

# First Quarter 2018 Financial Results Supplement

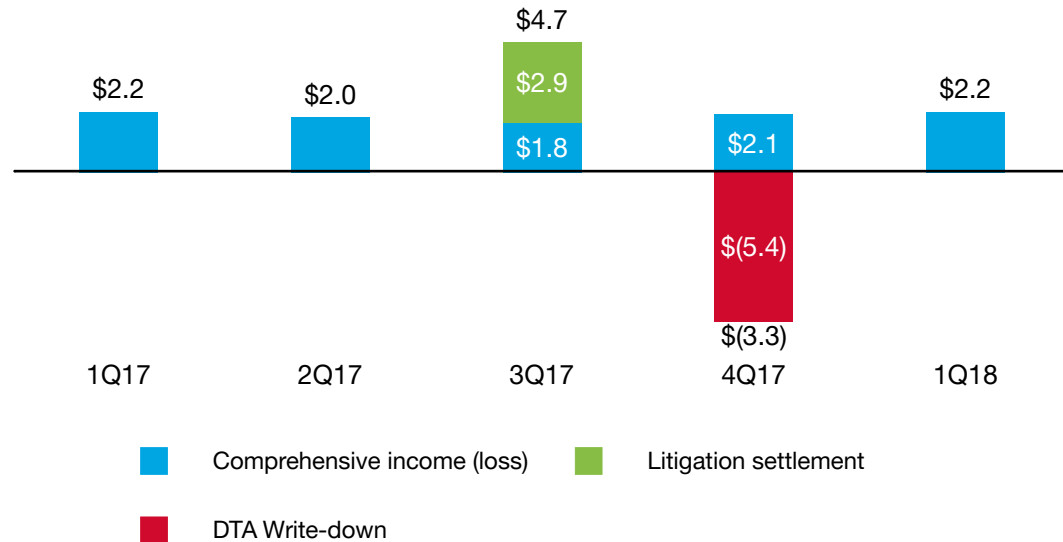
May 1, 2018

# Corporate Highlights

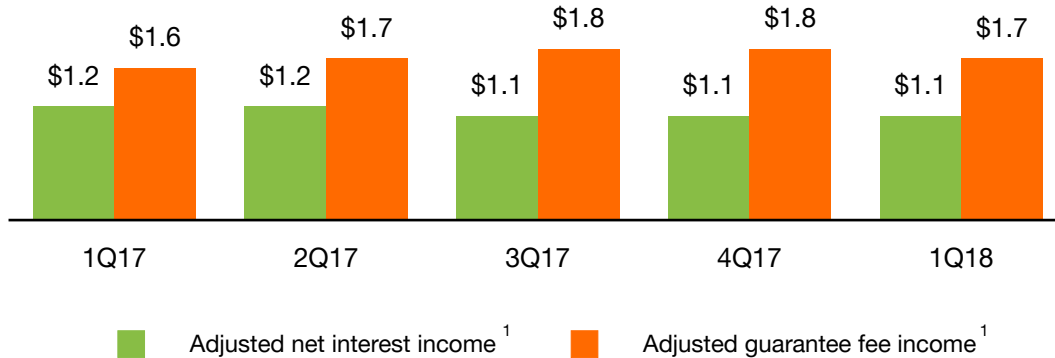


## Financial highlights

\$ Billions



- 1Q18 comprehensive income of \$2.2 billion was driven by the company's strong competitive fundamentals, a \$0.4 billion benefit from the reduced corporate tax rate and continued guarantee book growth.



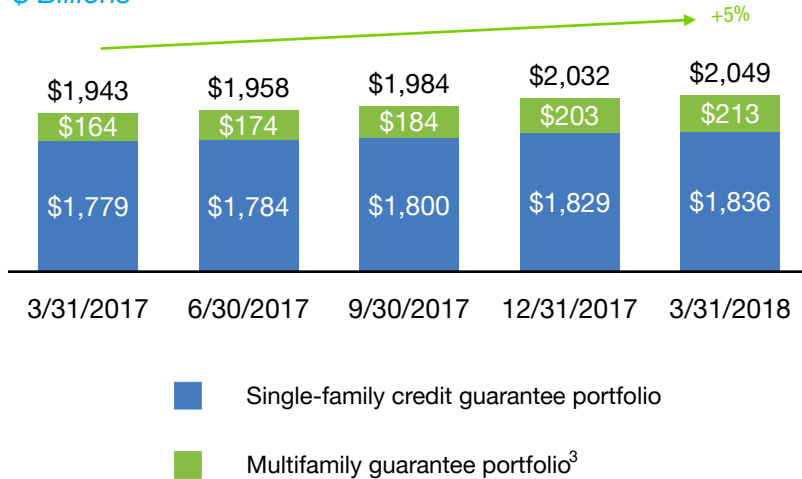
- Adjusted net interest income remained stable.
- Adjusted guarantee fee income decreased from the prior quarter primarily driven by lower amortization of single-family upfront fees resulting from a decrease in loan prepayments.

Note: Totals may not add due to rounding.

# Total Portfolio Balances



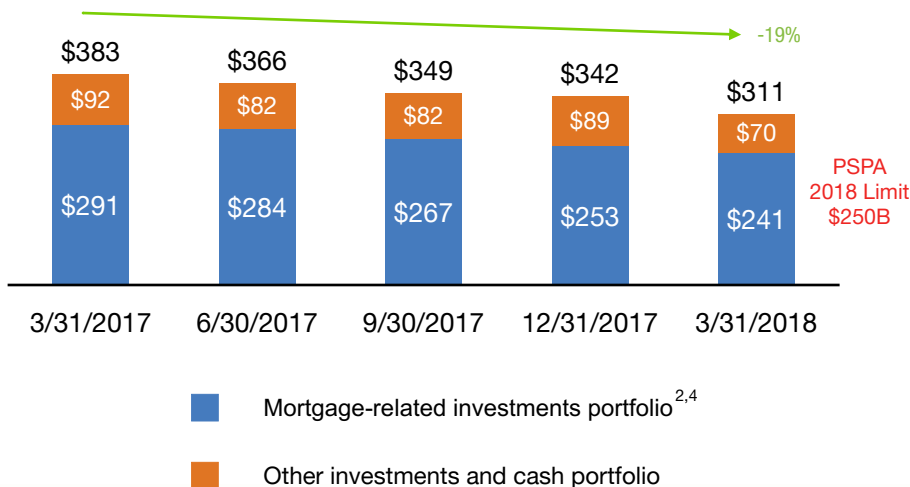
## Total guarantee portfolio<sup>2</sup> \$ Billions



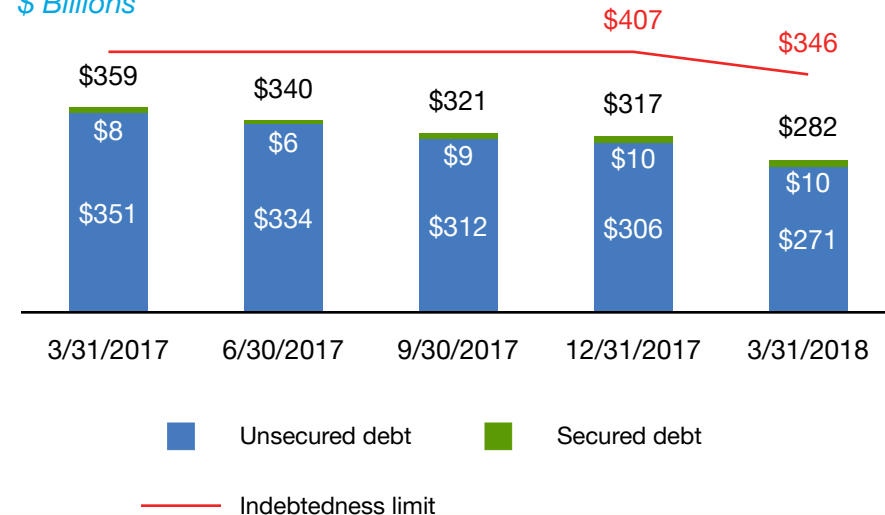
## Portfolio balance highlights

- Total guarantee portfolio:
  - Single-family - grew \$57 billion, or 3% year-over-year.
  - Multifamily - grew \$49 billion, or 30% year-over-year.
- Total investments portfolio:
  - Mortgage-related investments portfolio - decreased \$50 billion, or 17% year-over-year.

## Total investments portfolio \$ Billions



## Total debt outstanding<sup>4,5</sup> \$ Billions

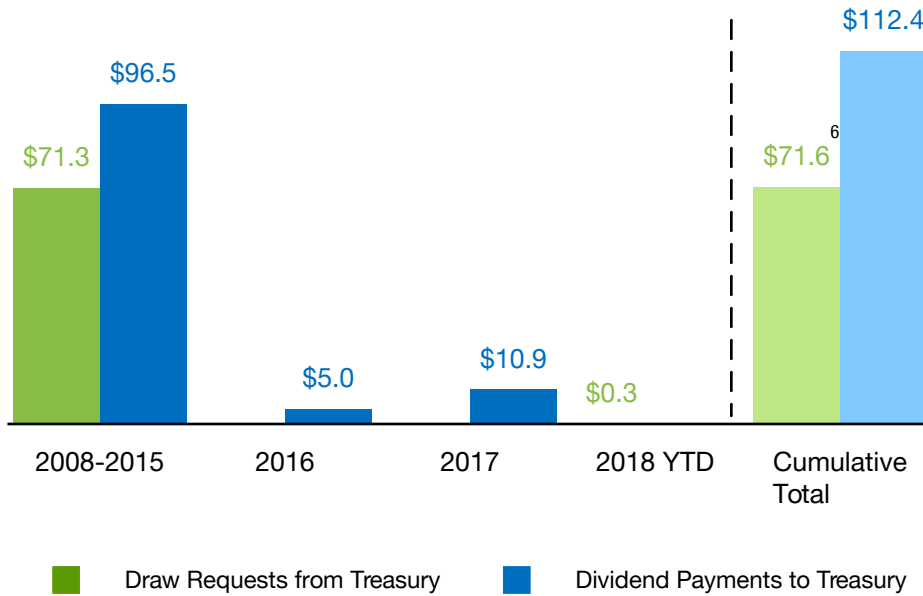


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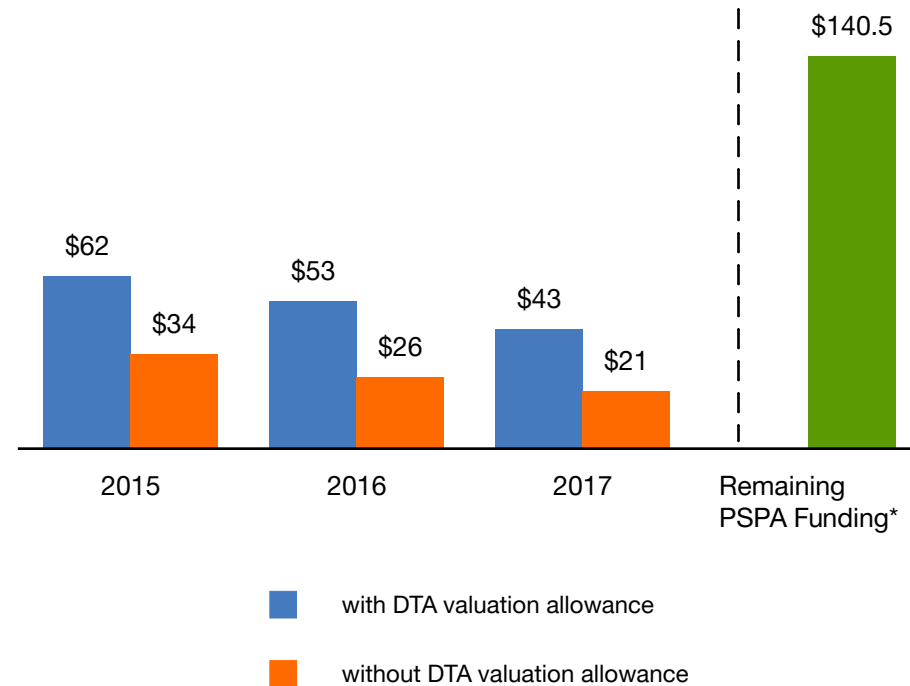
# Conservatorship and Regulatory Matters



Treasury draw requests and dividend payments  
\$ Billions



DFAST<sup>7</sup> - Additional draws needed under severely adverse scenario  
\$ Billions



Note: Totals may not add due to rounding.

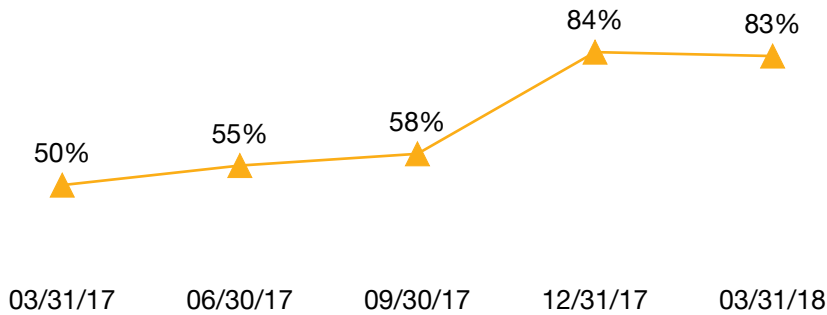
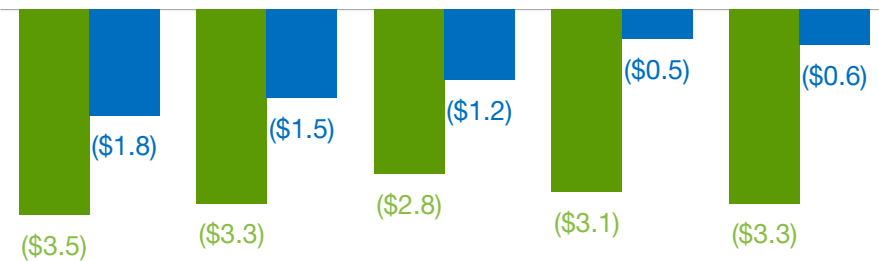
\*As of 12/31/2017

# Interest-rate Risk Measures



## GAAP Adverse Scenario<sup>8</sup> (Before-Tax)

\$ Billions

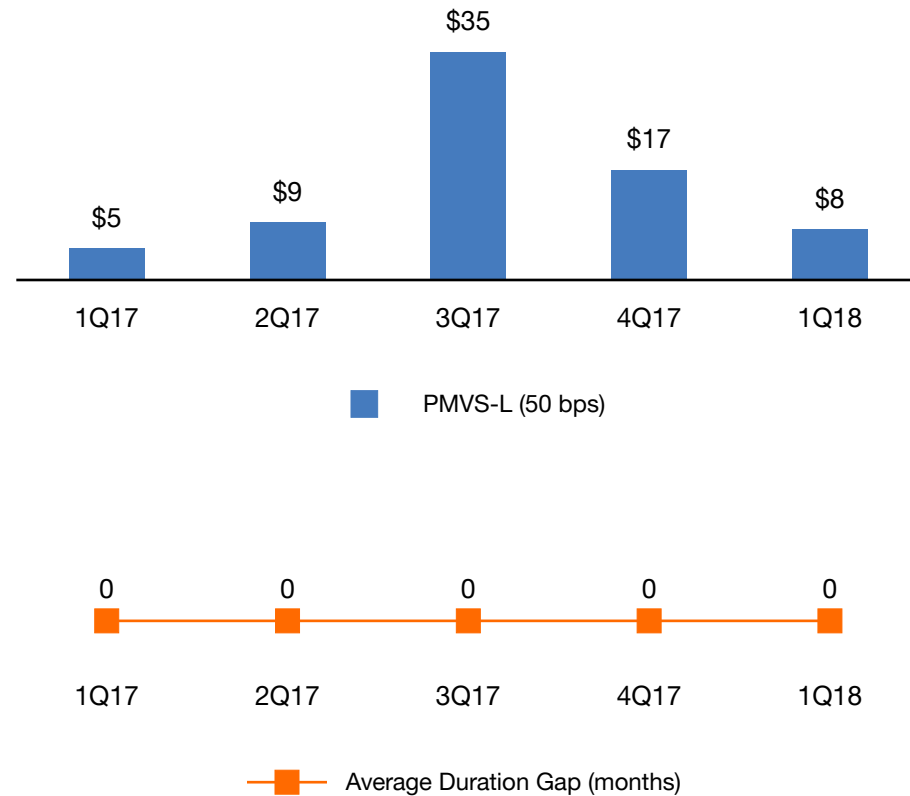


■ Pre-Hedge Accounting    ■ Post-Hedge Accounting

▲ % Change

## PMVS-Level<sup>9</sup> and Average Duration Gap<sup>10</sup>

\$ Millions

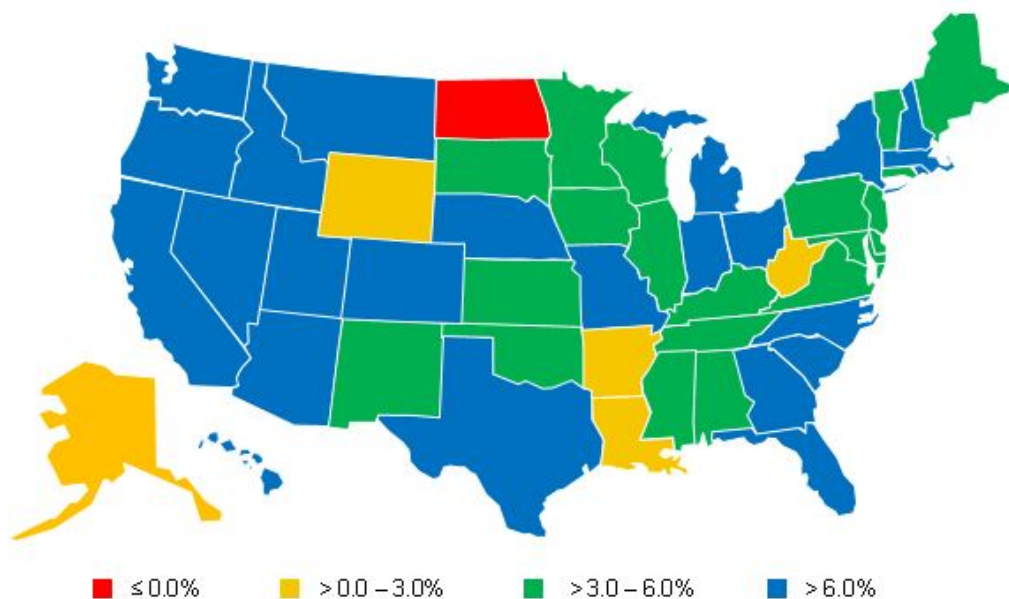


■ PMVS-L (50 bps)

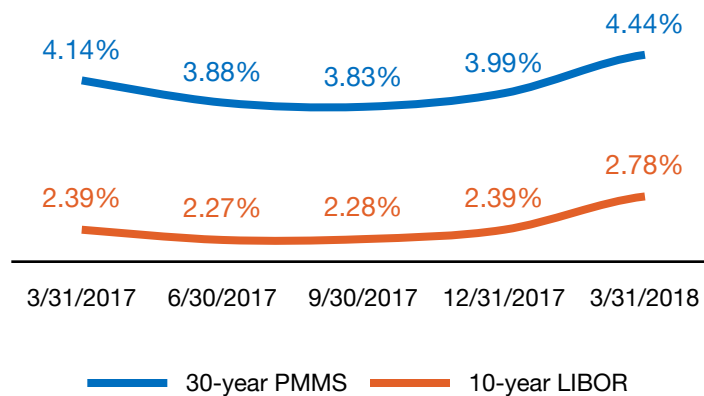
■ Average Duration Gap (months)

# Key Economic Indicators

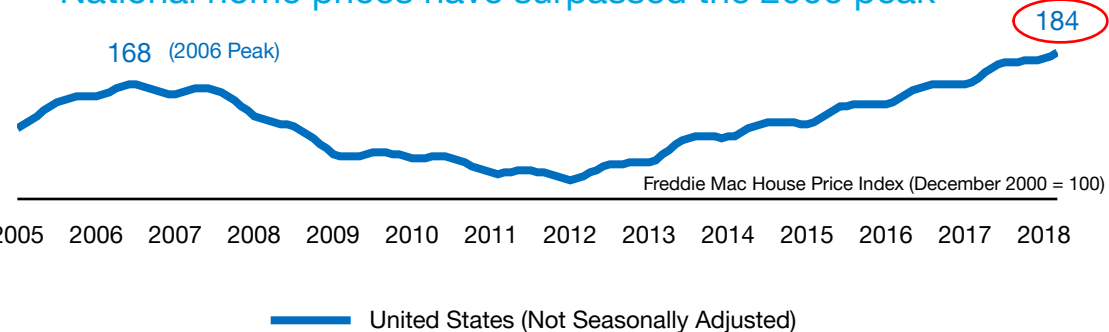
National home prices increased by an average of 7.6% over the past year



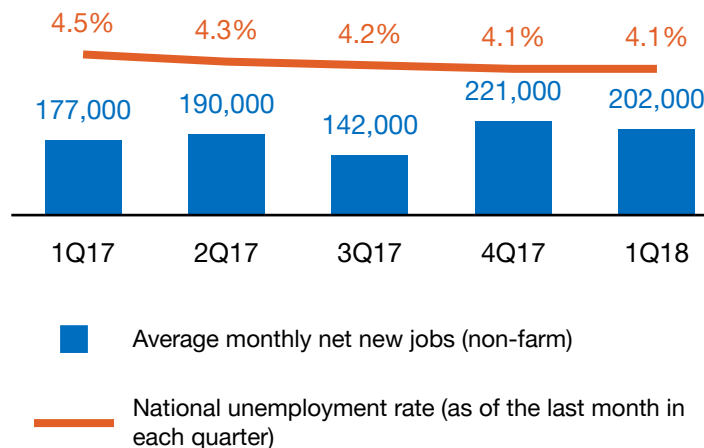
## Quarterly ending interest rates



National home prices have surpassed the 2006 peak



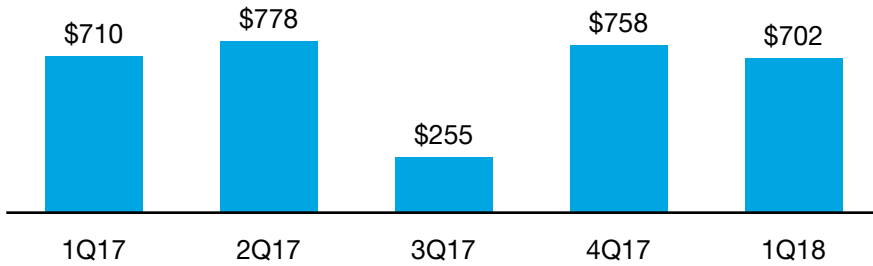
## Unemployment rate and job creation



# Single-family Financial Highlights and Key Metrics

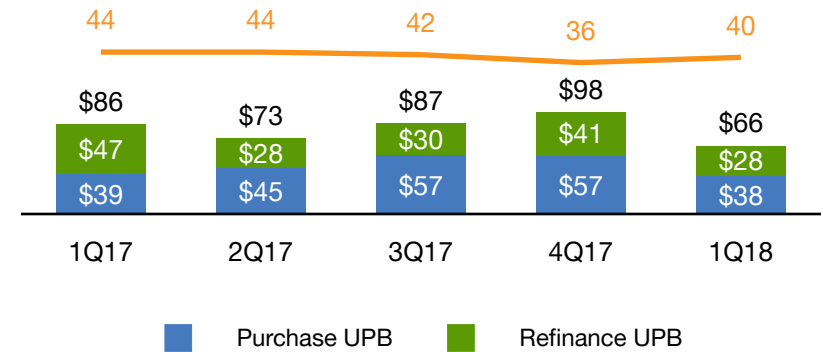


## Single-family segment earnings \$ Millions

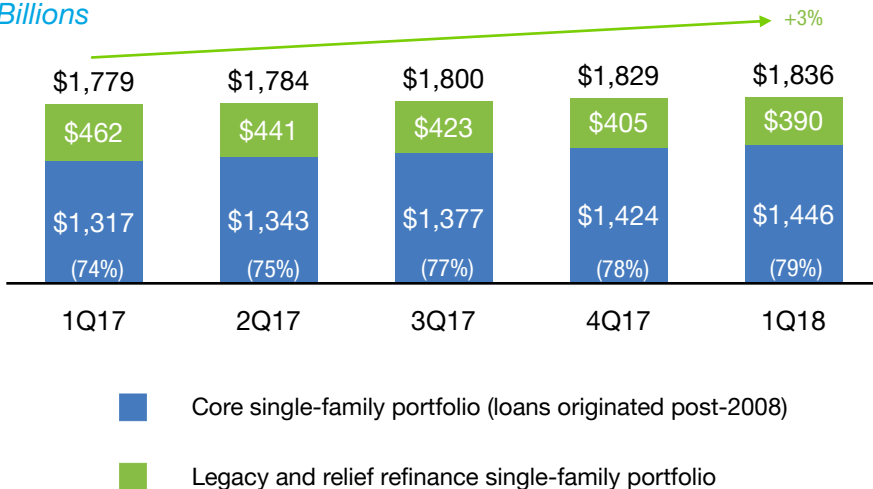


## New funding volume \$ Billions

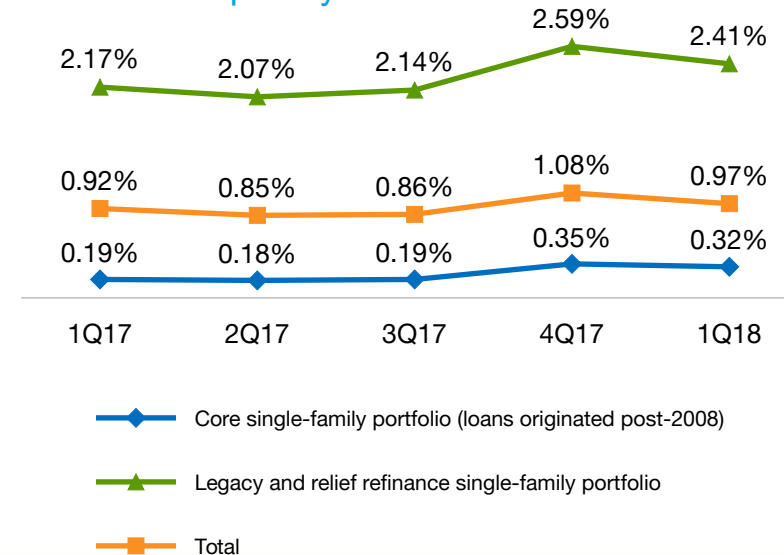
Guarantee fees charged on new acquisitions (bps)<sup>11</sup>



## Credit guarantee portfolio \$ Billions



## Serious delinquency rates



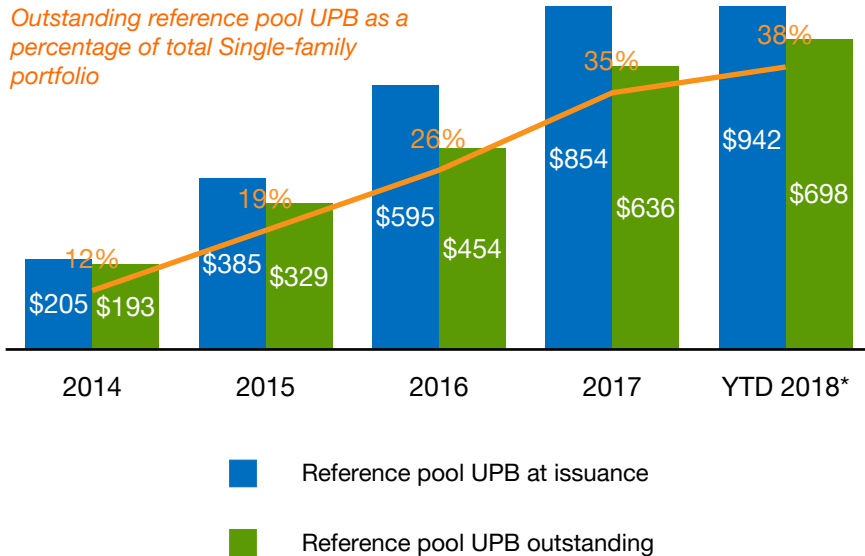
Note: Totals may not add due to rounding.

# Single-family Credit Risk Transfer – STACR / ACIS



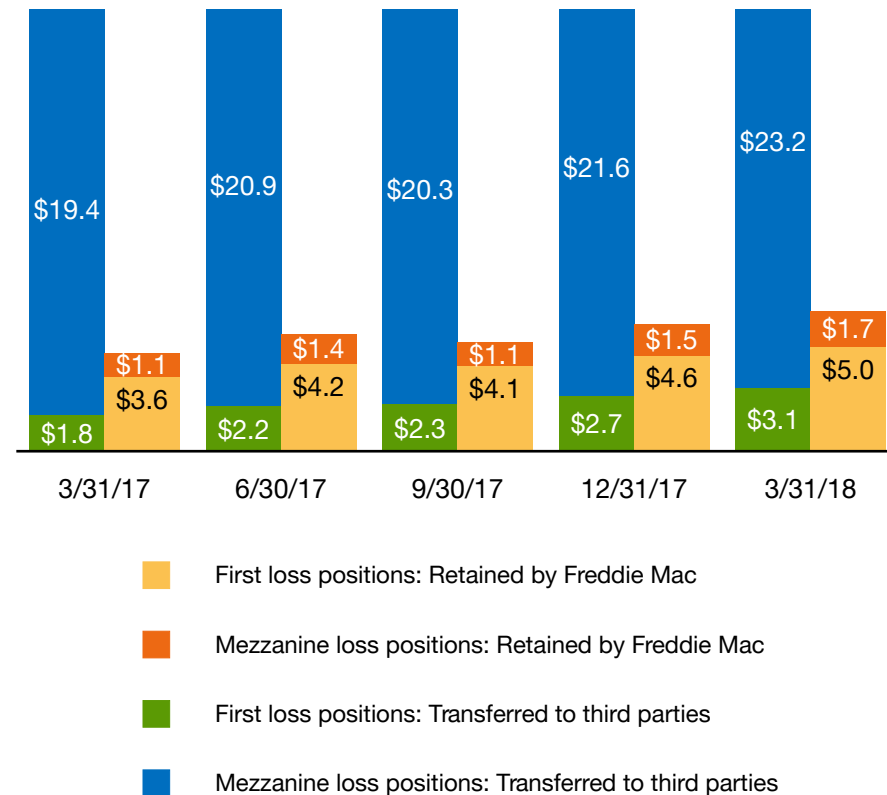
## Total Single-family credit guarantee portfolio with transferred credit risk

\$ Billions



## Cumulative Single-family transferred credit risk based on outstanding balance at period end

\$ Billions



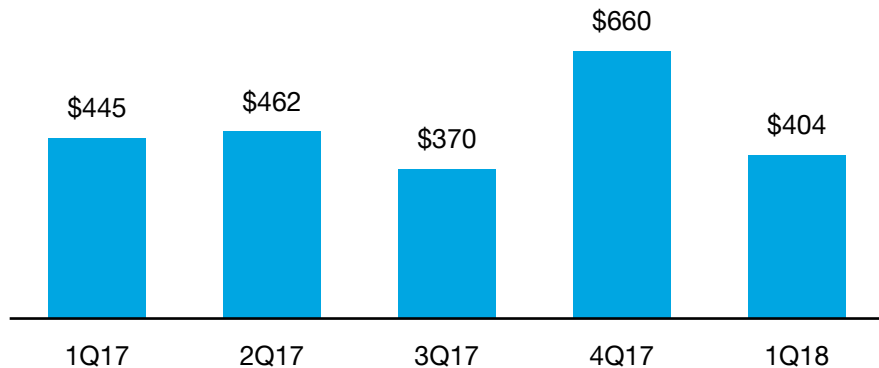
\*As of March 31, 2018



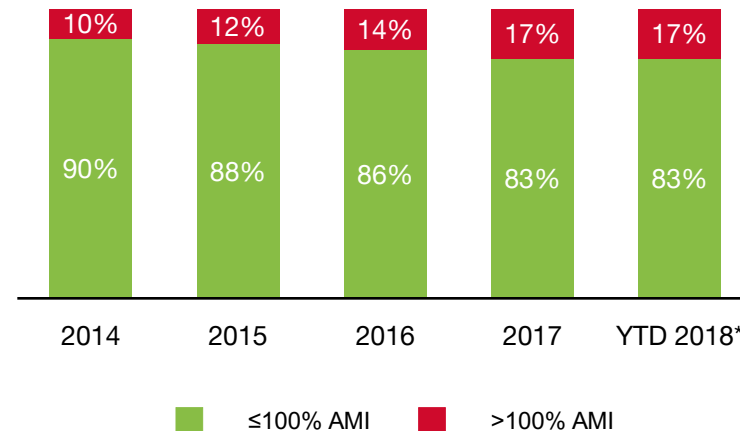
# Multifamily Financial Highlights and Key Metrics



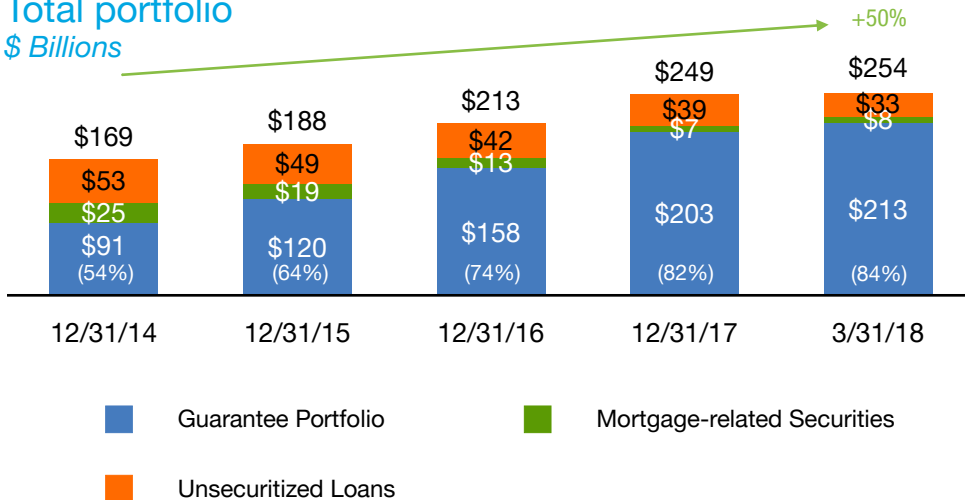
Multifamily comprehensive income  
\$ Millions



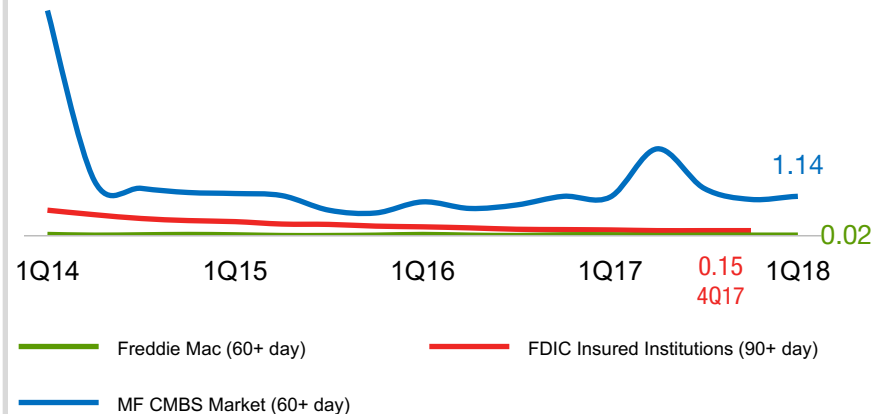
Multifamily acquisitions of units by area median income (% of eligible units acquired)



Total portfolio  
\$ Billions



Multifamily market and Freddie Mac delinquency rates (%)

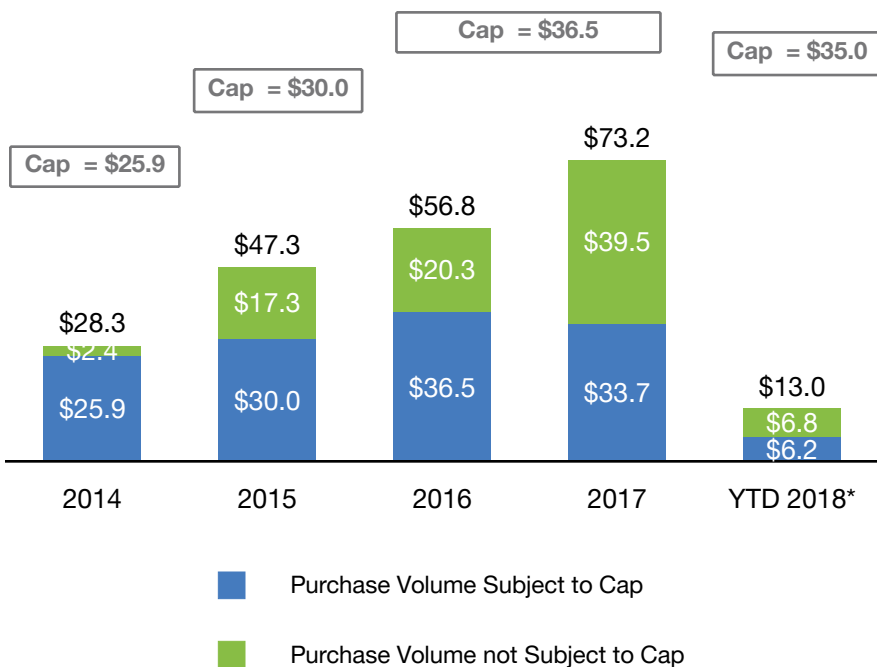


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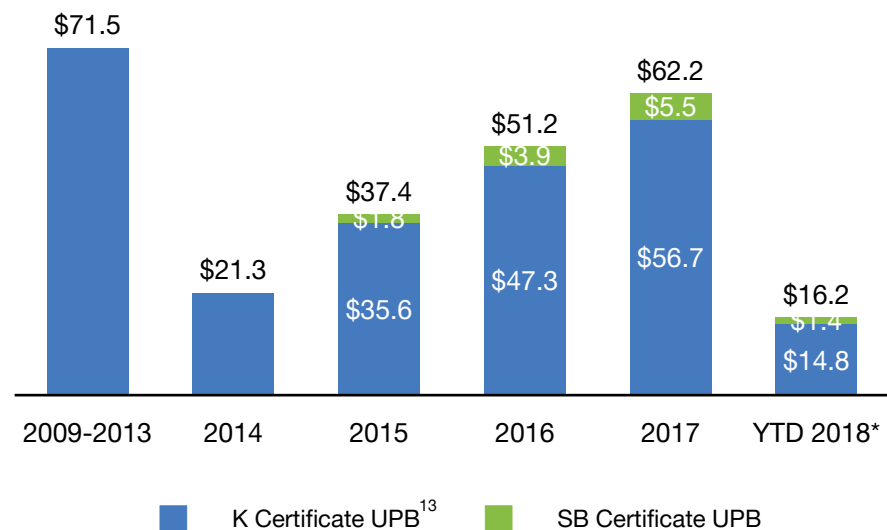
# Multifamily Key Metrics, continued



New funding volume  
\$ Billions



Multifamily securitization volume<sup>12</sup>  
\$ Billions

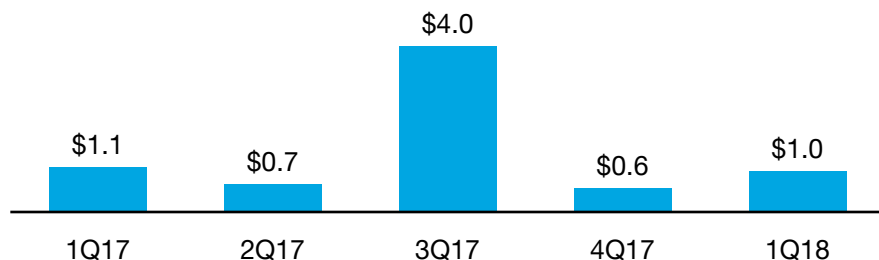


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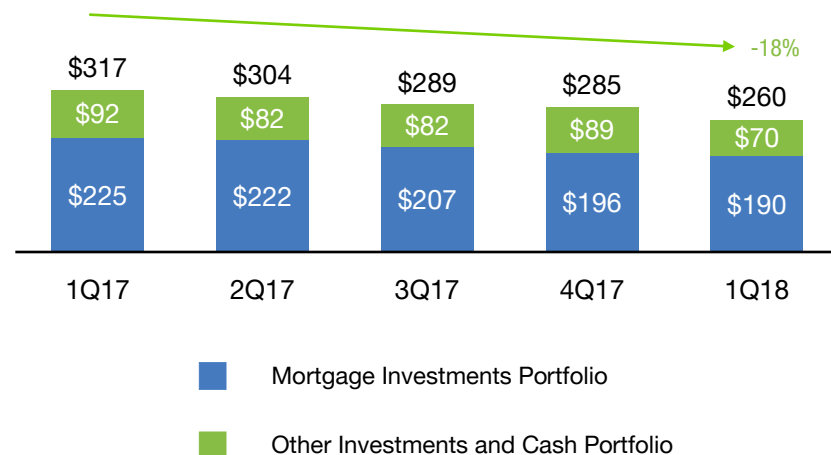
# Capital Markets Financial Highlights and Key Metrics



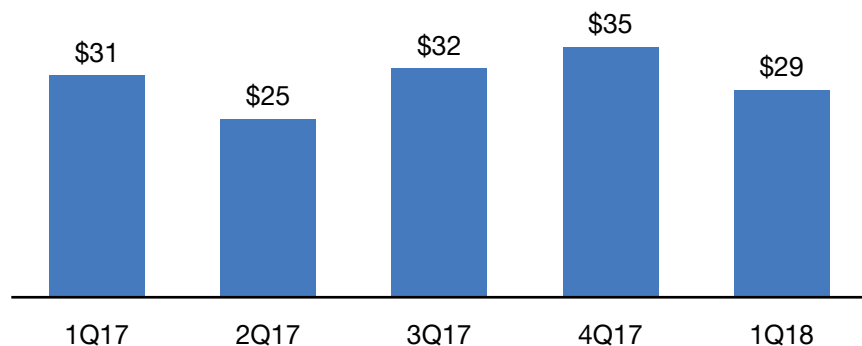
Capital Markets comprehensive income  
\$ Billions



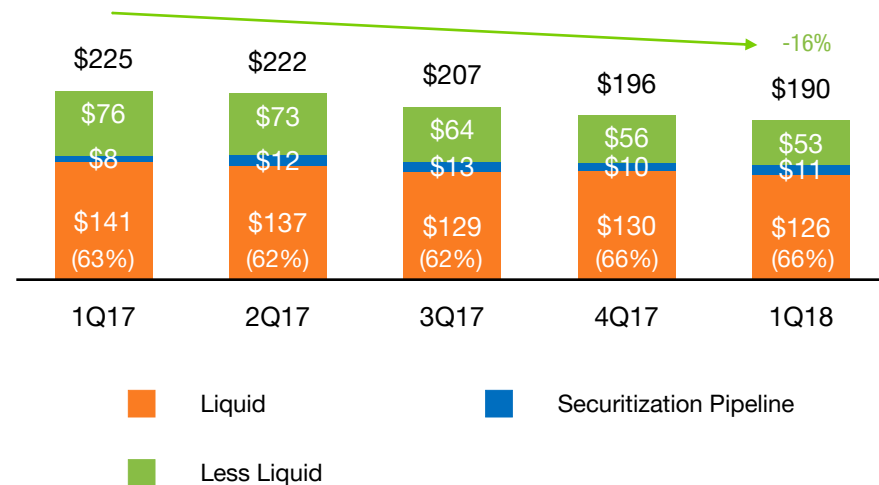
Capital Markets investments portfolio  
\$ Billions



Capital Markets cash window securitization  
\$ Billions

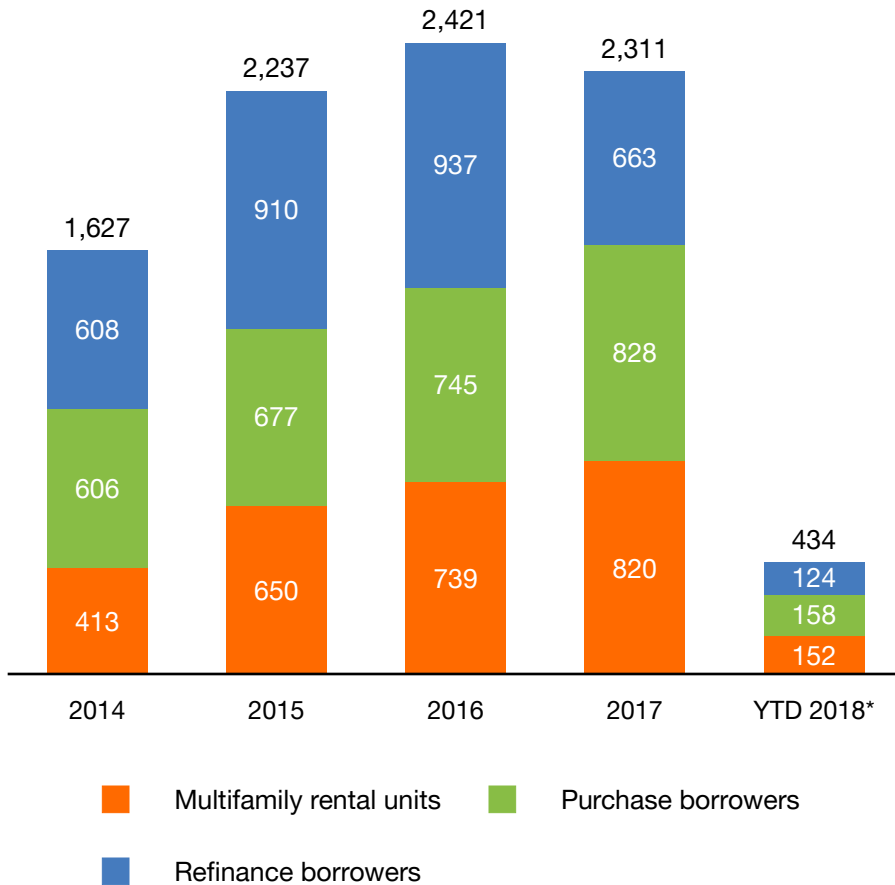


Capital Markets mortgage investments portfolio  
\$ Billions

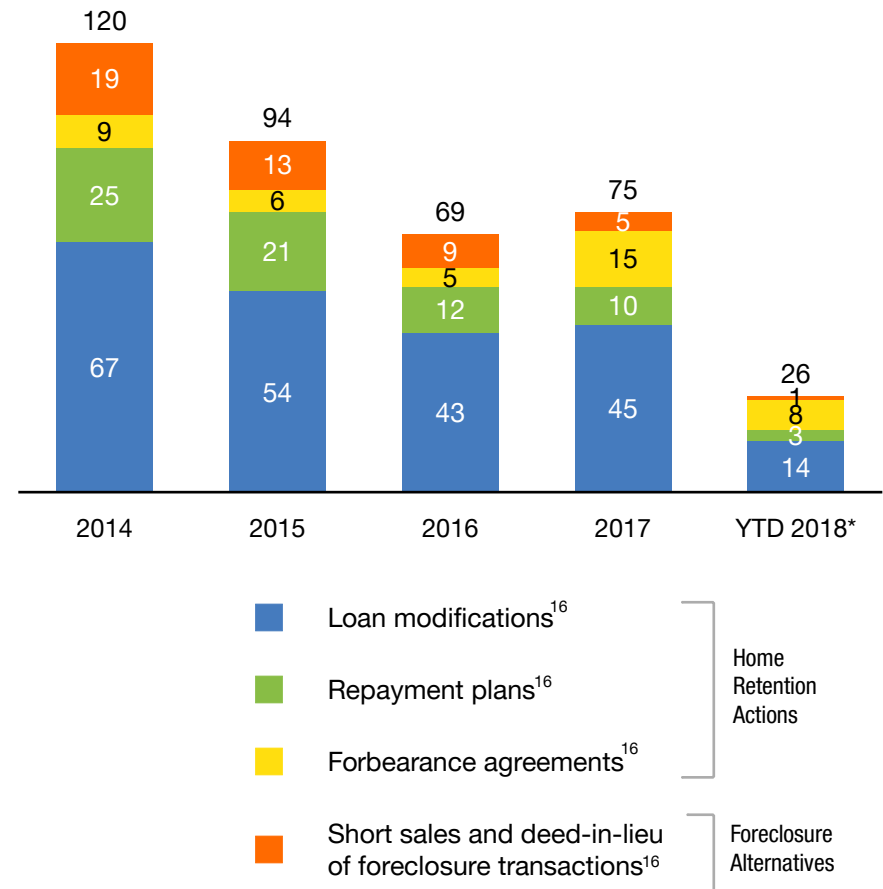


Note: Totals may not add due to rounding.

Number of families Freddie Mac helped to own or rent a home<sup>14</sup>  
In Thousands



Number of single-family loan workouts<sup>15</sup>  
In Thousands



Note: Totals may not add due to rounding.  
\*As of March 31, 2018

- 1 For additional information regarding Freddie Mac's non-GAAP financial measures and reconciliations to the comparable amounts under GAAP, see the company's Press Release for the quarter ended March 31, 2018.
- 2 Based on unpaid principal balances (UPB) of loans and securities. Excludes mortgage-related securities traded, but not yet settled.
- 3 Primarily Freddie Mac's K Certificate and SB (Small Balance) Certificate transactions.
- 4 The company's Purchase Agreement with Treasury limits the amount of mortgage assets the company can own and indebtedness it can incur. See the company's Annual Report on Form 10-K for the year ended December 31, 2017 for more information.
- 5 Represents the company's aggregate indebtedness for purposes of the Purchase Agreement debt cap and primarily includes the par value of other short-term and long-term debt used to fund its business activities.
- 6 Excludes the initial \$1 billion liquidation preference of senior preferred stock issued to Treasury in September 2008 as consideration for Treasury's funding commitment and the \$3.0 billion increase in the aggregate liquidation preference of the senior preferred stock pursuant to the December 21, 2017 Letter Agreement. The company received no cash proceeds as a result of issuing the initial \$1 billion liquidation preference of senior preferred stock or the \$3.0 billion increase on December 31, 2017.
- 7 For additional information, see Regulation and Supervision / Federal Housing Finance Agency / Capital Standards in the company's Annual Report on Form 10-K for the year ended December 31, 2017. (DFAST: Dodd-Frank Act Stress Test)
- 8 The company evaluates the potential benefits of fair value hedge accounting by evaluating a range of interest rate scenarios and identifying which of those scenarios produces the most adverse GAAP earnings outcome. At March 31, 2018, the GAAP adverse scenario before fair value hedge accounting was a nonparallel shift in which long-term rates decrease by 100 basis points, while the GAAP adverse scenario after fair value hedge accounting was a non-parallel shift in which short and medium-term rates increase by 100 basis points.
- 9 Portfolio Market Value Sensitivity (PMVS) is the company's estimate of the change in the market value of its financial assets and liabilities from an instantaneous shock to interest rates, assuming spreads are held constant and no rebalancing actions are undertaken. PMVS-Level or PMVS-L measures the estimated sensitivity of the company's portfolio market value to parallel movements in interest rates.
- 10 Duration gap measures the difference in price sensitivity to interest rate changes between our financial assets and liabilities and is expressed in months relative to the market value of assets.
- 11 Represents the estimated average rate of guarantee fees for new acquisitions during the period assuming amortization of upfront fees using the estimated life of the related loans rather than the original contractual maturity date of the related loans. Includes the effect of fee adjustments that are based on the price performance of Freddie Mac's PCs relative to comparable Fannie Mae securities. Net of legislated 10 basis point guarantee fee remitted to Treasury as part of the Temporary Payroll Tax Cut Continuation Act of 2011.
- 12 Excludes other types of Multifamily securitization products.
- 13 Includes K Certificates without subordination, which are fully guaranteed and issued without subordinate or mezzanine securities.
- 14 Based on the company's purchases of loans and issuances of mortgage-related securities. For the periods presented, a borrower may be counted more than once if the company purchased more than one loan (purchase or refinance mortgage) relating to the same borrower.
- 15 Consists of both home retention actions and foreclosure alternatives.
- 16 Categories are not mutually exclusive, and a borrower in one category may also be included in another category in the same or another period. For example, a borrower helped through a home retention action in one period may subsequently lose his or her home through a foreclosure alternative in a later period.

## Freddie Mac obligations

Freddie Mac's securities are obligations of Freddie Mac only. The securities, including any interest or return of discount on the securities, are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

## No offer or solicitation of securities

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## Forward-looking statements

Freddie Mac's presentations may contain forward-looking statements, which may include statements pertaining to the conservatorship, the company's current expectations and objectives for its Single-family Guarantee, Multifamily and Capital Markets segments, its efforts to assist the housing market, liquidity and capital management, economic and market conditions and trends, market share, the effect of legislative and regulatory developments and new accounting guidance, credit quality of loans the company owns or guarantees, the costs and benefits of the company's credit risk transfer transactions, and results of operations and financial condition on a GAAP, Segment Earnings, non-GAAP and fair value basis. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve a number of assumptions, judgments and estimates, and various factors, including changes in market conditions, liquidity, mortgage spreads, credit outlook, actions by the U.S. government (including FHFA, Treasury and Congress), and the impacts of legislation or regulations and new or amended accounting guidance, could cause actual results to differ materially from these expectations. These assumptions, judgments, estimates and factors are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2017, Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018 and Current Reports on Form 8-K, which are available on the Investor Relations page of the company's Web site at [www.freddiemac.com/investors](http://www.freddiemac.com/investors) and the SEC's Web site at [www.sec.gov](http://www.sec.gov). The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this presentation.