

FIRST NATIONAL

FINANCIAL INCOME FUND



Annual General Meeting

2009

Stephen Smith

Chairman & President

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Agenda

PERFORMANCE OVERVIEW
2008 & Q1 2009

Stephen Smith
Chairman & President

FINANCIAL REVIEW

Rob Inglis
Chief Financial Officer

OUTLOOK &
GROWTH STRATEGY

Stephen Smith
Chairman & President

Q&A

Stephen Smith
Chairman & President

Forward-Looking Information

Certain information in this presentation may contain “forward looking” information that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. This presentation should be viewed in conjunction with the latest Management’s Discussion and Analysis and other regulatory filings, copies of which can be obtained electronically at SEDAR.

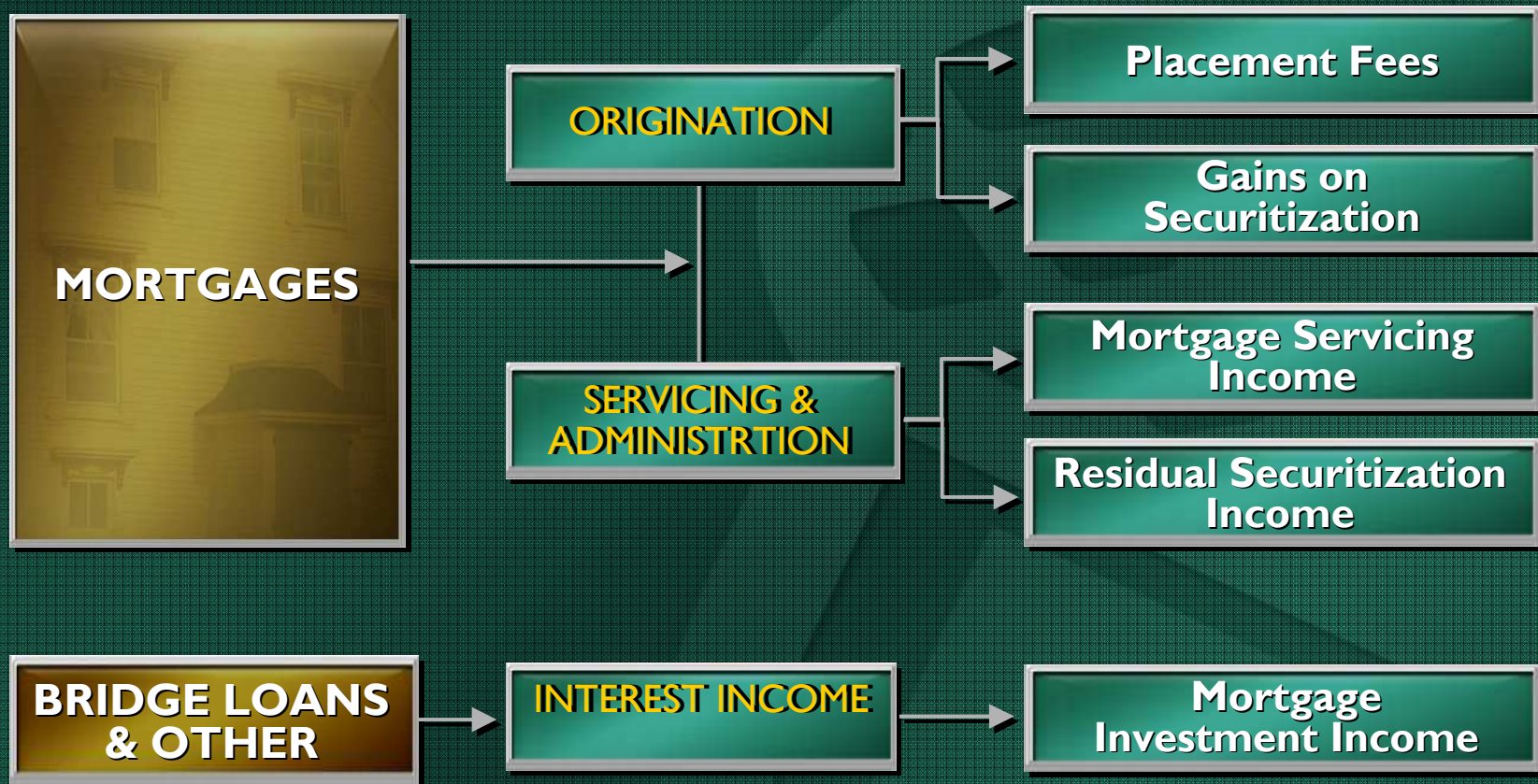
www.firstnational.ca

Our Business Model



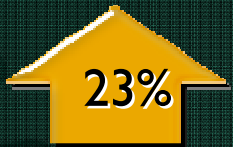
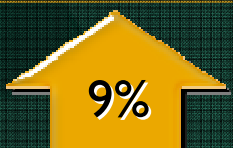
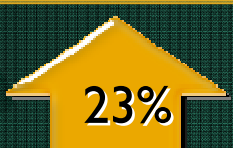
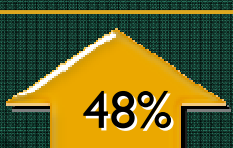
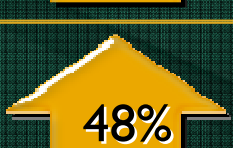
Diversified Origination and Funding Sources

Revenue Model




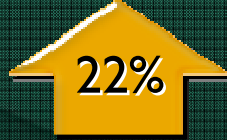
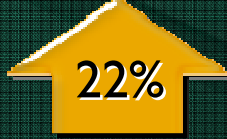


Stable, Consistent & Predictable Revenue Streams

2008 Financial Performance

Mortgages Under Administration	\$40.6 B	 23%
Originations	\$11.9 B	 9%
Revenue	\$294 M	 23%
Net Income	\$108 M	 48%
Adjusted EBITDA	\$110 M	 48%

Q1 2009 Financial Performance

Mortgages Under Administration	\$41.6 B	 20%
Originations	\$2.0 B	 13%
Revenue	\$65.7 M	 1%
Net Income	\$32.5 M	 22%
Adjusted EBITDA	\$32.9 M	 22%

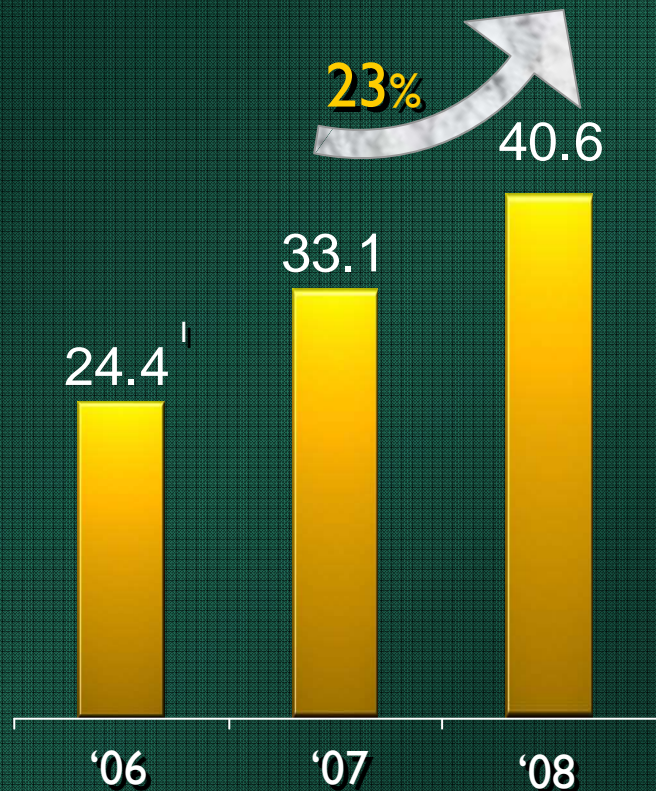
Rob Inglis

Chief Financial Officer

2008 Financial Results

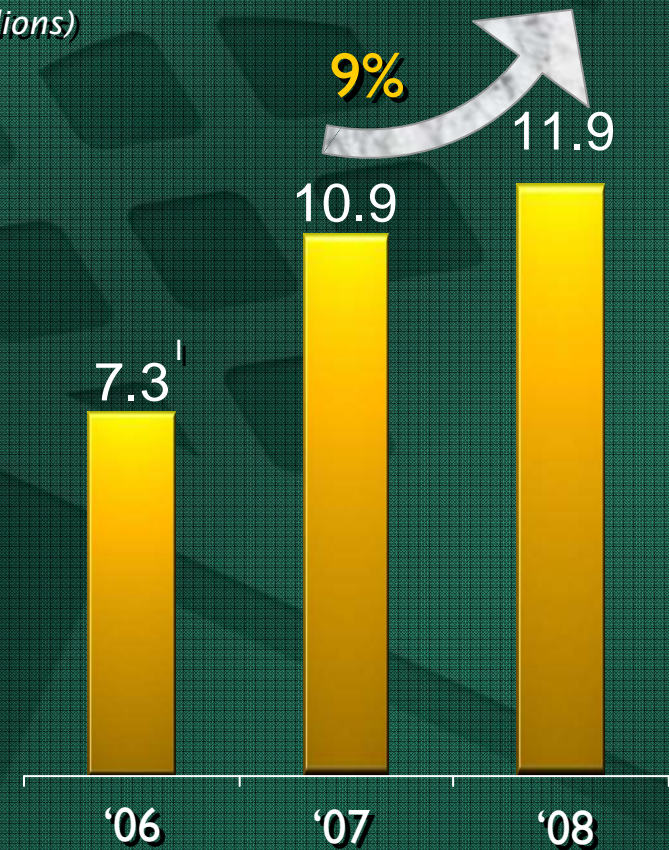
MORTGAGES UNDER ADMINISTRATION

(\$ billions)



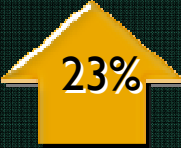

MORTGAGE ORIGINATIONS

(\$ billions)



¹ 2006 figures reflect the operations of First National Financial Corporation from January 1, 2006 to June 14, 2006 combined with the operations of First National Financial LP from June 15, 2006 to December 31, 2006.

2008 Financial Results

	2007	2008	
Revenue	\$239 M	\$294 M	 23%
Net Income	\$73 M	\$108 M	 48%
Adjusted EBITDA	\$74 M	\$110 M	 48%

Performance Drivers



Growing Market Share
in **Single-family Residential**
Mortgage Broker Channel



Higher Margins on
Core Product




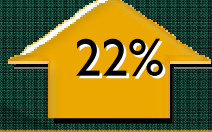
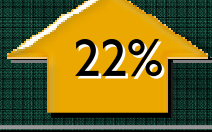
Strong & Resilient Business Model

Distributions

	PER UNIT	AMOUNT
DISTRBUTIONS PAID	(\$)	(\$ 000s)
January 31, 2008	\$ 0.10417	\$ 1,229
February 28, 2008	0.10417	1,229
March 31, 2008	0.10417	1,229
April 30, 2008	0.10417	1,229
May 31, 2008	0.10417	1,272
June 30, 2008	0.10417	1,316
July 31, 2008	0.10417	1,318
August 31, 2008	0.10417	1,427
September 30, 2008	0.11250	1,427
October 31, 2008	0.11250	1,427
November 30, 2008	0.11250	1,427
December 31, 2008	0.18250	2,314
TOTAL	\$ 1.35336	\$ 16,844

- ▶ Declared special year end distribution of \$0.07 per unit
- ▶ Payout ratio almost 100%

Q1 2009 Financial Performance

	Q1 2008	Q1 2009	
Mortgages Under Administration	\$34.6 B	\$41.6 B	 20%
Originations	\$2.3 B	\$2.0 B	 13%
Revenue	\$66.3 M	\$65.7 M	 1%
Net Income	\$26.5 M	\$32.5 M	 22%
Adjusted EBITDA	\$26.9 M	\$32.9 M	 22%

Overall Financial Position

- ▶ Top and bottom line growth in 2008
- ▶ Sustained growth in Q1 2009 amid challenging market conditions
- ▶ Strong results from executed strategy

Stephen Smith

Chairman & President

- ▶ Widened mortgage spreads allow for expanded margins
- ▶ Leadership position within the mortgage broker distribution channel
- ▶ Origination opportunities as competitors exit market

2009 Outlook for First National

- ▶ Declines in mortgage originations in residential and commercial markets
- ▶ Continuing growth in mortgages under administration
- ▶ High levels of income and cash flow from mortgage servicing

Strong Business Model

+

Consistent Record of Execution

**Well-Positioned to Capitalize
in Today's Economic Environment**

Key Priorities

1

Reducing
Funding
Costs

2

Increasing
Mortgages Under
Administration

3

Maintaining
Commitment
to Service
Excellence

4

Continuous
Cost
Reductions

Thank You



Q & A

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