



Freddie Mac's Second Quarter 2007 Financial Results

August 30, 2007

Second quarter 2007 financial summary

- Higher interest rates and deteriorating credit environment produced mark to market volatility
- Net interest income and margin stabilized
- Management and guarantee income continued to grow
- Credit losses increased to an annualized level of about 2 basis points
- Interest rate risk metrics remained very low
- Internal controls environment continued to improve
- Financial reporting process and timeline improved

GAAP financial results

(\$ Millions)		1Q 2007	2Q 2007	1Q 2006	2Q 2006	2Q 2007 vs 2Q 2006	2Q 2007 vs 1Q 2007
1	Net interest income	\$ 978	\$ 973	\$ 1,131	\$ 1,172	\$ (199)	\$ (5)
2	Management and guarantee income	460	474	413	389	85	14
3	Non-interest income (loss) - mark-to-market	(1,054)	822	731	504	318	1,876
4	Non-interest income (loss) - other	40	(14)	203	86	(100)	(54)
5	Total revenues	424	2,255	2,478	2,151	104	1,831
6	Administrative expenses	(403)	(442)	(373)	(405)	(37)	(39)
7	Credit-related benefits (expenses)	(193)	(336)	24	(63)	(273)	(143)
8	Non-interest expense - mark-to-market	(314)	(392)	(67)	(73)	(319)	(78)
9	Non-interest expense - other	(164)	(208)	(168)	(173)	(35)	(44)
10	Total expenses	(1,074)	(1,378)	(584)	(714)	(664)	(304)
11	Net income (loss) before taxes	(650)	877	1,894	1,437	(560)	1,527
12	Income tax (expense) benefit	439	(113)	115	(40)	(73)	(552)
13	Net income (loss)	\$ (211)	\$ 764	\$ 2,009	\$ 1,397	\$ (633)	\$ 975

Mark-to-market items

(\$ Millions)		1Q 2007	2Q 2007	1Q 2006	2Q 2006	2Q 2007 vs 2Q 2006	2Q 2007 vs 1Q 2007
1	Gains (losses) on derivatives excluding accrual of periodic settlements and foreign-currency swaps	\$ (765)	\$ (145)	\$ 272	\$ 295	\$ (440)	\$ 620
2	Mark-to-market on Guarantee asset	(98)	1,076	404	295	781	1,174
3	Mark-to-market on PC Residual ¹ (includes net GA and GO mark-to-market)	-	180	241	162	18	180
4	Subtotal interest-rate related items (Lines 1, 2, 3)	(863)	1,111	917	752	359	1,974
5	Losses on certain credit guarantees	(144)	(187)	(46)	(52)	(135)	(43)
6	Losses on loans purchased	(170)	(205)	(21)	(21)	(184)	(35)
7	Mark-to-market on PC Residual ² (includes net GA and GO mark-to-market)	(119)	-	-	-	-	119
8	Subtotal credit-related items (Lines 5, 6, 7)	(433)	(392)	(67)	(73)	(319)	41
9	Other	(72)	(289)	(186)	(248)	(41)	(217)
10	Total mark-to-market items	\$ (1,368)	\$ 430	\$ 664	\$ 431	\$ (1)	\$ 1,798

¹Primarily interest-rate related.

²Primarily credit related.

Fair value attributable to common stockholders

(\$ Billions)					2Q 2007	2Q 2007
	1Q 2007	2Q 2007	1Q 2006	2Q 2006	vs 2Q 2006	vs 1Q 2007
1 Investment activities	\$ 0.4	\$ (0.8)	\$ (0.1)	\$ 1.0	\$ (1.8)	\$ (1.2)
2 <i>Impact of OAS</i>	(0.3)	(1.4)	(0.7)	0.1	(1.5)	(1.1)
3 Guarantee activities	(1.2)	1.8	1.1	1.2	0.6	3.0
4 <i>Change in value of single-family GA</i> ¹	0.2	1.7	0.8	0.5	1.2	1.5
5 <i>Change in value of single-family GO and LIA portfolio, net of credit enhancements</i> ^{1, 2}	(2.0)	(0.6)	(0.1)	0.2	(0.8)	1.4
6 Administrative expenses and other	(0.4)	(0.3)	(0.2)	(0.5)	0.2	0.1
7 Taxes and returns on capital	0.9	0.1	0.2	(0.3)	0.4	(0.8)
8 Increase (decrease) in fair value before capital transactions (Lines 1, 3, 6, 7)	\$ (0.3)	\$ 0.8	\$ 1.0	\$ 1.4	\$ (0.6)	\$ 1.1
9 Fair value ROE before capital transactions	(4.4%)	12.4%	14.8%	20.6%	(8.2%)	16.8%
10 Common dividends and repurchases	\$ (0.3)	\$ (1.1)	\$ (0.3)	\$ (0.8)	\$ (0.3)	\$ (0.8)
11 Common fair value	\$ 25.4	\$ 25.1	\$ 27.4	\$ 28.1	\$ (3.0)	\$ (0.3)

¹Line 4 and line 5 include amounts related to the GA and GO components of the PCR, respectively. Also include the impact of new business that is associated with Freddie Mac's single-family guarantee activities.

²Loans in acceleration (LIA) represent non-performing loans Freddie Mac purchased from PC pools.



Appendix

Net interest income (NII) and net interest yield (NIY)

(\$ Millions)	2Q 2007		2Q 2006		Change	
	\$	%	\$	%	\$	%
1 Contractual amounts of NII	\$ 1,640		\$ 2,078		\$ (438)	
2 Debt and mortgage and mortgage-related amortization, net	(336)		(496)		160	
3 NII (excluding effect of derivatives)	\$ 1,304	0.68%	\$ 1,582	0.79%	\$ (278)	(0.11%)
4 Effect of derivatives on NII	(331)	(0.17%)	(410)	(0.21%)	79	0.04%
5 NII / NIY	\$ 973	0.51%	\$ 1,172	0.58%	\$ (199)	(0.07%)
6 Fully taxable-equivalent adjustments	99	0.05%	98	0.05%	1	-
7 NII / NIY (FTE)	\$ 1,072	0.56%	\$ 1,270	0.63%	\$ (198)	(0.07%)
8 Accrual of periodic settlements on NHD derivatives	\$ 94	0.05%	\$ 30	0.01%	\$ 64	0.04%

Detail of change in net interest yield

1	NIY (FTE) - Second quarter 2006	0.63%
	Estimated impact of:	
2	Expense related to derivatives	0.04%
3	Retained portfolio asset spread compression mainly due to replacement of long-term debt	<u>(0.11%)</u>
4	NIY (FTE) - Second quarter 2007	0.56%
5	Accrual of periodic settlements on NHD derivatives (recorded in non-interest income)	0.04%

Detail of change in net interest yield

1	NIY (FTE) - First quarter 2007	0.55%
	Estimated impact of:	
2	Retained portfolio asset spread improvement mainly due to a decline in amortization expense and an increase in income from new business	0.08%
3	Increased costs of long-term debt due to replacement of debt and pre-funding for anticipated asset acquisitions	(0.06%)
4	Other	<u>(0.01%)</u>
5	NIY (FTE) - Second quarter 2007	0.56%
6	Accrual of periodic settlements on NHD derivatives (recorded in non-interest income)	0.03%

Guarantee fee analysis

(\$ Millions, Rates in Basis Points)	2Q 2007	Rate	2Q 2006	Rate
1 Contractual management and guarantee fees	\$ 483	16.0 bps	\$ 393	15.4 bps
2 Amortization of pre-2003 deferred fees	(9)	(0.3)	(4)	(0.1)
3 Total (Line 1 + Line 2)	\$ 474	15.7 bps	\$ 389	15.3 bps
4 Amortization of deferred fees ¹	53	1.8	43	1.7
5 Total (Line 3 + Line 4)	\$ 527	17.5 bps	\$ 432	17.0 bps
6 Average outstanding PCs	\$ 1,206,064		\$ 1,018,917	

¹Recognized in "Income on Guarantee obligation" on the income statement.

Single-family credit guarantee portfolio characteristics

Attribute	Total Portfolio As of June 30, 2007 ¹	Alt A	Option ARM	FICO<620	Original LTV >90%	FICO<620 and Original LTV>90%
1 Balance (UPB \$ Billions)	\$1,599	\$120	\$16	\$61	\$102	\$10
2 Share of Total Portfolio	100%	8%	1%	4%	6%	1%
3 Average UPB per loan	\$138,291	\$199,896	\$223,265	\$128,138	\$122,243	\$111,527
4 Fixed Rate (% of total portfolio)	86%	39%	0%	88%	90%	92%
5 Owner Occupied	92%	82%	76%	96%	96%	99%
6 Second Liens	0%	0%	0%	0%	0%	0%
7 % of Loans with Credit Enhancement	16%	20%	15%	33%	91%	94%
8 % Seriously Delinquent (D90+)	0.42%	1.13%	0.97%	2.46%	1.43%	4.13%

¹ Based on the unpaid principal balance of the single-family mortgage portfolio excluding certain structured transactions and loans purchased under financial guarantees.

Note: Categories other than total portfolio based on internal management reports as of June 30, 2007 or most current period. Numbers are not additive across columns.

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Attribute	Total Portfolio As of June 30, 2007 ¹	Alt A	Option ARM	FICO<620	Original LTV >90%	FICO<620 and Original LTV>90%
1 Balance (UPB \$ Billions)	\$1,599	\$120	\$16	\$61	\$102	\$10
2 Share of Total Portfolio	100%	8%	1%	4%	6%	1%
3 Original Loan-to-Value (OLTV)	71%	74%	71%	76%	96%	97%
4 OLTV > 90%	6%	4%	2%	17%	100%	100%
5 Current Loan-to-Value (CLTV)	60%	71%	69%	66%	82%	82%
6 CLTV > 90%	4%	6%	8%	10%	41%	43%
7 CLTV > 100%	1%	1%	1%	2%	9%	9%
8 Average FICO Score	724	715	713	591	691	589
9 FICO < 620	4%	4%	3%	100%	10%	100%
Book Year Concentration						
10 2007	14%	37%	0%	19%	17%	21%
11 2006	20%	37%	30%	23%	20%	22%
12 2005	19%	18%	58%	18%	17%	15%
13 2004	14%	4%	12%	13%	14%	11%
14 <= 2003	33%	3%	0%	27%	31%	30%

¹ Based on the unpaid principal balance of the single-family mortgage portfolio excluding certain structured transactions and loans purchased under financial guarantees.

Note: Categories other than total portfolio based on internal management reports as of June 30, 2007 or most current period. Numbers are not additive across columns.

Single-family delinquency rates by region

(In Basis Points)

	1Q 2007	2Q 2007
Non-credit enhanced delinquency rates ¹		
North Central	31	33
Northeast	24	25
Southeast	29	33
Southwest	25	23
West	14	17

Total single-family delinquency rate ²

California	15	20
Florida	35	47
Total portfolio	40	42

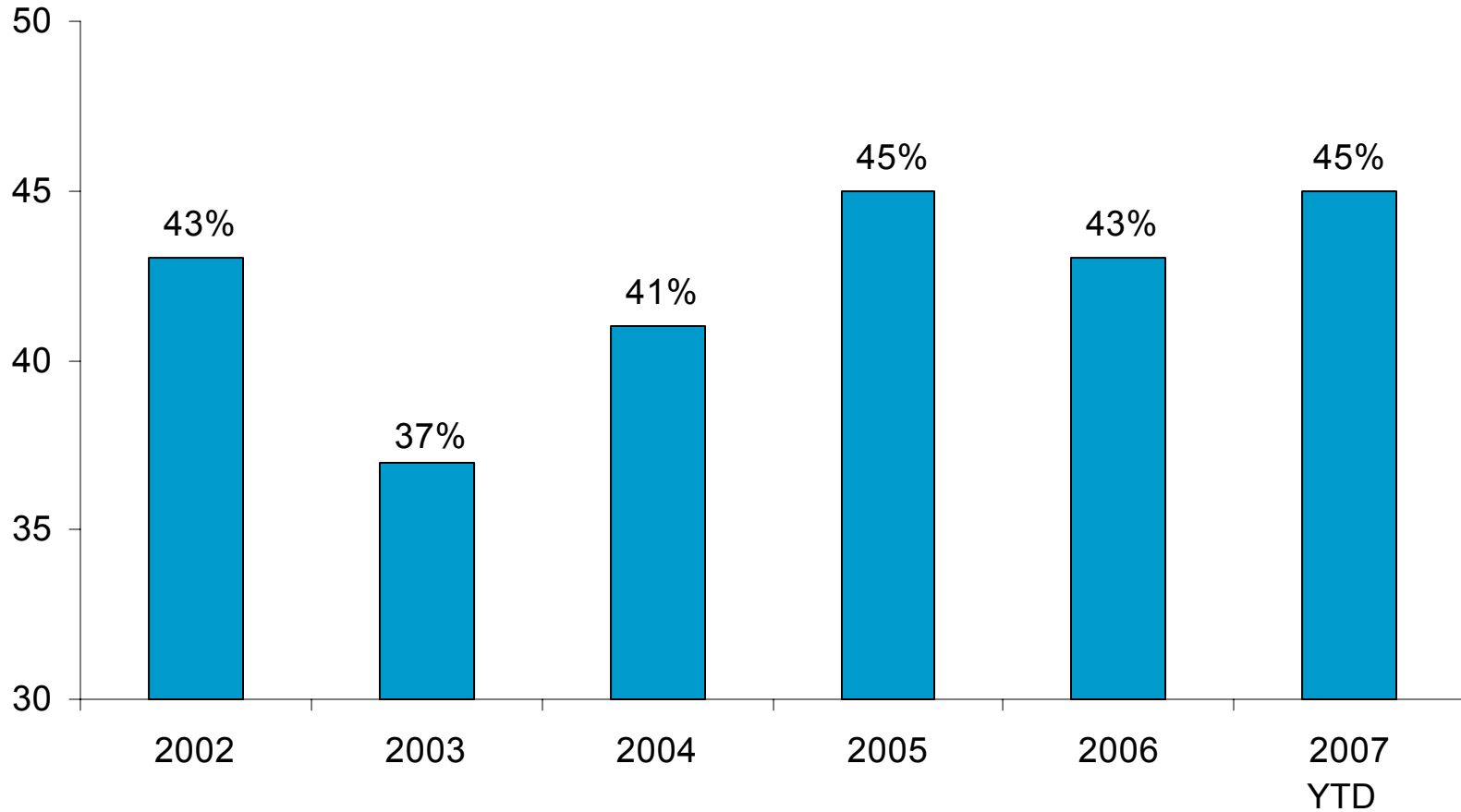
¹ Excludes structured transactions.

² Total credit enhanced and non-credit enhanced delinquency rate excluding structured transactions.

GSE market share within historical range

Freddie Mac share of PC/MBS issues¹
(Percent)

Freddie Mac's GSE market share

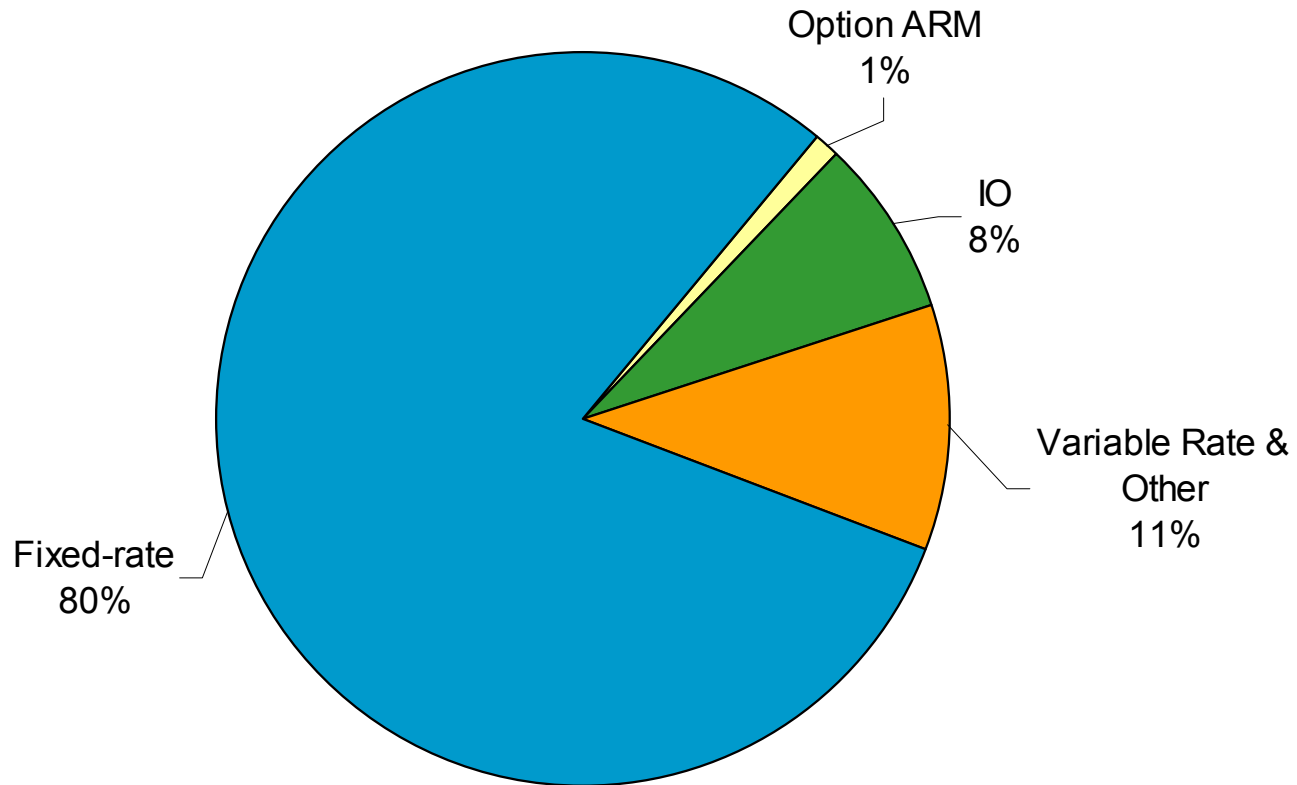


¹ In 2006 and 2007, Freddie Mac's share of PC/MBS issues is calculated as Freddie Mac's issuance activities for Total Guaranteed PCs and Structured Securities Issued divided by the sum of such issuances and Fannie Mae's Total MBS Issuances.

Asset quality is high

Total mortgage portfolio As of June 30, 2007

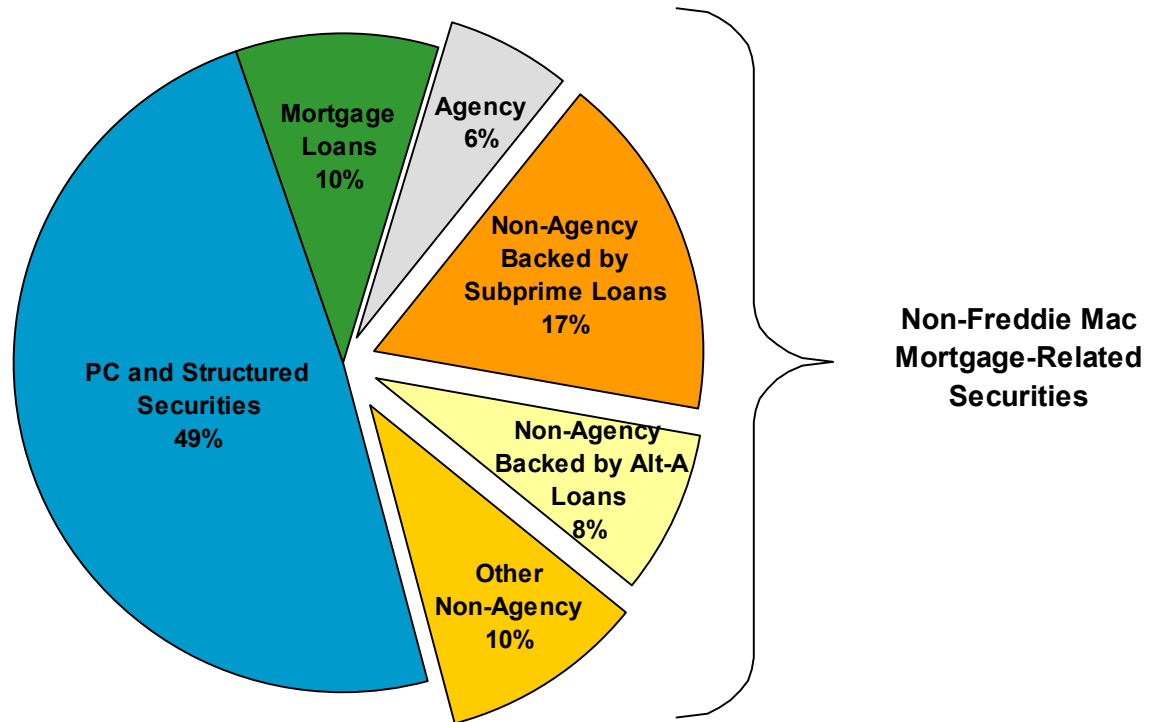
\$1.7 Trillion



Note: Excludes non-Freddie Mac mortgage-related securities held in our Retained portfolio, but includes those that underlie Freddie Mac Structured Securities.

Retained portfolio composition

Retained portfolio

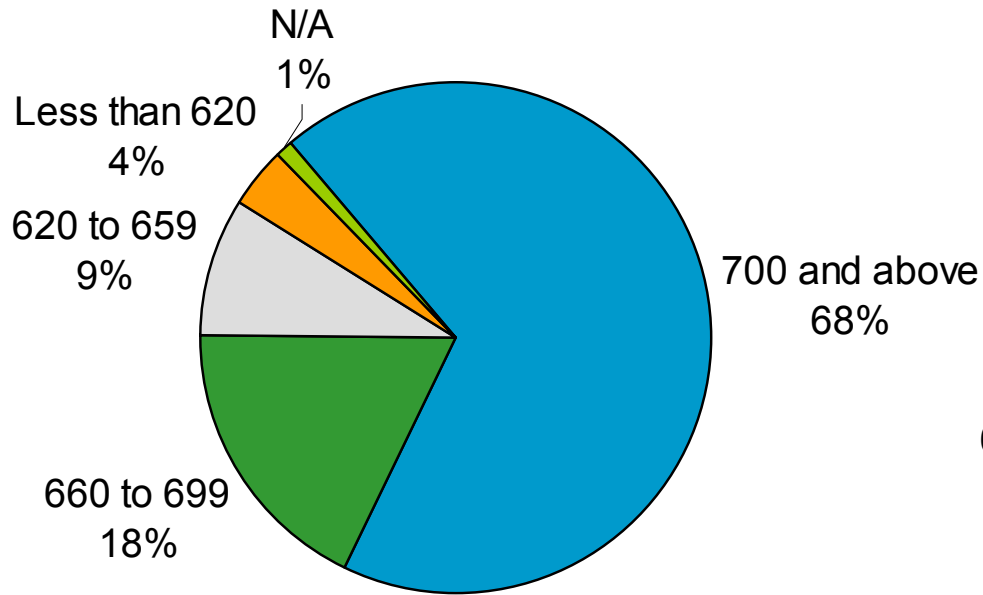


Note: Non-agency mortgage-related securities backed by subprime loans and Alt-A loans include significant credit enhancements, particularly through subordination, and approximately 99.9 percent of these securities held at June 30, 2007 were rated AAA at August 27, 2007.

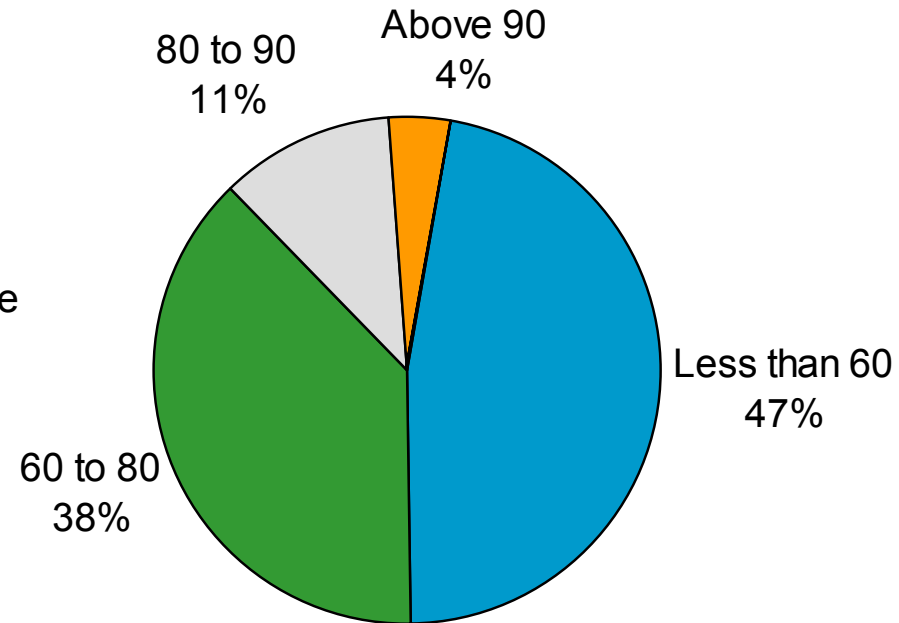
Source: Freddie Mac's Information Statement Supplement dated August 30, 2007. Data based on unpaid principal balances as of June 30, 2007.

Single-family portfolio characteristics demonstrate relatively low inherent risk

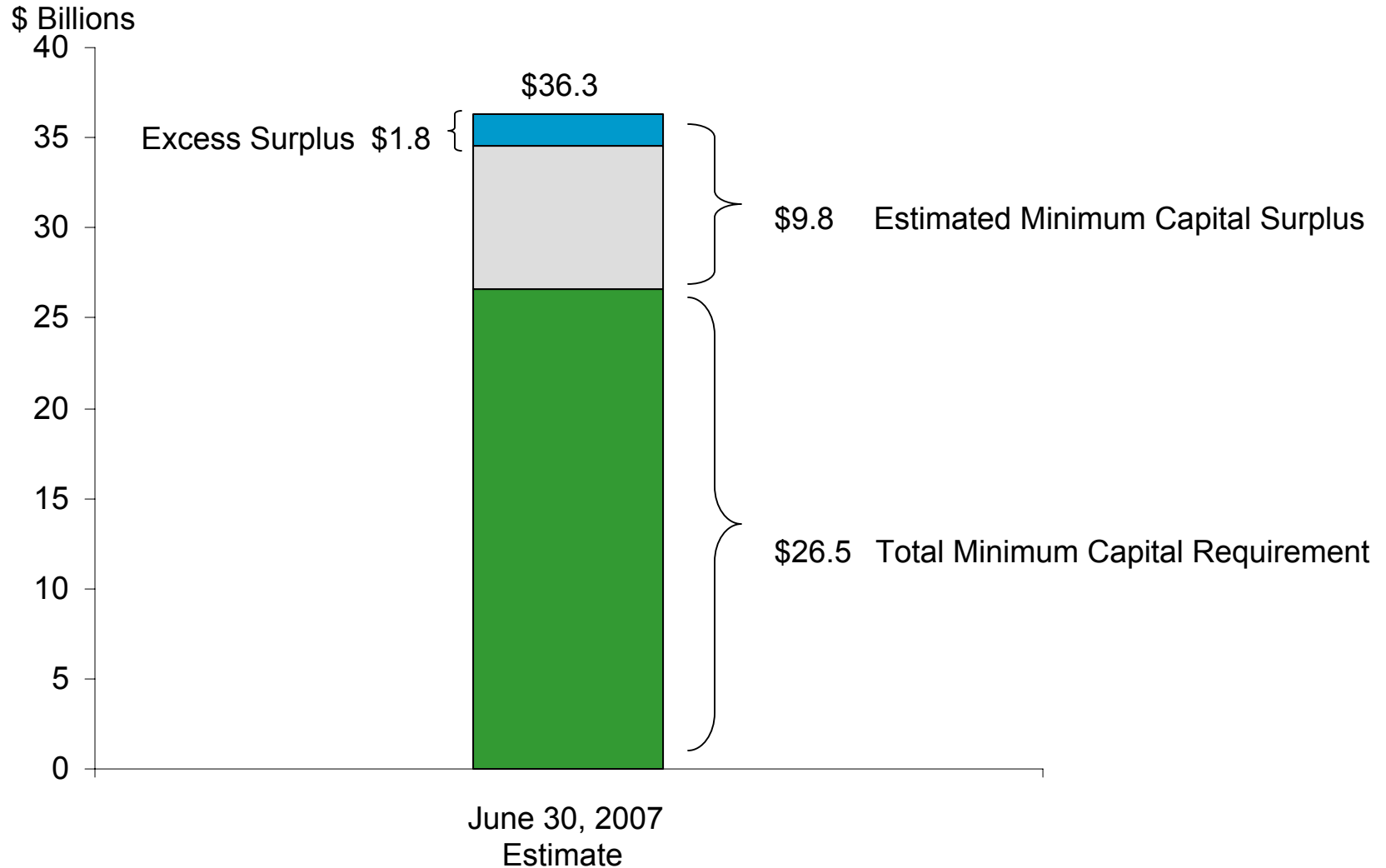
FICO score



Current loan-to-value (Percent)

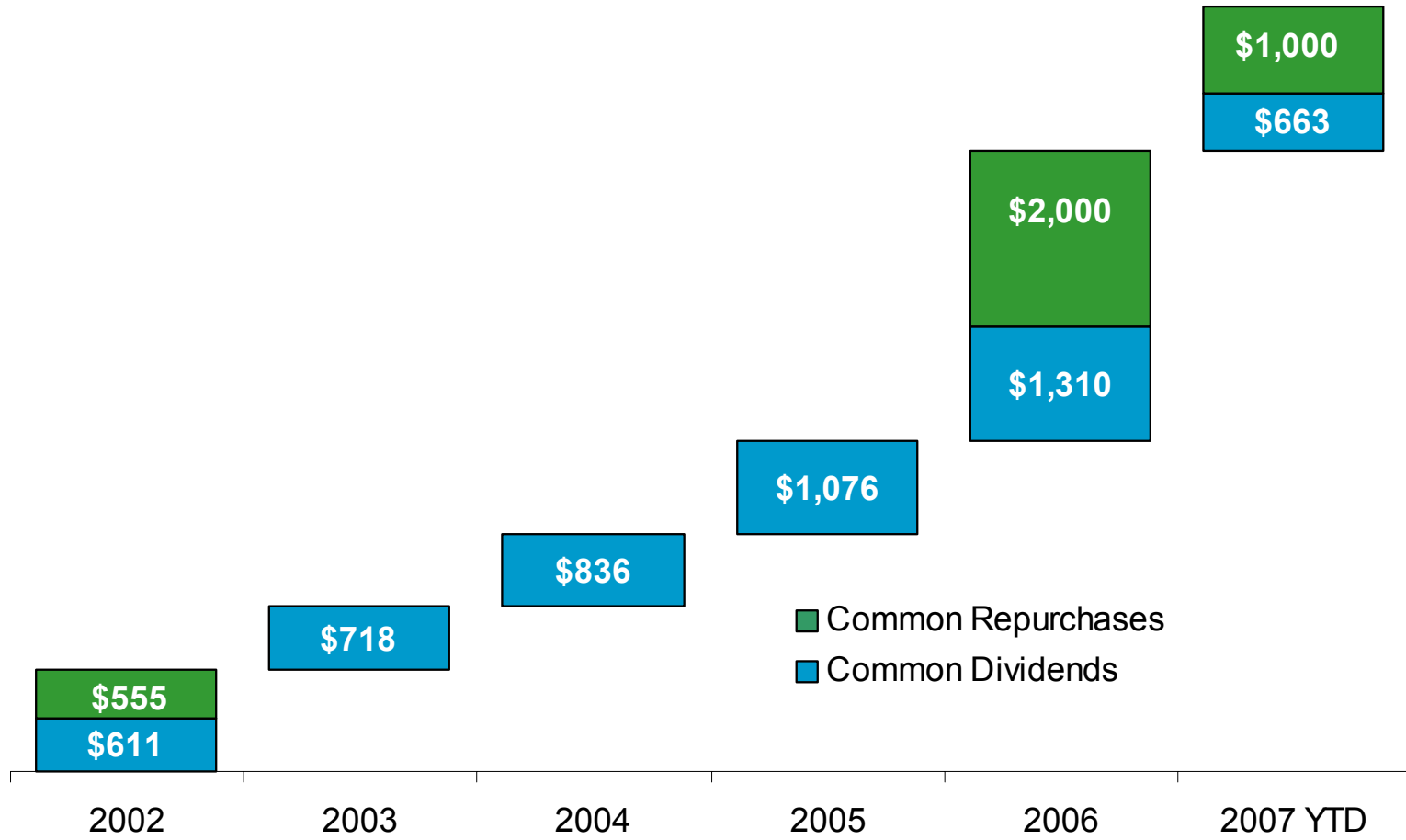


Regulatory capital adequacy



We have a record of returning capital to shareholders

\$ Millions



Note: Excludes issuance of common stock for employee programs. 2007 common repurchases data as of August 30, 2007; 2007 common dividends data as of June 30, 2007.

Source: Freddie Mac.

Safe Harbor Statements

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