

**FREDDIE MAC**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited)

Line:	Three Months Ended		Six Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(dollars in millions, except share-related amounts)			
	<i>Interest income</i>			
1	\$ 1,079	\$ 1,040	\$ 2,140	\$ 2,080
2	8,960	8,878	17,723	17,123
3	966	1,119	1,938	1,893
4	11,005	11,037	21,801	21,096
	<i>Interest expense</i>			
5	(2,249)	(2,241)	(4,457)	(4,256)
6	(7,331)	(7,110)	(14,507)	(13,543)
7	(9,580)	(9,351)	(18,964)	(17,799)
8	(121)	(104)	(224)	(195)
9	(9,701)	(9,455)	(19,188)	(17,994)
10	(331)	(410)	(662)	(799)
11	973	1,172	1,951	2,303
	<i>Non-interest income</i>			
12				
13	474	389	934	802
14	739	61	329	221
15	281	217	493	412
16	281	355	(247)	628
17	(368)	(312)	(551)	(146)
18	89	244	96	308
19	35	31	54	79
20	(333)	(30)	(530)	(33)
21	84	24	150	55
	1,282	979	728	2,326
	<i>Non-interest expense</i>			
22	(243)	(203)	(471)	(394)
23	(117)	(118)	(225)	(218)
24	(16)	(15)	(30)	(29)
25	(66)	(69)	(119)	(137)
26	(442)	(405)	(845)	(778)
27	(320)	(56)	(499)	(20)
28	(16)	(7)	(30)	(19)
29	(187)	(52)	(331)	(98)
30	(205)	(21)	(375)	(42)
31	(135)	(104)	(243)	(219)
32	(73)	(69)	(129)	(122)
33	(1,378)	(714)	(2,452)	(1,298)
34	877	1,437	227	3,331
35	(113)	(40)	326	75
36	764	1,397	553	3,406
37				
38	(95)	(59)	(190)	(117)
39	(2)	(3)	(1)	(5)
	\$ 667	\$ 1,335	\$ 362	\$ 3,284
	<i>Earnings per common share</i>			
40	\$ 1.02	\$ 1.93	\$ 0.55	\$ 4.74
41	\$ 1.02	\$ 1.93	\$ 0.55	\$ 4.73
	<i>Weighted average common shares outstanding (in thousands)</i>			
42	652,877	691,773	657,103	692,290
43	655,784	693,026	659,365	693,755
44	\$ 0.50	\$ 0.47	\$ 1.00	\$ 0.94

See our unaudited Consolidated Financial Statements as presented in our Information Statement Supplement dated August 30, 2007.

**FREDDIE MAC**  
**CONSOLIDATED BALANCE SHEETS**

Line:	June 30, 2007 (unaudited)	December 31, 2006	
	(dollars in millions, except share-related amounts)		
<b>Assets</b>			
<i>Retained portfolio</i>			
Mortgage loans:			
1	Held-for-investment, at amortized cost	\$ 66,101	\$ 63,780
2	Reserve for losses on mortgage loans held-for-investment	(108)	(70)
3	Held-for-sale, at lower-of-cost-or-market	2,357	1,908
4	Mortgage loans, net of reserve	68,350	65,618
Mortgage-related securities:			
5	Available-for-sale, at fair value (includes \$17,777 and \$20,463, respectively, pledged as collateral that may be repledged)	622,364	626,731
6	Trading, at fair value	12,075	7,597
7	Participation Certificate residuals, at fair value	497	597
8	Total mortgage-related securities	634,936	634,925
9	<i>Retained portfolio</i>	703,286	700,543
<i>Cash and investments</i>			
10	Cash and cash equivalents	11,808	11,359
Investments:			
Non-mortgage-related securities:			
11	Available-for-sale, at fair value	41,746	45,586
12	Securities purchased under agreements to resell and Federal funds sold	27,502	23,028
13	<i>Cash and investments</i>	81,056	79,973
14	Accounts and other receivables, net	7,634	7,461
15	Derivative assets, at fair value	7,203	7,908
16	Guarantee asset, at fair value	7,777	6,070
17	REO, net	1,020	743
18	Other assets	13,697	10,383
19	<i>Total assets</i>	\$ 821,673	\$ 813,081
<b>Liabilities and stockholders' equity</b>			
<i>Debt securities, net</i>			
Senior debt:			
20	Due within one year	\$ 276,974	\$ 294,861
21	Due after one year	478,295	452,677
22	Subordinated debt, due after one year	5,227	6,400
23	<i>Total debt securities, net</i>	760,496	753,938
24	Due to Participation Certificate investors	13,261	11,123
25	Accrued interest payable	8,475	8,345
26	Guarantee obligation	8,574	7,117
27	Derivative liabilities, at fair value	337	179
28	Reserve for guarantee losses on Participation Certificates	682	350
29	Other liabilities	3,756	3,212
30	<i>Total liabilities</i>	795,581	784,264
31	Commitments and contingencies		
32	Minority interests in consolidated subsidiaries	282	516
<i>Stockholders' equity</i>			
33	Preferred stock, at redemption value	7,109	6,109
34	Common stock, \$0.21 par value, 726,000,000 shares authorized, 725,863,886 shares issued and 650,138,001 shares and 661,254,178 shares outstanding, respectively	152	152
35	Additional paid-in capital	954	962
36	Retained earnings	32,064	32,177
Accumulated other comprehensive income (loss), or AOCI, net of taxes, related to:			
37	Available-for-sale securities	(5,869)	(2,749)
38	Cash flow hedge relationships	(4,574)	(5,033)
39	Defined benefit plans	(81)	(87)
40	Total AOCI, net of taxes	(10,524)	(7,869)
41	Treasury stock, at cost, 75,725,885 shares and 64,609,708 shares, respectively	(3,945)	(3,230)
42	<i>Total stockholders' equity</i>	25,810	28,301
43	<i>Total liabilities and stockholders' equity</i>	\$ 821,673	\$ 813,081

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**FREDDIE MAC**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(unaudited)**

Line:	Six Months Ended				
	June 30, 2007		June 30, 2006		
	Shares	Amount	Shares	Amount	
(in millions)					
	<i>Preferred stock, at redemption value</i>				
1	Balance, beginning of year	132	\$ 6,109	92	\$ 4,609
2	Preferred stock issuances	64	1,600	-	-
3	Preferred stock redemptions	(12)	(600)	-	-
4	<i>Preferred stock, end of period</i>	184	7,109	92	4,609
	<i>Common stock, par value</i>				
5	Balance, beginning of year	726	152	726	152
6	<i>Common stock, end of period</i>	726	152	726	152
	<i>Additional paid-in capital</i>				
7	Balance, beginning of year		962		924
8	Stock-based compensation		41		21
9	Income tax benefit from stock-based compensation		1		9
10	Preferred stock issuance costs		(16)		-
11	Common stock issuance		(27)		(10)
12	Real Estate Investment Trust, or REIT, preferred stock repurchase		(7)		-
13	<i>Additional paid-in capital, end of period</i>		954		944
	<i>Retained earnings</i>				
14	Balance, beginning of year		32,177		31,559
15	Cumulative effect of change in accounting principle, net of taxes		181		(13)
16	Balance, beginning of year, as adjusted		32,358		31,546
17	Net income		553		3,406
18	Preferred stock dividends declared		(184)		(117)
19	Common stock dividends declared		(663)		(657)
20	<i>Retained earnings, end of period</i>		32,064		34,178
	<i>AOCI, net of taxes</i>				
21	Balance, beginning of year		(7,869)		(8,773)
22	Changes in unrealized gains (losses) related to available-for-sale securities, net of reclassification adjustments		(3,120)		(6,300)
23	Changes in unrealized gains (losses) related to cash flow hedge relationships, net of reclassification adjustments		459		685
24	Changes in defined benefit plans		6		-
25	<i>AOCI, net of taxes, end of period</i>		(10,524)		(14,388)
	<i>Treasury stock, at cost</i>				
26	Balance, beginning of year	65	(3,230)	33	(1,280)
27	Common stock issuances	(1)	35	(1)	20
28	Common stock repurchases	12	(750)	9	(500)
29	<i>Treasury stock, end of period</i>	76	(3,945)	41	(1,760)
30	<i>Total stockholders' equity</i>		\$ 25,810		\$ 23,735
	<i>Comprehensive income (loss)</i>				
31	Net income		\$ 553		\$ 3,406
32	Changes in other comprehensive income, net of taxes, net of reclassification adjustments		(2,655)		(5,615)
33	<i>Total comprehensive income (loss)</i>		\$ (2,102)		\$ (2,209)

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