

FREDDIE MAC
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

Line:	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
	(dollars in millions, except share-related amounts)			
	<i>Interest income</i>			
1	\$ 1,102	\$ 1,012	\$ 3,242	\$ 3,092
2	9,170	8,782	26,893	25,905
3	959	1,263	2,897	3,156
4	<u>11,231</u>	<u>11,057</u>	<u>33,032</u>	<u>32,153</u>
	<i>Interest expense</i>			
5	(2,292)	(2,183)	(6,749)	(6,439)
6	(7,521)	(7,418)	(22,028)	(20,961)
7	(9,813)	(9,601)	(28,777)	(27,400)
8	(98)	(91)	(322)	(286)
9	(9,911)	(9,692)	(29,099)	(27,686)
10	(333)	(406)	(995)	(1,205)
11	<u>987</u>	<u>959</u>	<u>2,938</u>	<u>3,262</u>
	<i>Non-interest income (loss)</i>			
12				
13	520	427	1,454	1,229
14	(420)	(690)	(91)	(469)
15	231	217	724	629
16	(150)	(783)	(397)	(155)
17	(932)	(257)	(1,483)	(403)
18	91	155	187	463
19	22	30	76	109
20	(1,162)	8	(1,692)	(25)
21	135	25	285	80
	<u>(1,665)</u>	<u>(868)</u>	<u>(937)</u>	<u>1,458</u>
	<i>Non-interest expense</i>			
22	(234)	(207)	(705)	(601)
23	(113)	(120)	(338)	(338)
24	(17)	(15)	(47)	(44)
25	(64)	(76)	(183)	(213)
26	(428)	(418)	(1,273)	(1,196)
27	(1,197)	(93)	(1,696)	(113)
28	(51)	(19)	(81)	(38)
29	(396)	(103)	(727)	(201)
30	(483)	(30)	(858)	(72)
31	(111)	(98)	(354)	(317)
32	(65)	(66)	(194)	(188)
33	(2,731)	(827)	(5,183)	(2,125)
34	(3,409)	(736)	(3,182)	2,595
35	1,380	21	1,706	96
36	<u>(2,029)</u>	<u>(715)</u>	<u>(1,476)</u>	<u>2,691</u>
37				
38	(102)	(72)	(292)	(189)
39	-	-	-	(6)
	<u>\$ (2,131)</u>	<u>\$ (787)</u>	<u>\$ (1,768)</u>	<u>\$ 2,496</u>
	Earnings (loss) per common share			
40	\$ (3.29)	\$ (1.17)	\$ (2.70)	\$ 3.63
41	\$ (3.29)	\$ (1.17)	\$ (2.70)	\$ 3.63
	Weighted average common shares outstanding (in thousands)			
42	647,377	675,556	653,825	686,651
43	647,377	675,556	653,825	688,130
44	\$ 0.50	\$ 0.47	\$ 1.50	\$ 1.41

See our unaudited Consolidated Financial Statements as presented in our Information Statement Supplement dated November 20, 2007.

FREDDIE MAC
CONSOLIDATED BALANCE SHEETS

Line:	September 30, 2007 (unaudited)	December 31, 2006	
	(dollars in millions, except share-related amounts)		
Assets			
<i>Retained portfolio</i>			
Mortgage loans:			
1	Held-for-investment, at amortized cost	\$ 68,599	\$ 63,780
2	Reserve for losses on mortgage loans held-for-investment	(250)	(70)
3	Held-for-sale, at lower-of-cost-or-market	3,331	1,908
4	Mortgage loans, net of reserve	71,680	65,618
Mortgage-related securities:			
5	Available-for-sale, at fair value (includes \$17,834 and \$20,463, respectively, pledged as collateral that may be repledged)	620,672	626,731
6	Trading, at fair value	13,611	7,597
7	Participation Certificate residuals, at fair value	(1,064)	597
8	Total mortgage-related securities	633,219	634,925
9	<i>Retained portfolio</i>	704,899	700,543
<i>Cash and investments</i>			
10	Cash and cash equivalents	12,227	11,359
Investments:			
Non-mortgage-related securities:			
11	Available-for-sale, at fair value	21,264	45,586
12	Securities purchased under agreements to resell and Federal funds sold	17,267	23,028
13	<i>Cash and investments</i>	50,758	79,973
14	Accounts and other receivables, net	6,774	7,461
15	Derivative assets, net at fair value	7,271	7,908
16	Guarantee asset, at fair value	8,243	6,070
17	REO, net	1,321	743
18	Other assets	13,607	10,383
19	<i>Total assets</i>	\$ 792,873	\$ 813,081
Liabilities and stockholders' equity			
<i>Debt securities, net</i>			
Senior debt:			
20	Due within one year	\$ 261,127	\$ 294,861
21	Due after one year	468,903	452,677
22	Subordinated debt, due after one year	5,232	6,400
23	<i>Total debt securities, net</i>	735,262	753,938
24	Due to Participation Certificate investors	9,815	11,123
25	Accrued interest payable	7,655	8,345
26	Guarantee obligation	9,573	7,117
27	Derivative liabilities, net at fair value	337	179
28	Reserve for guarantee losses on Participation Certificates	1,589	350
29	Other liabilities	2,541	3,212
30	<i>Total liabilities</i>	766,772	784,264
31	Commitments and contingencies		
32	Minority interests in consolidated subsidiaries	281	516
<i>Stockholders' equity</i>			
33	Preferred stock, at redemption value	8,109	6,109
34	Common stock, \$0.21 par value, 726,000,000 shares authorized, 725,863,886 shares issued and 646,064,612 shares and 661,254,178 shares outstanding, respectively	152	152
35	Additional paid-in capital	961	962
36	Retained earnings	29,607	32,177
Accumulated other comprehensive income (loss), or AOCI, net of taxes, related to:			
37	Available-for-sale securities	(4,434)	(2,749)
38	Cash flow hedge relationships	(4,309)	(5,033)
39	Defined benefit plans	(80)	(87)
40	Total AOCI, net of taxes	(8,823)	(7,869)
41	Treasury stock, at cost, 79,799,274 shares and 64,609,708 shares, respectively	(4,186)	(3,230)
42	<i>Total stockholders' equity</i>	25,820	28,301
43	<i>Total liabilities and stockholders' equity</i>	\$ 792,873	\$ 813,081

See our unaudited Consolidated Financial Statements as presented in our Information Statement Supplement dated November 20, 2007.

FREDDIE MAC
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

Line:	Nine Months Ended				
	September 30, 2007		September 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	104	2,600	20	1,000
3	Preferred stock redemptions	(12)	(600)	-	-
4	<i>Preferred stock, end of period</i>	224	8,109	112	5,609
	<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		61		40
9	Income tax benefit from stock-based compensation		2		8
10	Preferred stock issuance costs		(26)		(10)
11	Common stock issuance		(31)		(12)
12	Real Estate Investment Trust preferred stock repurchase		(7)		(2)
13	<i>Additional paid-in capital, end of period</i>		961		948
	<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 (loss)		(1,476)		2,691
18	Preferred stock dividends declared		(286)		(189)
19	Common stock dividends declared		(989)		(975)
20	<i>Retained earnings, end of period</i>		29,607		33,073
	<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		(1,685)		(213)
23	Changes in unrealized gains (losses) related to cash flow hedge relationships, net of reclassification adjustments		724		982
24	Changes in defined benefit plans		7		-
25	<i>AOCI, net of taxes, end of period</i>		(8,823)		(8,004)
	<i>Treasury stock, at cost</i>				
26	Balance, beginning of year	65	(3,230)	33	(1,280)
27	Common stock issuances	(1)	44	(1)	33
28	Common stock repurchases	16	(1,000)	26	(1,500)
29	<i>Treasury stock, end of period</i>	80	(4,186)	58	(2,747)
30	<i>Total stockholders' equity</i>		\$ 25,820		\$ 29,031
	<i>Comprehensive income (loss)</i>				
31	Net income (loss)		\$ (1,476)		\$ 2,691
32	Changes in other comprehensive income, net of taxes, net of reclassification adjustments		(954)		769
33	<i>Total comprehensive income (loss)</i>		\$ (2,430)		\$ 3,460

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