

**FREDDIE MAC**  
**CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)**

	Year Ended December 31,					
	2009		2008		2007	
	Shares	Amount	Shares	Amount	Shares	Amount
	(in millions)					
<i>Senior preferred stock, at redemption value</i>						
Balance, beginning of year	1	\$ 14,800	-	\$ -	-	\$ -
Senior preferred stock issuance	-	-	1	1,000	-	-
Increase in liquidation preference	-	36,900	-	13,800	-	-
<i>Senior preferred stock, end of year</i>	<u>1</u>	<u>51,700</u>	<u>1</u>	<u>14,800</u>	<u>-</u>	<u>-</u>
<i>Preferred stock, at redemption value</i>						
Balance, beginning of year	464	14,109	464	14,109	132	6,109
Preferred stock issuances	-	-	-	-	344	8,600
Preferred stock redemptions	-	-	-	-	(12)	(600)
<i>Preferred stock, end of year</i>	<u>464</u>	<u>14,109</u>	<u>464</u>	<u>14,109</u>	<u>464</u>	<u>14,109</u>
<i>Common stock, par value</i>						
Balance, beginning of year	726	-	726	152	726	152
Adjustment to par value	-	-	-	(152)	-	-
<i>Common stock, end of year</i>	<u>726</u>	<u>-</u>	<u>726</u>	<u>-</u>	<u>726</u>	<u>152</u>
<i>Additional paid-in capital</i>						
Balance, beginning of year		19		871		962
Stock-based compensation		58		74		81
Income tax benefit from stock-based compensation		7		(16)		-
Preferred stock issuance costs		-		-		(116)
Common stock issuances		(90)		(66)		(42)
Real Estate Investment Trust preferred stock repurchase		-		4		(14)
Adjustment to common stock par value		-		152		-
Common stock warrant issuance		-		2,304		-
Commitment from the U.S. Department of the Treasury		-		(3,304)		-
Transfer from retained earnings (accumulated deficit)		63		-		-
<i>Additional paid-in capital, end of year</i>		<u>57</u>		<u>19</u>		<u>871</u>
<i>Retained earnings (accumulated deficit)</i>						
Balance, beginning of year		(23,191)		26,909		31,372
Cumulative effect of change in accounting principle, net of taxes		-		1,023		181
Balance, beginning of year, as adjusted		(23,191)		27,932		31,553
Cumulative effect of change in accounting principle, net of taxes		14,996		-		-
Net loss attributable to Freddie Mac		(21,553)		(50,119)		(3,094)
Senior preferred stock dividends declared		(4,105)		(172)		-
Preferred stock dividends declared		-		(503)		(398)
Common stock dividends declared		-		(323)		(1,140)
Dividends equivalent payments on expired stock options		(5)		(6)		(12)
Transfer to additional paid-in capital		(63)		-		-
<i>Retained earnings (accumulated deficit), end of year</i>		<u>(33,921)</u>		<u>(23,191)</u>		<u>26,909</u>
<i>AOI, net of taxes</i>						
Balance, beginning of year		(32,357)		(11,143)		(8,451)
Cumulative effect of change in accounting principle, net of taxes		-		(850)		-
Balance, beginning of year, as adjusted		(32,357)		(11,993)		(8,451)
Cumulative effect of change in accounting principle, net of taxes		(9,931)		-		-
Changes in unrealized gains (losses) related to available-for-sale securities, net of reclassification adjustments		17,825		(20,616)		(3,708)
Changes in unrealized gains (losses) related to cash flow hedge relationships, net of reclassification adjustments		773		377		973
Changes in defined benefit plans		42		(125)		43
<i>AOI, net of taxes, end of year</i>		<u>(23,648)</u>		<u>(32,357)</u>		<u>(11,143)</u>
<i>Treasury stock, at cost</i>						
Balance, beginning of year	79	(4,111)	80	(4,174)	65	(3,230)
Common stock issuances	(2)	92	(1)	63	(1)	56
Common stock repurchases	-	-	-	-	16	(1,000)
<i>Treasury stock, end of year</i>	<u>77</u>	<u>(4,019)</u>	<u>79</u>	<u>(4,111)</u>	<u>80</u>	<u>(4,174)</u>
<i>Noncontrolling interest</i>						
Balance, beginning of year		97		181		516
Net income (loss) attributable to noncontrolling interest		(1)		3		(8)
Real Estate Investment Trust preferred stock repurchase		-		(82)		(302)
Dividends and other		(2)		(5)		(25)
<i>Noncontrolling interest, end of year</i>		<u>94</u>		<u>97</u>		<u>181</u>
<i>Total equity (deficit)</i>		<u>\$ 4,372</u>		<u>\$ (30,634)</u>		<u>\$ 26,905</u>
<i>Comprehensive income (loss)</i>						
Net loss		\$ (21,554)		\$ (50,116)		\$ (3,102)
Changes in other comprehensive income, net of taxes, net of reclassification adjustments		18,640		(20,364)		(2,692)
Comprehensive income (loss)		(2,914)		(70,480)		(5,794)
Less: Comprehensive (income) loss attributable to noncontrolling interest		1		(3)		8
<i>Total comprehensive income (loss) attributable to Freddie Mac</i>		<u>\$ (2,913)</u>		<u>\$ (70,483)</u>		<u>\$ (5,786)</u>

The Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K dated February 24, 2010 are an integral part of these consolidated financial statements.