

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ending March 31, 2009 decreased 14.1% to \$235,409 from \$268,687 a year earlier. This was due to a decrease in mortgage interest income in keeping with a drop in the Prime rate of interest from 5.25% to 2.50%.

Net income for the three months decreased 3.2% to \$181,352 or \$.0225 per share compared with \$187,241 or \$.25 per share for the same period in 2008. The lower net income was consistent with the decrease in gross revenues.

The Lower Mainland real estate market appears to have stabilized in certain "pockets". For example, the first time buyers starter homes have been experiencing active sales. Also, the west side of Vancouver has seen sales at prices greater than the list price. This activity is the result of a combination of affordability due to a decline in values of 15% +/- and historic low interest rates.

The Company continues to maintain a cautious and conservative outlook for the balance of 2009 with the maximum loan to value ratio on all loans of 65% unless additional real estate security is provided. This policy will remain until there is evidence values have stabilized.

The Company's Offering Memorandum for the issuance of up to \$5.0 million of Redeemable Preferred shares remains open for sale to investors.

FINANCIAL HIGHLIGHTS

Source: globefund.com

As of March 31, 2009						
Fund name	5 Star Rating	1yr %	3yr %	5yr %	10yr %	15yr %
Mandate	*****	9.97	9.77	9.07	8.10	8.02

- Annualized return on common shareholders' equity for the three (3) months ending March 31, 2009 was **9.73%** while return on preferred shareholders' equity was **9.0%**. This compares favourably to the average one year return of bond funds of 1.20%, G.I.C.'s of up to 2.0%, Canada Savings Bonds @ 1.40% or 90 day term deposits up to 1.25%.
- Mortgage assets increased 8.0% to \$7,239,984 compared with the same period in 2008. The weighted average interest rate on the portfolio is 11.25%.
- Provisions for losses was \$131,917 or 1.6% of the total assets as at March 31st compared to \$128,207 or 1.9% in 2008.

M A N D A T E
National Mortgage Corporation

FIRST QUARTER REPORT

MARCH 31, 2009

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CORPORATE PROFILE

Mandate National Mortgage Corporation is a Federally incorporated company which carries on business in British Columbia as a mortgage investment corporation for the purposes of the Income Tax Act (Canada). The Company has been carrying on business as a mortgage investment corporation, either itself or through its predecessor, Mandate Mortgage Investment Corporation since 1982.

The Company's business is to obtain a stable source of income by investing in a diverse portfolio of mortgages. The Company's primary source of income is derived from investments in residential and commercial mortgages, both fixed and floating rates. Such properties include single family dwellings, duplexes, townhouses, condominium units and apartment buildings. Mortgages cannot exceed 75% of the appraised value of the property. In the interest of prudent lending, management restricts its lending on condominium units to 65% of appraised value and generally restricts its lending to Greater Vancouver, Vancouver Island and the Okanagan Valley.

The Company qualifies as a mortgage investment corporation for the purposes of the Income Tax Act (Canada) and, consequently, subject to certain limitations set out in that Act, is entitled to employ leverage by issuing debt obligations up to a maximum of five times the cost amount of its assets in excess of its liabilities. As a mortgage investment corporation, the Company is entitled to deduct from income all dividends paid. The Company distributes its income by way of dividends on a quarterly basis and all of its net income and net realized capital gains annually. Consequently, it does not expect to incur any material liability for income tax.

AUDITOR

MacKay LLP, Chartered Accountants