

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

Line:	Six Months Ended June 30,	
	2005	2004
	(dollars in millions, except share-related amounts)	
	<i>Interest income</i>	
1	\$ 2,020	\$ 1,986
2	14,422	14,241
3	1,159	1,573
4	<u>17,601</u>	<u>17,800</u>
	<i>Interest expense</i>	
5	(2,626)	(1,111)
6	(11,267)	(11,507)
7	<u>(13,893)</u>	<u>(12,618)</u>
8	(271)	(413)
9	<u>(14,164)</u>	<u>(13,031)</u>
10	(370)	(18)
11	<u>3,067</u>	<u>4,751</u>
	<i>Non-interest income (loss)</i>	
12	720	635
13	(685)	(72)
14	422	382
15	(747)	521
16	(71)	446
17	287	(377)
18	96	(264)
19	72	84
20	63	151
21	<u>157</u>	<u>1,506</u>
	<i>Non-interest expense</i>	
22	(394)	(345)
23	(192)	(257)
24	(27)	(27)
25	(104)	(44)
26	<u>(717)</u>	<u>(673)</u>
27	(47)	(29)
28	(13)	3
29	(163)	(123)
30	(53)	(69)
31	<u>(116)</u>	<u>(160)</u>
32	<u>(1,109)</u>	<u>(1,051)</u>
33	2,115	5,206
34	(471)	(1,140)
35	<u>\$ 1,644</u>	<u>\$ 4,066</u>
36	<u>(108)</u>	<u>(104)</u>
37	<u>\$ 1,536</u>	<u>\$ 3,962</u>
38	\$ 2.22	\$ 5.75
39	\$ 2.22	\$ 5.74
	Weighted average common shares outstanding (thousands)	
40	690,964	688,651
41	692,877	690,798
42	<u>\$ 0.70</u>	<u>\$ 0.60</u>

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

Line:	Quarter Ended			
	June 30, 2005	June 30, 2004	March 31, 2005	March 31, 2004
	(dollars in millions, except share-related amounts)			
	<i>Interest income</i>			
1	\$ 1,021	\$ 1,008	\$ 999	\$ 978
2	7,243	7,285	7,179	6,956
3	625	748	534	825
4	<u>8,889</u>	<u>9,041</u>	<u>8,712</u>	<u>8,759</u>
	<i>Interest expense</i>			
5	(1,483)	(523)	(1,143)	(588)
6	(5,626)	(5,770)	(5,641)	(5,737)
7	<u>(7,109)</u>	<u>(6,293)</u>	<u>(6,784)</u>	<u>(6,325)</u>
8	(140)	(235)	(131)	(178)
9	<u>(7,249)</u>	<u>(6,528)</u>	<u>(6,915)</u>	<u>(6,503)</u>
10	(234)	112	(136)	(130)
11	<u>1,406</u>	<u>2,625</u>	<u>1,661</u>	<u>2,126</u>
	<i>Non-interest income (loss)</i>			
12				
	386	251	334	384
13	(562)	571	(123)	(643)
14	224	231	198	151
15	(169)	420	(578)	101
16	(38)	119	(33)	327
17	181	(110)	106	(267)
18	22	(37)	74	(227)
19	34	45	38	39
20	40	42	23	109
21	<u>118</u>	<u>1,532</u>	<u>39</u>	<u>(26)</u>
	<i>Non-interest expense</i>			
22	(198)	(176)	(196)	(169)
23	(78)	(158)	(114)	(99)
24	(13)	(15)	(14)	(12)
25	(54)	(19)	(50)	(25)
26	<u>(343)</u>	<u>(368)</u>	<u>(374)</u>	<u>(305)</u>
27	(23)	(27)	(24)	(2)
28	(5)	-	(8)	3
29	(80)	(61)	(83)	(62)
30	(26)	(34)	(27)	(35)
31	(58)	(58)	(58)	(102)
32	<u>(535)</u>	<u>(548)</u>	<u>(574)</u>	<u>(503)</u>
33	989	3,609	1,126	1,597
34	(220)	(855)	(251)	(285)
35	<u>769</u>	<u>2,754</u>	<u>875</u>	<u>1,312</u>
36	(56)	(52)	(52)	(52)
37	<u>713</u>	<u>2,702</u>	<u>823</u>	<u>1,260</u>
38	\$ 1.03	\$ 3.92	\$ 1.19	\$ 1.83
39	\$ 1.03	\$ 3.91	\$ 1.19	\$ 1.82
	<i>Weighted average common shares outstanding (thousands)</i>			
40	691,321	688,819	690,602	688,482
41	692,968	690,757	693,008	690,868
42	<u>\$ 0.35</u>	<u>\$ 0.30</u>	<u>\$ 0.35</u>	<u>\$ 0.30</u>

**FREDDIE MAC**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

Line:	June 30, 2005	March 31, 2005	December 31, 2004
	(dollars in millions)		
<b>Assets</b>			
<i>Retained portfolio</i>			
Mortgage loans:			
1	\$ 59,010	\$ 59,652	\$ 58,852
2	(107)	(113)	(114)
3	2,043	2,116	2,582
4	60,946	61,655	61,320
Mortgage-related securities:			
5	602,157	587,912	590,461
6	10,149	10,941	11,842
7	680	939	845
8	612,986	599,792	603,148
9	673,932	661,447	664,468
<i>Retained portfolio</i>			
<i>Cash and investments</i>			
10	9,236	19,745	35,253
Investments:			
Non-mortgage-related securities:			
11	40,893	37,870	29,830
12	29,095	25,413	32,197
13	79,224	83,028	97,280
<i>Cash and investments</i>			
14	6,978	6,820	7,286
15	8,656	12,450	15,257
16	4,668	4,766	4,516
17	686	743	741
18	5,851	6,407	5,736
19	\$ 779,995	\$ 775,661	\$ 795,284
<b>Liabilities and stockholders' equity</b>			
<i>Debt securities, net</i>			
Senior debt:			
20	\$ 286,789	\$ 289,518	\$ 282,303
21	423,584	422,548	443,772
22	5,629	5,626	5,622
23	716,002	717,692	731,697
<i>Total debt securities, net</i>			
24	14,635	14,414	13,654
25	6,321	4,943	7,329
26	4,632	4,306	4,065
27	186	397	226
28	154	151	150
29	4,811	4,268	5,238
30	746,741	746,171	762,359
<i>Total liabilities</i>			
31	Commitments and contingencies		
32	1,291	1,399	1,509
<i>Minority interests in consolidated subsidiaries</i>			
<i>Stockholders' equity</i>			
33	4,609	4,609	4,609
34	Common stock, \$0.21 par value, 726,000,000 shares authorized, 725,882,280 shares issued and 691,980,054 shares, 690,899,466 shares and 690,606,185 shares outstanding, respectively		
35	910	891	873
36	31,773	31,309	30,728
Accumulated other comprehensive income (loss) (AOCI) net of taxes, related to:			
37	2,937	(15)	4,339
38	(7,107)	(7,504)	(7,924)
39	(8)	(8)	(8)
40	(4,178)	(7,527)	(3,593)
41	(1,303)	(1,343)	(1,353)
42	31,963	28,091	31,416
43	\$ 779,995	\$ 775,661	\$ 795,284

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

Line:	Six Months Ended June 30,				
	2005		2004		
	Shares	Amount	Shares	Amount	
	(dollars and shares in millions)				
	<i>Preferred stock, at redemption value</i>				
1	Balance, beginning of period	92	\$ 4,609	92	\$ 4,609
2	<i>Preferred stock, end of period</i>	92	4,609	92	4,609
	<i>Common stock, par value</i>				
3	Balance, beginning of period	726	152	726	152
4	<i>Common stock, end of period</i>	726	152	726	152
	<i>Additional paid-in capital</i>				
5	Balance, beginning of period		873		814
6	Stock-based compensation, before tax effect of \$11 and \$9, respectively		30		25
7	Income tax benefit from employee stock option exercises		3		7
8	Common stock issuances		4		(7)
9	<i>Additional paid-in capital, end of period</i>		910		839
	<i>Retained earnings</i>				
10	Balance, beginning of period		30,728		28,837
11	Net income		1,644		4,066
12	Preferred stock dividends declared		(108)		(104)
13	Common stock dividends declared		(491)		(415)
14	<i>Retained earnings, end of period</i>		31,773		32,384
	<i>AOCI, net of taxes</i>				
15	Balance, beginning of period		(3,593)		(1,498)
16	Changes in unrealized gains (losses) related to available-for-sale securities, net of reclassification adjustments		(1,402)		(5,478)
17	Changes in unrealized gains (losses) related to cash flow hedge relationships, net of reclassification adjustments		817		(948)
18	<i>AOCI, net of taxes, end of period</i>		(4,178)		(7,924)
	<i>Treasury stock, at cost</i>				
19	Balance, beginning of period	35	(1,353)	37	(1,427)
20	Common stock issuances	(1)	50	-	20
21	<i>Treasury stock, end of period</i>	34	(1,303)	37	(1,407)
22	<i>Total stockholders' equity</i>		\$ 31,963		\$ 28,653
	<i>Comprehensive income (loss)</i>				
23	Net income		\$ 1,644		\$ 4,066
24	Changes in AOCI, net of taxes, net of reclassification adjustments		(585)		(6,426)
25	<i>Total comprehensive income (loss)</i>		\$ 1,059		\$ (2,360)