	(17)	30	(3)	(17)	(17)	(20)
5	(40)	(59)	(69)	—	(16)	(30)	(99)	(46)
6	(38)	(60)	(63)	3	(12)	(33)	(98)	(45)
7	22	17	18	(2)	8	177	39	185
8	(16)	(43)	(45)	1	(4)	144	(59)	140
<b><u>Reconciliation to GAAP Net Income:</u></b>								
9	3	—	(2)	2	—	—	3	—
10	3	—	(2)	2	—	—	3	—
11	<u>\$ (13)</u>	<u>\$ (43)</u>	<u>\$ (47)</u>	<u>\$ 3</u>	<u>\$ (4)</u>	<u>\$ 144</u>	<u>\$ (56)</u>	<u>\$ 140</u>

(1) All Other includes corporate-level expenses not allocated to any of our reportable segments such as costs associated with remediating our internal controls and near-term restructuring costs, costs related to the resolution of certain legal matters and certain income tax items. For more information, see MD&A, "NOTE 15: SEGMENT REPORTING" to the audited consolidated financial statements and "NOTE 16: SEGMENT REPORTING" to the unaudited consolidated financial statements in our Registration Statement for more information regarding Segment Earnings and our segments, including reconciliations to GAAP results for certain quarterly and annual periods.