



Freddie Mac's 2007 Financial Results

February 28, 2008

Overview

- Fourth quarter capital transaction provides sufficient capital for modest growth in our business, and to continue to weather the downturn in the absence of further significant disruptions
- Continue to enhance the presentation of our financial results
- Significant progress made towards fixing our internal control matters
- Tangible steps taken to improve the profitability of our new guarantee business and mitigate the effects of volatility on our financial results and capital level

Capital overview

| (\$ Billions) | | Estimated Regulatory Core Capital ¹ | Estimated Excess Surplus ² |
|---------------|--|--|---|
| 1 | As previously reported at 9/30/2007 | \$ 34.6 | \$ 0.6 |
| 2 | Impact of GAAP changes in accounting methods at 9/30/2007 | - | 0.3 |
| 3 | Impact of fourth quarter 2007 preferred stock issuance | 6.0 | 6.0 |
| 4 | Impact of fourth quarter 2007 financial results | (2.7) | (3.4) |
| 5 | As of 12/31/2007 | \$ 37.9 | \$ 3.5 |
| 6 | Impact of adoption of fair value option at 1/1/2008 | \$ 1.0 | \$ 1.0 |
| 7 | Pro forma to reflect adoption of fair value option at 1/1/2008 | \$ 38.9 | \$ 4.5 |

¹ Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), the par value of outstanding non-cumulative perpetual preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.

² Estimated excess surplus represents surplus above Freddie Mac's 30 percent mandatory target capital surplus over its minimum capital requirement, as directed by the Office of Federal Housing Enterprise Oversight.

GAAP financial results

| (\$ Millions) | Nine Months Ended September 30, 2007 | | |
|---|---|--------------------------|-----------------------------|
| | As Previously Reported | Impact of Adjustments | As Adjusted ¹ |
| 1 Net interest income | \$ 2,938 | \$ (613) | \$ 2,325 |
| 2 Management and guarantee income | 1,454 | 483 | 1,937 |
| 3 Non-interest income (loss) - mark-to-market | (2,927) | 1,593 | (1,334) |
| 4 Non-interest income (loss) - other | 536 | 450 | 986 |
| 5 Total revenues | 2,001 | 1,913 | 3,914 |
| 6 Administrative expenses | (1,273) | - | (1,273) |
| 7 Credit-related expenses | (1,777) | (371) | (2,148) |
| 8 Non-interest expense - mark-to-market | (1,585) | (263) | (1,848) |
| 9 Non-interest expense - other | (548) | 4 | (544) |
| 10 Total expenses | (5,183) | (630) | (5,813) |
| 11 Income (loss) before taxes | (3,182) | 1,283 | (1,899) |
| 12 Income tax (expense) benefit | 1,706 | (449) | 1,257 |
| 13 Net income (loss) | \$ (1,476) | \$ 834 | \$ (642) |

| Line No. | Primary Sources of Change |
|----------|--|
| 1 | Removal of guarantee and delivery fees on PCs held by the retained portfolio. |
| 2 | Addition of guarantee and delivery fees on PCs held by the retained portfolio. |
| 3 | (a) Increased gains (losses) on guarantee asset on PCs held by the retained portfolio, (b) removal of PC residual fair value changes and adjustments to the carrying value of securities and (c) elimination of impairments on PCs held by the retained portfolio that are now subject to a guarantee. |
| 4 | Increased income on guarantee obligation reflecting both a change in our guarantee obligation balance resulting from no longer extinguishing the guarantee obligation and the guarantee obligation amortization change. |
| 7 | Increased provision for credit losses relating to additional PCs subject to loan loss reserve model. |
| 8 | Increased losses on loans purchased relating to PCs held by the retained portfolio that were previously recognized as part of PC residual. |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

GAAP financial results

| (\$ Millions) | Nine Months Ended September 30, 2007 | | 3Q 2007 As Adjusted ¹ | 4Q 2007 | Full-Year 2007 |
|---|---|-----------------------------|-------------------------------------|-------------------|-------------------|
| | As Previously Reported | As Adjusted ¹ | | | |
| 1 Net interest income | \$ 2,938 | \$ 2,325 | \$ 761 | \$ 774 | \$ 3,099 |
| 2 Management and guarantee income | 1,454 | 1,937 | 718 | 698 | 2,635 |
| 3 Non-interest income (loss) - mark-to-market | (2,927) | (1,334) | (1,249) | (2,952) | (4,286) |
| 4 Non-interest income (loss) - other | 536 | 986 | 648 | 859 | 1,845 |
| 5 Total revenues | 2,001 | 3,914 | 878 | (621) | 3,293 |
| 6 Administrative expenses | (1,273) | (1,273) | (428) | (401) | (1,674) |
| 7 Credit-related expenses | (1,777) | (2,148) | (1,423) | (912) | (3,060) |
| 8 Non-interest expense - mark-to-market | (1,585) | (1,848) | (1,041) | (2,005) | (3,853) |
| 9 Non-interest expense - other | (548) | (544) | (178) | (139) | (683) |
| 10 Total expenses | (5,183) | (5,813) | (3,070) | (3,457) | (9,270) |
| 11 Income (loss) before taxes | (3,182) | (1,899) | (2,192) | (4,078) | (5,977) |
| 12 Income tax benefit | 1,706 | 1,257 | 954 | 1,626 | 2,883 |
| 13 Net income (loss) | \$ (1,476) | \$ (642) | \$ (1,238) | \$ (2,452) | \$ (3,094) |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

Single-family current portfolio credit losses through 2009

| | (\$ Millions) | 4Q 2007 | 2007 | 2008E | 2009E | Total 2008E - 2009E | 2008E - 2009E Change From 3Q 2007 Release |
|---|------------------------------------|---------|--------|----------|----------|---------------------------|--|
| 1 | Charge-offs, net of recoveries | \$ 110 | \$ 290 | \$ 1,700 | \$ 2,200 | \$ 3,900 | \$ 1,200 |
| 2 | REO operations expense | 125 | 205 | 500 | 700 | 1,200 | 300 |
| 3 | Total credit losses | \$ 235 | \$ 495 | \$ 2,200 | \$ 2,900 | \$ 5,100 | \$ 1,500 |
| 4 | Total credit losses (basis points) | 5.4 | 3.0 | 12 | 14 | | |

Notes: Forecasts rely on models of defaults and assumptions about the housing economy. Assumes approximately 15% peak-to-trough decline in house prices in conventional conforming market.

Estimates of charge-offs, net of recoveries do not include losses related to future purchases. Estimates of total credit losses in basis points assume annual 10% growth in guarantee business.

Single-family credit guarantee portfolio characteristics

| Attribute | Total Portfolio as of December 31, 2007 ¹ | Alt-A | IO | Option ARM | FICO<620 | Original LTV >90% | FICO<620 and Original LTV>90% |
|--|--|-----------|-----------|------------|-----------|-------------------|-------------------------------|
| 1 Balance (UPB \$ Billions) | \$1,718 | \$154 | \$159 | \$15 | \$72 | \$128 | \$14 |
| 2 Share of Total Portfolio | 100% | 9% | 9% | 1% | 4% | 7% | 1% |
| 3 Average UPB per loan | \$140,314 | \$172,028 | \$252,244 | \$225,748 | \$132,236 | \$129,649 | \$121,484 |
| 4 Fixed Rate (% of total portfolio) | 87% | 49% | 24% | 0% | 89% | 92% | 93% |
| 5 Owner Occupied | 91% | 83% | 85% | 75% | 95% | 96% | 99% |
| 6 Second liens ² | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 7 % of Loans with Credit Enhancement | 17% | 17% | 13% | 17% | 35% | 92% | 95% |
| 8 % Seriously Delinquent (D90+) ³ | 0.66% | 1.86% | 2.03% | 2.24% | 3.41% | 1.92% | 5.39% |

¹ Based on the unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio excluding certain structured transactions.

² Represents borrowers' secondary mortgage loan financing guaranteed by Freddie Mac.

³ Includes certain structured transactions for which the company has primary credit exposure. Delinquency rate excluding all structured transactions was 0.65% at December 31, 2007.

Note: Categories other than total portfolio based on internal management reports as of December 31, 2007 or most current period. Numbers are not additive across columns.

Single-family credit guarantee portfolio characteristics

| Attribute | | Total Portfolio as of December 31, 2007 ¹ | Alt-A | IO | Option ARM | FICO<620 | Original LTV >90% | FICO<620 and Original LTV>90% |
|--------------------------------|-------------------------------|--|-------|-------|------------|----------|-------------------|-------------------------------|
| 1 | Balance (UPB \$ Billions) | \$1,718 | \$154 | \$159 | \$15 | \$72 | \$128 | \$14 |
| 2 | Share of Total Portfolio | 100% | 9% | 9% | 1% | 4% | 7% | 1% |
| 3 | Original Loan-to-Value (OLTV) | 71% | 72% | 74% | 71% | 77% | 96% | 97% |
| 4 | OLTV > 90% | 7% | 4% | 4% | 2% | 19% | 100% | 100% |
| 5 | Current Loan-to-Value (CLTV) | 63% | 72% | 79% | 77% | 71% | 88% | 88% |
| 6 | CLTV > 90% | 10% | 18% | 22% | 25% | 19% | 57% | 61% |
| 7 | CLTV > 100% | 3% | 5% | 6% | 11% | 7% | 24% | 28% |
| 8 | Average FICO Score | 723 | 719 | 718 | 713 | 590 | 690 | 589 |
| 9 | FICO < 620 | 4% | 4% | 4% | 3% | 100% | 11% | 100% |
| Book Year Concentration | | | | | | | | |
| 10 | 2007 | 25% | 55% | 59% | 2% | 36% | 39% | 45% |
| 11 | 2006 | 17% | 27% | 30% | 31% | 18% | 15% | 16% |
| 12 | 2005 | 17% | 13% | 11% | 56% | 15% | 13% | 11% |
| 13 | 2004 | 12% | 3% | 0% | 11% | 10% | 10% | 8% |
| 14 | <= 2003 | 29% | 2% | 0% | 0% | 21% | 23% | 20% |

¹ Based on the unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio excluding certain structured transactions.

Note: Categories other than total portfolio based on internal management reports as of December 31, 2007 or most current period. Numbers are not additive across columns.

Retained portfolio: Single-family non-agency securities backed by subprime

| Acquisition Date | Quartile | Underlying Collateral Performance | | | Credit Enhancement Statistics | | | | Stress Test Scenario | | | |
|------------------|-------------------------|-----------------------------------|---------------|-------------|-------------------------------|---------------------|-------------------------|---------------------|----------------------|--------------------|--------------------|--------------|
| | | Total UPB (\$bn) | Avg CPR 3m | Avg Del 60+ | Avg Total CE | Δ CE from inception | Min. Subord. UPB (\$bn) | Monoline UPB (\$bn) | 50d/50s npv (\$bn) | 50d/60s npv (\$bn) | 60d/50s npv (\$bn) | |
| 1 | 2004 & Prior | 1 | 0.55 | 22% | 19% | 41% | 28% | 16% | 0.00 | 0.001 | 0.004 | 0.006 |
| 2 | 2004 & Prior | 2 | 0.54 | 23% | 20% | 67% | 48% | 55% | 0.00 | 0.000 | 0.000 | 0.000 |
| 3 | 2004 & Prior | 3 | 0.66 | 21% | 22% | 95% | 28% | 85% | 0.37 | 0.000 | 0.000 | 0.000 |
| 4 | 2004 & Prior | 4 | 0.43 | 22% | 16% | 100% | 0% | 100% | 0.43 | 0.000 | 0.000 | 0.000 |
| 5 | 2004 & Prior | Total | 2.18 | 22% | 20% | 75% | 27% | 16% | 0.80 | 0.001 | 0.004 | 0.006 |
| 6 | 2005 | 1 | 5.83 | 31% | 22% | 36% | 17% | 19% | 0.00 | 0.000 | 0.000 | 0.001 |
| 7 | 2005 | 2 | 5.70 | 33% | 26% | 44% | 23% | 39% | 0.00 | 0.000 | 0.000 | 0.000 |
| 8 | 2005 | 3 | 5.42 | 29% | 28% | 55% | 30% | 49% | 0.00 | 0.000 | 0.000 | 0.000 |
| 9 | 2005 | 4 | 5.61 | 27% | 27% | 79% | 31% | 63% | 1.39 | 0.000 | 0.000 | 0.000 |
| 10 | 2005 | Total | 22.55 | 30% | 26% | 53% | 25% | 19% | 1.39 | 0.000 | 0.000 | 0.001 |
| 11 | 2006 | 1 | 10.36 | 13% | 23% | 22% | 4% | 18% | 0.00 | 0.000 | 0.000 | 0.025 |
| 12 | 2006 | 2 | 9.49 | 15% | 27% | 28% | 6% | 25% | 0.00 | 0.000 | 0.000 | 0.000 |
| 13 | 2006 | 3 | 9.88 | 19% | 26% | 31% | 9% | 29% | 0.00 | 0.000 | 0.000 | 0.000 |
| 14 | 2006 | 4 | 9.83 | 24% | 27% | 37% | 14% | 33% | 0.00 | 0.000 | 0.000 | 0.000 |
| 15 | 2006 | Total | 39.56 | 18% | 25% | 29% | 8% | 18% | 0.00 | 0.000 | 0.000 | 0.025 |
| 16 | 2007 | 1 | 9.02 | 10% | 15% | 22% | 2% | 19% | 0.00 | 0.000 | 0.018 | 0.068 |
| 17 | 2007 | 2 | 9.59 | 10% | 16% | 26% | 2% | 24% | 0.00 | 0.000 | 0.000 | 0.000 |
| 18 | 2007 | 3 | 8.45 | 11% | 14% | 28% | 2% | 27% | 0.00 | 0.000 | 0.000 | 0.000 |
| 19 | 2007 | 4 | 8.96 | 11% | 8% | 43% | 1% | 30% | 1.36 | 0.000 | 0.000 | 0.000 |
| 20 | 2007 | Total | 36.01 | 11% | 13% | 30% | 2% | 19% | 1.36 | 0.000 | 0.018 | 0.068 |
| 21 | Total | | 100.30 | 18% | 21% | 36% | 10% | 16% | 3.55 | 0.001 | 0.022 | 0.099 |

Note: Data based on settlement date.

ABS portfolio

| | Total UPB (\$ bn) | Monoline wrapped UPB (\$ bn) | Credit Enhancement (w/ monoline) | Current 60+ Delinquency | Original % AAA | 12/31/2007 % AAA | Current % AAA | Current % Watchlist | % Invest. Grade |
|---------------------------------------|--------------------------|-------------------------------------|---|--------------------------------|-----------------------|-------------------------|----------------------|----------------------------|------------------------|
| 1 Subprime | 100.3 | 3.6 | 35.8% | 21.0% | 100.0% | 96.7% | 81.1% | 39.9% | 99.6% |
| 2 Alt-A | 25.1 | 0.7 | 16.2% | 7.5% | 100.0% | 100.0% | 98.3% | 7.0% | 100.0% |
| 3 MTA ARMs | 21.1 | 0.8 | 23.2% | 7.2% | 100.0% | 100.0% | 100.0% | 1.4% | 100.0% |
| 4 HELOCs | 4.5 | 4.5 | 100% | 8.2% | 100.0% | 100.0% | 84.7% | 42.6% | 100.0% |
| 5 MH, Closed-end 2nd Lien, and FHA/VA | 3.1 | 1.2 | 57.6% | 6.1% | 83.8% | 45.2% | 45.2% | 29.1% | 50.4% |
| 6 Totals | 154.1 | 10.8 | 33.2% | 16.2% | 99.8% | 96.9% | 85.7% | 29.5% | 99.1% |



Appendix

2007 quarterly GAAP financial results

| (\$ Millions) | 1Q 2007 | | 2Q 2007 | | 3Q 2007 | | 4Q 2007 | Full-Year 2007 |
|---|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|-------------------|-------------------|
| | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | | |
| 1 Net interest income | \$ 978 | \$ 771 | \$ 973 | \$ 793 | \$ 987 | \$ 761 | \$ 774 | \$ 3,099 |
| 2 Management and guarantee income | 460 | 628 | 474 | 591 | 520 | 718 | 698 | 2,635 |
| 3 Non-interest income (loss) - mark-to-market | (1,061) | (920) | 813 | 835 | (2,679) | (1,249) | (2,952) | (4,286) |
| 4 Non-interest income (loss) - other | 47 | 215 | (5) | 123 | 494 | 648 | 859 | 1,845 |
| 5 Total revenues | 424 | 694 | 2,255 | 2,342 | (678) | 878 | (621) | 3,293 |
| 6 Administrative expenses | (403) | (403) | (442) | (442) | (428) | (428) | (401) | (1,674) |
| 7 Credit-related expenses | (193) | (262) | (336) | (463) | (1,248) | (1,423) | (912) | (3,060) |
| 8 Non-interest expense - mark-to-market | (314) | (393) | (392) | (414) | (879) | (1,041) | (2,005) | (3,853) |
| 9 Non-interest expense - other | (164) | (166) | (208) | (200) | (176) | (178) | (139) | (683) |
| 10 Total expenses | (1,074) | (1,224) | (1,378) | (1,519) | (2,731) | (3,070) | (3,457) | (9,270) |
| 11 Income (loss) before taxes | (650) | (530) | 877 | 823 | (3,409) | (2,192) | (4,078) | (5,977) |
| 12 Income tax (expense) benefit | 439 | 397 | (113) | (94) | 1,380 | 954 | 1,626 | 2,883 |
| 13 Net income (loss) | \$ (211) | \$ (133) | \$ 764 | \$ 729 | \$ (2,029) | \$ (1,238) | \$ (2,452) | \$ (3,094) |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

2006 quarterly GAAP financial results

| (\$ Millions) | 1Q 2006 | | 2Q 2006 | | 3Q 2006 | | 4Q 2006 | | Full-Year 2006 | |
|---|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ |
| 1 Net interest income | \$ 1,131 | \$ 939 | \$ 1,172 | \$ 983 | \$ 959 | \$ 729 | \$ 973 | \$ 761 | \$ 4,235 | \$ 3,412 |
| 2 Management and guarantee income | 413 | 597 | 389 | 541 | 427 | 620 | 443 | 635 | 1,672 | 2,393 |
| 3 Non-interest income (loss) - mark-to-market | 731 | 642 | 504 | 464 | (1,462) | (1,355) | (1,080) | (1,028) | (1,307) | (1,277) |
| 4 Non-interest income (loss) - other | 203 | 309 | 86 | 173 | 167 | 271 | 94 | 217 | 550 | 970 |
| 5 Total revenues | 2,478 | 2,487 | 2,151 | 2,161 | 91 | 265 | 430 | 585 | 5,150 | 5,498 |
| 6 Administrative expenses | (373) | (373) | (405) | (405) | (418) | (418) | (445) | (445) | (1,641) | (1,641) |
| 7 Credit-related expenses | 24 | 21 | (63) | (78) | (112) | (117) | (124) | (182) | (275) | (356) |
| 8 Non-interest expense - mark-to-market | (67) | (92) | (73) | (88) | (133) | (145) | (203) | (229) | (476) | (554) |
| 9 Non-interest expense - other | (168) | (170) | (173) | (178) | (164) | (166) | (150) | (151) | (655) | (665) |
| 10 Total expenses | (584) | (614) | (714) | (749) | (827) | (846) | (922) | (1,007) | (3,047) | (3,216) |
| 11 Income (loss) before taxes | 1,894 | 1,873 | 1,437 | 1,412 | (736) | (581) | (492) | (422) | 2,103 | 2,282 |
| 12 Income tax (expense) benefit | 115 | 69 | (40) | (76) | 21 | 31 | 12 | 21 | 108 | 45 |
| 13 Net income (loss) | \$ 2,009 | \$ 1,942 | \$ 1,397 | \$ 1,336 | \$ (715) | \$ (550) | \$ (480) | \$ (401) | \$ 2,211 | \$ 2,327 |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

2007 quarterly mark-to-market items

| (\$ Millions) | 1Q 2007 | | 2Q 2007 | | 3Q 2007 | | 4Q 2007 | Full-Year 2007 |
|--|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|-------------------|-------------------|
| | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | | |
| 1 Losses on derivatives excluding accrual of periodic settlements and foreign-currency swaps | \$ (765) | \$ (761) | \$ (145) | \$ (108) | \$ (1,417) | \$ (1,455) | \$ (2,253) | \$ (4,577) |
| 2 Mark-to-market on Guarantee asset | (98) | (127) | 1,076 | 1,243 | (67) | (18) | (843) | 255 |
| 3 Mark-to-market on PC residual ² (includes net GA and GO mark-to-market) | - | - | 171 | - | - | - | - | - |
| 4 Subtotal interest-rate related items (Lines 1, 2, 3) | (863) | (888) | 1,102 | 1,135 | (1,484) | (1,473) | (3,096) | (4,322) |
| 5 Losses on certain credit guarantees | (144) | (177) | (187) | (150) | (396) | (392) | (1,269) | (1,988) |
| 6 Losses on loans purchased | (170) | (216) | (205) | (264) | (483) | (649) | (736) | (1,865) |
| 7 Mark-to-market on PC residual ³ (includes net GA and GO mark-to-market) | (126) | - | - | - | (1,082) | - | - | - |
| 8 Low credit quality impairments | (52) | - | (43) | - | (299) | - | (9) | (9) |
| 9 Subtotal credit-related items (Lines 5, 6, 7, 8) | (492) | (393) | (435) | (414) | (2,260) | (1,041) | (2,014) | (3,862) |
| 10 Other | (20) | (32) | (246) | (300) | 186 | 224 | 153 | 45 |
| 11 Total mark-to-market items | \$ (1,375) | \$ (1,313) | \$ 421 | \$ 421 | \$ (3,558) | \$ (2,290) | \$ (4,957) | \$ (8,139) |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

² Primarily interest-rate related.

³ Primarily credit related.

2006 quarterly mark-to-market items

| (\$ Millions) | 1Q 2006 | | 2Q 2006 | | 3Q 2006 | | 4Q 2006 | | Full-Year 2006 | |
|--|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ | As Previously Reported | As Adjusted ¹ |
| 1 Gains (losses) on derivatives excluding accrual of periodic settlements and foreign-currency swaps | \$ 272 | \$ 252 | \$ 295 | \$ 294 | \$ (822) | \$ (810) | \$ (909) | \$ (909) | \$ (1,164) | \$ (1,173) |
| 2 Mark-to-market on Guarantee asset | 404 | 506 | 295 | 390 | (433) | (525) | (57) | (56) | 209 | 315 |
| 3 Mark-to-market on PC residual ² (includes net GA and GO mark-to-market) | 241 | - | 162 | - | (174) | - | (22) | - | 207 | - |
| 4 Subtotal interest-rate related items (Lines 1, 2, 3) | 917 | 758 | 752 | 684 | (1,429) | (1,335) | (988) | (965) | (748) | (858) |
| 5 Losses on certain credit guarantees | (46) | (67) | (52) | (63) | (103) | (109) | (149) | (167) | (350) | (406) |
| 6 Losses on loans purchased | (21) | (25) | (21) | (25) | (30) | (36) | (54) | (62) | (126) | (148) |
| 7 Mark-to-market on PC residual ³ (includes net GA and GO mark-to-market) | - | - | - | - | - | - | - | - | - | - |
| 8 Low credit quality impairments | (68) | - | (29) | - | (11) | - | (28) | - | (136) | - |
| 9 Subtotal credit-related items (Lines 5, 6, 7, 8) | (135) | (92) | (102) | (88) | (144) | (145) | (231) | (229) | (612) | (554) |
| 10 Other | (118) | (116) | (219) | (220) | (22) | (20) | (64) | (63) | (423) | (419) |
| 11 Total mark-to-market items | \$ 664 | \$ 550 | \$ 431 | \$ 376 | \$ (1,595) | \$ (1,500) | \$ (1,283) | \$ (1,257) | \$ (1,783) | \$ (1,831) |

¹ Adjusted to give effect to the change in accounting methods for the guarantee obligation.

² Primarily interest-rate related.

³ Primarily credit related.

Consolidated Adjusted operating income¹

| | (\$ Millions) | | | | 2007 | 2006 | 2005 |
|---|-----------------|---------------|-------------------|-------------------|-------------------|-----------------|-----------------|
| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | | | |
| 1 Investments | \$ 514 | \$ 571 | \$ 503 | \$ 440 | \$ 2,028 | \$ 2,111 | \$ 2,284 |
| 2 Single-family Guarantee | 224 | 129 | (483) | (126) | (256) | 1,289 | 965 |
| 3 Multifamily | 125 | 84 | 83 | 106 | 398 | 434 | 363 |
| 4 All Other | (16) | (43) | (45) | 1 | (103) | 19 | (437) |
| 5 Total Adjusted operating income | \$ 847 | \$ 741 | \$ 58 | \$ 421 | \$ 2,067 | \$ 3,853 | \$ 3,175 |
| 6 Derivative- and foreign currency translation-related adjustments | \$ (1,082) | \$ (471) | \$ (1,725) | \$ (2,389) | \$ (5,667) | \$ (2,371) | \$ (1,644) |
| 7 Credit guarantee-related adjustments | (502) | 831 | (925) | (2,672) | (3,268) | (201) | (458) |
| 8 Investment sales, debt retirements and fair value-related adjustments | 69 | (379) | 659 | 638 | 987 | 231 | 570 |
| 9 Fully taxable-equivalent adjustments | (93) | (97) | (98) | (100) | (388) | (388) | (336) |
| 10 Total pre-tax adjustments | (1,608) | (116) | (2,089) | (4,523) | (8,336) | (2,729) | (1,868) |
| 11 Tax-related adjustments | 628 | 104 | 793 | 1,650 | 3,175 | 1,203 | 865 |
| 12 Total reconciling items, net of taxes | (980) | (12) | (1,296) | (2,873) | (5,161) | (1,526) | (1,003) |
| 13 Net income (loss) | \$ (133) | \$ 729 | \$ (1,238) | \$ (2,452) | \$ (3,094) | \$ 2,327 | \$ 2,172 |

¹ Adjusted operating income is a non-GAAP measure of performance, as described in the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted operating income – Investments segment¹

| | (\$ Millions) | | | | 2007 | 2006 | 2005 | |
|----|---|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | | | | |
| 1 | Net interest income | \$ 902 | \$ 990 | \$ 909 | \$ 825 | \$ 3,626 | \$ 3,736 | \$ 4,117 |
| 2 | Non-interest income (loss) | 24 | 30 | (4) | (10) | 40 | 38 | (74) |
| 3 | Total revenues | 926 | 1,020 | 905 | 815 | 3,666 | 3,774 | 4,043 |
| | Non-interest expense: | | | | | | | |
| 4 | Administrative expenses | (128) | (133) | (125) | (129) | (515) | (495) | (466) |
| 5 | Other non-interest expense | (7) | (8) | (7) | (9) | (31) | (31) | (63) |
| 6 | Total non-interest expense | (135) | (141) | (132) | (138) | (546) | (526) | (529) |
| 7 | Adjusted operating income before income tax expense | 791 | 879 | 773 | 677 | 3,120 | 3,248 | 3,514 |
| 8 | Income tax (expense) | (277) | (308) | (270) | (237) | (1,092) | (1,137) | (1,230) |
| 9 | Adjusted operating income | \$ 514 | \$ 571 | \$ 503 | \$ 440 | \$ 2,028 | \$ 2,111 | \$ 2,284 |
| 10 | Net interest yield - FTE - Adjusted operating income | 0.50% | 0.57% | 0.53% | 0.51% | 0.51% | 0.51% | 0.60% |

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.



Adjusted operating income (loss) – Single-family Guarantee segment¹

| (\$ Millions) | | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | 2007 | 2006 | 2005 |
|---------------|---|---------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|
| 1 | Net interest income | \$ 168 | \$ 179 | \$ 181 | \$ 175 | \$ 703 | \$ 556 | \$ 349 |
| 2 | Management and guarantee income | 677 | 704 | 738 | 770 | 2,889 | 2,541 | 2,341 |
| 3 | Other non-interest income | 22 | 28 | 27 | 40 | 117 | 159 | 78 |
| 4 | Total revenues | 867 | 911 | 946 | 985 | 3,709 | 3,256 | 2,768 |
| | Non-interest expense: | | | | | | | |
| 5 | Administrative expenses | (199) | (209) | (203) | (195) | (806) | (815) | (767) |
| 6 | Provision for credit losses | (289) | (469) | (1,417) | (839) | (3,014) | (313) | (447) |
| 7 | REO operations expense | (14) | (16) | (50) | (125) | (205) | (61) | (40) |
| 8 | Other non-interest expense | (21) | (19) | (18) | (20) | (78) | (84) | (30) |
| 9 | Total non-interest expense | (523) | (713) | (1,688) | (1,179) | (4,103) | (1,273) | (1,284) |
| 10 | Adjusted operating income (loss) before income tax (expense) benefit | 344 | 198 | (742) | (194) | (394) | 1,983 | 1,484 |
| 11 | Income tax (expense) benefit | (120) | (69) | 259 | 68 | 138 | (694) | (519) |
| 12 | Adjusted operating income (loss) | \$ 224 | \$ 129 | \$ (483) | \$ (126) | \$ (256) | \$ 1,289 | \$ 965 |
| 13 | Single-family guarantee fee rate (in basis points) - Adjusted operating income | 17.9 | 17.9 | 18.1 | 18.1 | 18.0 | 18.0 | 18.6 |

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted operating income – Multifamily segment¹

| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | 2007 | 2006 | 2005 |
|---|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
| 1 Net interest income | \$ 123 | \$ 94 | \$ 88 | \$ 121 | \$ 426 | \$ 479 | \$ 417 |
| 2 Management and guarantee income | 14 | 16 | 14 | 15 | 59 | 61 | 59 |
| 3 Other non-interest income | 4 | 5 | 7 | 8 | 24 | 28 | 19 |
| 4 Total revenues | 141 | 115 | 109 | 144 | 509 | 568 | 495 |
| Non-interest expense: | | | | | | | |
| 5 Administrative expenses | (45) | (49) | (48) | (47) | (189) | (182) | (151) |
| 6 Provision for credit losses | (3) | (1) | (16) | (18) | (38) | (4) | (7) |
| 7 REO operations expense | - | - | (1) | - | (1) | 1 | - |
| 8 Low-income housing tax credit partnerships | (108) | (135) | (111) | (115) | (469) | (407) | (320) |
| 9 Other non-interest expense | (4) | (8) | (4) | (5) | (21) | (17) | (20) |
| 10 Total non-interest expense | (160) | (193) | (180) | (185) | (718) | (609) | (498) |
| 11 Adjusted operating income (loss) before income tax benefit | (19) | (78) | (71) | (41) | (209) | (41) | (3) |
| 12 Low-income housing tax credit partnerships tax benefit | 138 | 135 | 129 | 132 | 534 | 461 | 365 |
| 13 Income tax benefit | 6 | 27 | 25 | 15 | 73 | 14 | 1 |
| 14 Adjusted operating income | \$ 125 | \$ 84 | \$ 83 | \$ 106 | \$ 398 | \$ 434 | \$ 363 |

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted operating income (loss) – All Other¹

| (\$ Millions) | | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | 2007 | 2006 | 2005 |
|---------------|--|----------------|----------------|----------------|-------------|-----------------|--------------|-----------------|
| 1 | Net interest income (loss) | \$ (1) | \$ - | \$ 1 | \$ (1) | \$ (1) | \$ (3) | \$ (3) |
| 2 | Non-interest income (loss) | 3 | (1) | 5 | 4 | 11 | 15 | (7) |
| | Non-interest expense: | | | | | | | |
| 3 | Administrative expenses | (31) | (51) | (52) | (30) | (164) | (149) | (151) |
| 4 | Other non-interest expense | (9) | (8) | (17) | 30 | (4) | (42) | (436) |
| 5 | Total non-interest expense | (40) | (59) | (69) | - | (168) | (191) | (587) |
| 6 | Adjusted operating income (loss) before income tax (expense) benefit | (38) | (60) | (63) | 3 | (158) | (179) | (597) |
| 7 | Income tax (expense) benefit | 22 | 17 | 18 | (2) | 55 | 198 | 160 |
| 8 | Adjusted operating income (loss) | \$ (16) | \$ (43) | \$ (45) | \$ 1 | \$ (103) | \$ 19 | \$ (437) |

¹ All Other includes corporate-level expenses not allocated to any of the company's reportable segments. For more information, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Seriously delinquent loans purchased from pools

Loans purchased¹ (based on unpaid principal balance)

| (\$ Millions) | 4th Quarter 2007 | | | Total 4Q 2007 |
|-----------------|------------------|----------|----------|------------------|
| | Oct 2007 | Nov 2007 | Dec 2007 | |
| Loans purchased | \$ 1,203 | \$ 1,363 | \$ 4 | \$ 2,570 |

| (\$ Millions) | Full-Year 2007 | | | | Total 2007 |
|-----------------|----------------|----------|----------|----------|---------------|
| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | |
| Loans purchased | \$ 1,826 | \$ 1,822 | \$ 2,585 | \$ 2,570 | \$ 8,803 |

¹ Data represents single-family seriously delinquent loans purchased from PC pools.

Seriously delinquent loans purchased from pools

| | Average market price of loans purchased ¹ | | | |
|---|--|---------|---------|---------|
| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 |
| Average market price of loans purchased | 86% | 81% | 69% | 62% |

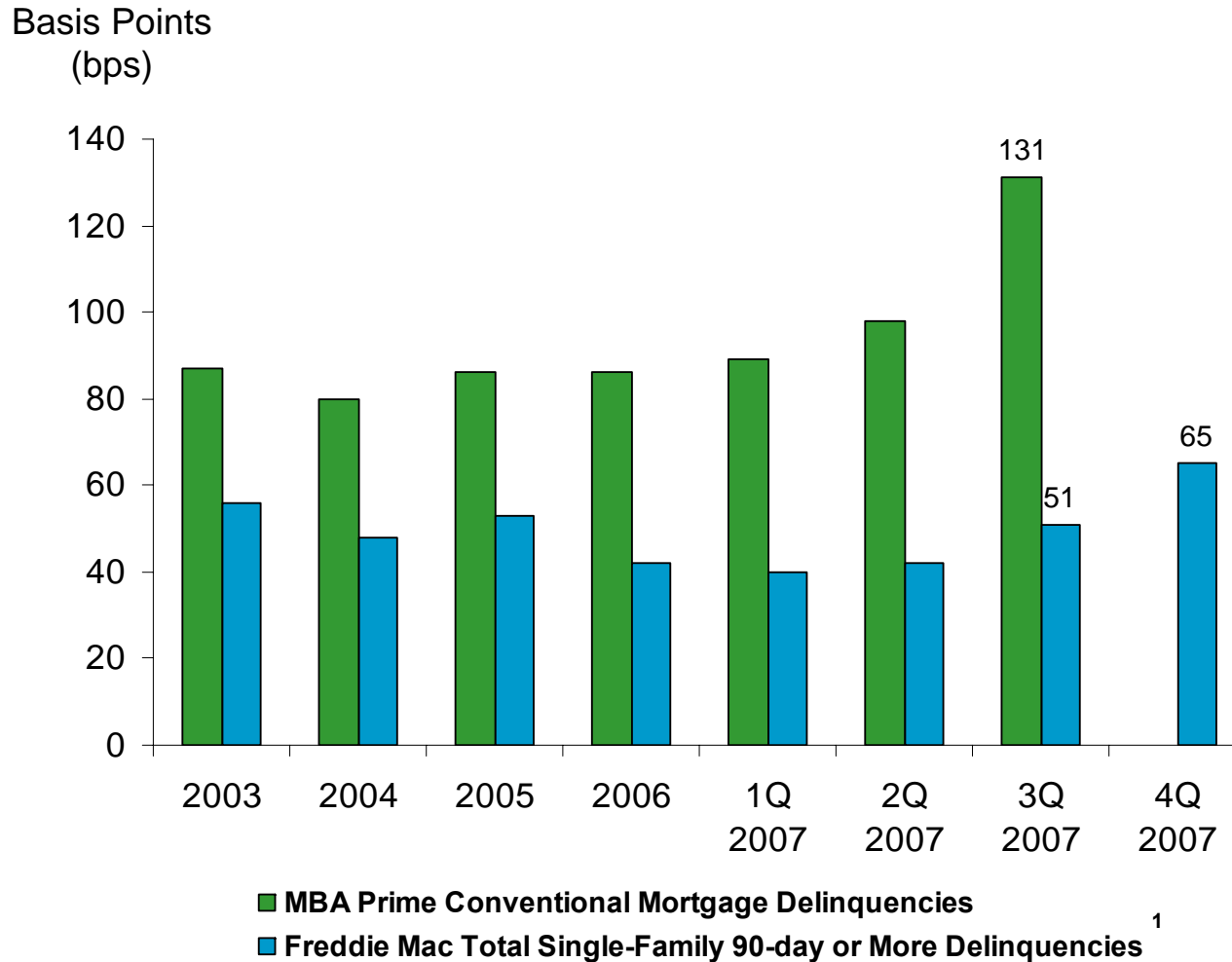
| | Status of loans purchased ¹ (based on loan count) | | | | |
|---|---|------|------|------|------|
| | Year loans purchased from PCs | | | | |
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| Cured ² | 66% | 62% | 58% | 56% | 34% |
| REO / foreclosure alternatives | 32% | 34% | 34% | 31% | 23% |
| Seriously delinquent (90-days or more delinquent) | 2% | 4% | 8% | 13% | 43% |
| Total | 100% | 100% | 100% | 100% | 100% |

¹ Data represents single-family seriously delinquent loans purchased from PC pools.

² Payoffs and less than 90-days delinquent.

Delinquencies are low relative to the industry

90-day or more delinquencies



¹ Excludes structured transactions.

Source: Mortgage Bankers Association and Freddie Mac. Annual numbers taken at end of fourth quarter.

Single-family delinquency rates by region

| (In Basis Points) | | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 |
|---|-----------------|---------|---------|---------|---------|
| Non-credit enhanced delinquency rates ¹ | | | | | |
| 1 | North Central | 31 | 33 | 39 | 48 |
| 2 | Northeast | 24 | 25 | 31 | 39 |
| 3 | Southeast | 29 | 33 | 43 | 59 |
| 4 | Southwest | 25 | 23 | 27 | 32 |
| 5 | West | 14 | 17 | 26 | 42 |
| Total single-family delinquency rate ² | | | | | |
| 6 | California | 15 | 20 | 31 | 53 |
| 7 | Florida | 35 | 47 | 75 | 121 |
| 8 | Total portfolio | 40 | 42 | 51 | 65 |

¹ Excludes structured transactions.

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

Change in fair value of net assets

| (\$ Billions) | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | Full-Year 2007 |
|--|---------|----------|----------|-----------|----------------|
| 1 Investment activities | \$ 0.7 | \$ (0.8) | \$ (6.2) | \$ (12.6) | \$ (18.9) |
| 2 <i>Impact of OAS¹</i> | (0.3) | (1.4) | (8.0) | (14.1) | (23.8) |
| 3 Guarantee activities | (1.2) | 1.8 | (6.4) | (12.7) | (18.5) |
| 4 <i>Change in value of single-family GA²</i> | 0.2 | 1.8 | 0.5 | (0.4) | 2.1 |
| 5 <i>Change in value of single-family GO and LIA portfolio, net of credit enhancements^{2,3}</i> | (2.0) | (0.6) | (7.6) | (12.0) | (22.2) |
| 6 Administrative expenses and other | (0.4) | (0.3) | (0.6) | (0.5) | (1.8) |
| 7 Taxes and returns on capital | 0.9 | - | 4.8 | 8.8 | 14.5 |
| 8 Increase (decrease) in fair value before capital transactions (Lines 1, 3, 6, 7) | - | 0.7 | (8.4) | (17.0) | (24.7) |
| 9 Preferred stock transactions, including dividends | 0.4 | 0.4 | 0.9 | 5.9 | 7.6 |
| 10 Common stock transactions, including dividends | (0.3) | (1.1) | (0.6) | (0.1) | (2.1) |
| 11 Increase (decrease) in fair value of net assets (Lines 8, 9, 10) | \$ 0.1 | \$ - | \$ (8.1) | \$ (11.2) | \$ (19.2) |
| 12 Total fair value of net assets attributable to stockholders | \$ 31.9 | \$ 31.9 | \$ 23.8 | \$ 12.6 | \$ 12.6 |

¹ Impact of OAS includes spread related gains/losses for Freddie Mac's preferred stock.

² Line 4 and line 5 include the impact of new business that is associated with Freddie Mac's single-family guarantee activities.

³ Loans in acceleration (LIA) represent non-performing loans Freddie Mac purchased from PC pools.

Safe Harbor Statements

Freddie Mac obligations

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