

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ended September 30, 2009 decreased 21.6% to \$200,258.00 from \$243,681.00 a year earlier. The lower revenue was the result of a decrease in interest income from the non accrual of three (3) loans in foreclosure. Once these loans are paid current or paid out the interest income will be reversed and brought into income for the quarter received. In addition, "Other Income" was lower due to a decline in syndication fees. This type of activity is expected to turn around for the fourth quarter.

Net income for the three months decreased 18.9% to \$161,377.00 or \$.195 per share compared with \$191,878. or \$.25 per share for the same period in 2008. The lower net income was consistent with a decrease in revenues. Expenses were lower for the quarter due to the Manager waiving their fee in order to preserve the yield to shareholders.

The prevailing low interest rates continue to generate a high level of real estate sales thereby increasing market values. Accordingly, the Company has seen an increase in quality loan applications. While there is reason to remain cautious of another "bubble" in values, the Company continues to adopt conservative lending policies focusing primarily on residential first mortgages.

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 at September 30, 2009							
Fund name	5 Star Rating	1 yr %	3 yr %	5 yr %	10yr %	15yr %	Incep.
Mandate	*****	9.10	9.71	9.17	8.14	8.04	10.27

- Annualized return on common shareholders' equity for the three (3) months ending September 30, 2009 was **8.44%** while return on preferred shareholders' equity was **7.81%**. This compares favourably to the highest one year return of bond and mortgage funds of 6.0%, G.I.C.'s of up to 2.0%, one year Canada Savings Bonds @ 2.3%, or 90 day term deposits up to .75%
- Provisions for losses totaled \$134,929 or 2.3% of the mortgage assets at September 30th compared to \$127,548 or 2.0% in 2008. The allowance is consistent in keeping with established policies.

MANDATE
National Mortgage Corporation

THIRD QUARTER REPORT

SEPTEMBER 30, 2009

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