

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Net income for the three months ended December 31, 2009 decreased 1.12% to \$185,112 or \$.217 per share compared with \$187,191 or \$.23 per share for the same period in 2008. Revenue for the three months increased 11.2% to \$260,532 from \$234,021 a year earlier.

Net income for the year decreased 5.23% to \$714,761 from \$754,204. Year over year revenue decreased 5.66% to \$912,877. At year end, the mortgage portfolio consisted primarily of residential first mortgages.

Revenue decreased for the year due to a decrease in fee income generated from mortgage syndications. Net income decreased proportionally in keeping with the decrease in Revenue. Operating expenses were 21.7% of the gross revenue compared to 22.0% in 2008. Total assets increased in 2009 due to the purchases of Preferred shares.

The outlook for the 2010 real estate market is for continued strength in values and housing starts. Accordingly, demand for mortgage funds is expected to remain active at least for the first half of the year.

FINANCIAL HIGHLIGHTS

Source: globefund.com

As at December 31, 2009							
Fund name	5 Star Rating	1 yr %	3 yr %	5 yr %	10yr %	15yr %	Incep.
Mandate	*****	8.91	9.66	9.23	8.22	8.03	10.25

- Annualized return on common shareholders' equity for the three (3) months ending December 31, 2009 was **9.37%** while return on preferred shareholders' equity was **8.68%**. Annual return based on four quarters was an EPS (Earnings Per Share) of \$.87.
- The weighted average interest rate on the portfolio was 11.72% at year end compared to 11.30% a year earlier.
- Loan loss provisions at year end were \$125,548 compared to \$128,698 a year earlier. The Company's policy is to provide an allowance of up to 1.0% of the total mortgage assets on a risk weighted basis.

MANDATE
National Mortgage Corporation

FOURTH QUARTER REPORT

DECEMBER 31, 2009

HEAD OFFICE

#505-1195 WEST BROADWAY
VANCOUVER, B. C.
V6H 3X5

TELEPHONE: (604) 731-2899

FAX: (604) 734-5546

E-mail: mandatenational@telus.net

www.mandatemortgage.com