

FIRST NATIONAL

FINANCIAL INCOME FUND



For Immediate Release

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FIRST NATIONAL ANNOUNCES FILING OF SHORT FORM PROSPECTUS FOR DEBT OFFERING

TORONTO, April 22 /CNW/ – First National Financial Income Fund ("First National" or "the Fund") (TSX: FN.UN) today announced that it has filed a preliminary short form prospectus with the securities regulators in all of the provinces and territories of Canada in connection with a best-efforts marketed offering of senior secured debentures, guaranteed, jointly and severally, on a secured basis by certain affiliates of the Fund, including First National Financial LP (the "Debentures"). The syndicate of agents is being led by RBC Capital Markets and TD Securities Inc. The Debentures will be direct senior secured obligations of the Fund and will rank equally and rateably, including with respect to security interests, with the indebtedness outstanding from time to time under the current credit agreement among First National Financial LP, as borrower, affiliates of the Fund, as guarantors, affiliates of the agents, as lenders, and other certain parties, as more fully described in the preliminary short form prospectus.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any province or territory of Canada prior to the time a receipt for the final prospectus or other authorization is obtained from the securities regulatory authority in such province or territory.

The preliminary short form prospectus is available on SEDAR at www.sedar.com

These Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any securities laws of any state, territory or possession of the United States ("state securities laws"), and may only be offered or sold, directly or indirectly, within the United States pursuant to the registration requirements of the 1933 Act and applicable state securities laws or an exemption therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America, its territories or possessions.

About First National Financial Income Fund

First National Financial Income Fund (TSX: FN.UN) owns a 21% interest in First National Financial LP, a Canadian-based originator, underwriter and servicer of predominantly prime residential (single family and multi-unit) and commercial mortgages. With nearly \$48 billion in mortgages under administration, First National is Canada's largest non-bank originator and underwriter of mortgages and is among the top three in market share in the growing mortgage broker distribution channel. For more information, please visit www.firstnational.ca.

Forward-Looking Information

Certain information included in this news release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. This forward-looking information should not be read as providing guarantees of future performance or results, and will not necessarily be an accurate indication of whether or not, or the times by which, those results will be achieved. This forward-looking information is as of the date of this release, and is subject to change after such date. However, management and the Fund disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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