

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ending September 30, 2008 increased 7.1% to \$243,681.00 from \$227,499.00 a year earlier. This was due to an increase in mortgage interest and fee income. Syndication fees remained the same.

Net income for the three months increased 4.4% to \$191,878.00 or \$.25 per share compared with \$183,761.00 or \$.24 per share for the same period in 2007. The higher net income was the result of the termination of The Investment Administration Solution Inc. as Trustee. As previously advised, the Company has re-engaged CIBC Mellon Trust as its Trustee and Transfer Agent.

Downward pressure on home prices is expected to ease by the second quarter of 2009, as an increase in affordability and consumer confidence induces a modest growth in sales. The inventory of homes for sale is also expected to decline in the coming months as potential home sellers delay putting their homes on the market until conditions improve.

Real estate prices in the Lower Mainland have declined approximately 10% for the year to date. A further decline of 10% may be forthcoming. With careful consideration to the unstable market, the Company has adjusted downward the loan to value ratios on all new mortgage fundings.

FINANCIAL HIGHLIGHTS

Source: globefund.com

As at September 30, 2008							
Fund name	5 Star Rating	1 yr %	3 yr %	5 yr %	10yr %	15yr %	Incep.
Mandate	*****	10.41	9.66	8.82	7.99	7.94	10.31

- Annualized return on common shareholders' equity for the three (3) months ending September 30, 2008 was **11.31%** while return on preferred shareholders' equity was **10.44%**. This compares favourably to the highest one year return of bond and mortgage funds of 4.10%, G.I.C.'s of up to 4.0%, one year Canada Savings Bonds @ 2.35% or 90 day term deposits up to 3.25%.
- Provision for losses totaled \$127,548.00 or 2.0% of the assets at September 30th compared to \$103,323.00 in 2007. The allowance is consistent in keeping with established policies.

MANDATE
National Mortgage Corporation

THIRD QUARTER REPORT

SEPTEMBER 30, 2008

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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