

FREDDIE MAC
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2007	Adjusted 2006
	(in millions, except share-related amounts)	
Assets		
<i>Retained portfolio</i>		
Mortgage loans:		
Held-for-investment, at amortized cost (net of allowance for loan losses of \$256 and \$69, respectively)	\$ 76,347	\$ 63,697
Held-for-sale, at lower-of-cost-or-market	3,685	1,908
Mortgage loans, net	<u>80,032</u>	<u>65,605</u>
Mortgage-related securities:		
Available-for-sale, at fair value (includes \$17,010 and \$20,463, respectively, pledged as collateral that may be repledged)	615,665	626,731
Trading, at fair value	14,089	7,597
Total mortgage-related securities	<u>629,754</u>	<u>634,328</u>
<i>Retained portfolio</i>	<u>709,786</u>	<u>699,933</u>
<i>Cash and investments</i>		
Cash and cash equivalents	8,574	11,359
Investments:		
Non-mortgage-related securities:		
Available-for-sale, at fair value	35,101	45,586
Securities purchased under agreements to resell and federal funds sold	6,562	23,028
<i>Cash and investments</i>	<u>50,237</u>	<u>79,973</u>
Accounts and other receivables, net	5,003	5,073
Derivative assets, net	827	665
Guarantee asset, at fair value	9,591	7,389
Real estate owned, net	1,736	743
Deferred tax asset	10,304	4,346
Other assets	6,884	6,788
<i>Total assets</i>	<u>\$ 794,368</u>	<u>\$ 804,910</u>
Liabilities and stockholders' equity		
<i>Debt securities, net</i>		
Senior debt:		
Due within one year	\$ 295,921	\$ 285,264
Due after one year	438,147	452,677
Subordinated debt, due after one year	4,489	6,400
<i>Total debt securities, net</i>	<u>738,557</u>	<u>744,341</u>
Due to Participation Certificate investors	-	11,123
Accrued interest payable	7,864	8,307
Guarantee obligation	13,712	9,482
Derivative liabilities, net	582	165
Reserve for guarantee losses on Participation Certificates	2,566	550
Other liabilities	4,187	3,512
<i>Total liabilities</i>	<u>767,468</u>	<u>777,480</u>
Commitments and contingencies		
Minority interests in consolidated subsidiaries	176	516
<i>Stockholders' equity</i>		
Preferred stock, at redemption value	14,109	6,109
Common stock, \$0.21 par value, 806,000,000 and 726,000,000 shares authorized, respectively, 725,863,886 shares issued and 646,266,701 and 661,254,178 shares outstanding, respectively	152	152
Additional paid-in capital	871	962
Retained earnings	26,909	31,372
Accumulated other comprehensive income (loss), or AOCI, net of taxes, related to:		
Available-for-sale securities	(7,040)	(3,332)
Cash flow hedge relationships	(4,059)	(5,032)
Defined benefit plans	(44)	(87)
Total AOCI, net of taxes	<u>(11,143)</u>	<u>(8,451)</u>
Treasury stock, at cost, 79,597,185 shares and 64,609,708 shares, respectively	<u>(4,174)</u>	<u>(3,230)</u>
<i>Total stockholders' equity</i>	<u>26,724</u>	<u>26,914</u>
<i>Total liabilities and stockholders' equity</i>	<u>\$ 794,368</u>	<u>\$ 804,910</u>

The Notes to Consolidated Financial Statements included in our Registration Statement on Form 10 dated July 18, 2008 are an integral part of these consolidated financial statements.