

FIRST AMERICAN FINANCIAL

Investor Discussions

Spring 2022

Leadership
Integrity
Commitment
Teamwork
Service



First American

Safe Harbor Statement

CERTAIN STATEMENTS MADE IN THIS PRESENTATION AND ANY RELATED MANAGEMENT COMMENTARY CONTAIN, AND RESPONSES TO INVESTOR QUESTIONS MAY CONTAIN, FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE FACT THAT THEY DO NOT RELATE STRICTLY TO HISTORICAL OR CURRENT FACTS AND MAY CONTAIN THE WORDS “BELIEVE,” “ANTICIPATE,” “EXPECT,” “INTEND,” “PLAN,” “PREDICT,” “ESTIMATE,” “PROJECT,” “WILL BE,” “WILL CONTINUE,” “WILL LIKELY RESULT,” OR OTHER SIMILAR WORDS AND PHRASES OR FUTURE OR CONDITIONAL VERBS SUCH AS “WILL,” “MAY,” “MIGHT,” “SHOULD,” “WOULD,” OR “COULD.” THESE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION, STATEMENTS REGARDING FUTURE OPERATIONS, PERFORMANCE, FINANCIAL CONDITION, PROSPECTS, PLANS AND STRATEGIES. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND ASSUMPTIONS THAT MAY PROVE TO BE INCORRECT. RISKS AND UNCERTAINTIES EXIST THAT MAY CAUSE RESULTS TO DIFFER MATERIALLY FROM THOSE SET FORTH IN THESE FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE THE ANTICIPATED RESULTS TO DIFFER FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: INTEREST RATE FLUCTUATIONS; CHANGES IN CONDITIONS OF THE REAL ESTATE MARKETS; VOLATILITY IN THE CAPITAL MARKETS; UNFAVORABLE ECONOMIC CONDITIONS; IMPAIRMENTS IN THE GOODWILL OR OTHER INTANGIBLE ASSETS OF FIRST AMERICAN FINANCIAL CORPORATION (THE “COMPANY”); FAILURES AT FINANCIAL INSTITUTIONS WHERE THE COMPANY DEPOSITS FUNDS; REGULATORY OVERSIGHT AND CHANGES IN APPLICABLE LAWS AND GOVERNMENT REGULATIONS, INCLUDING DATA PRIVACY AND DATA PROTECTION LAWS; HEIGHTENED SCRUTINY BY LEGISLATORS AND REGULATORS OF THE COMPANY’S TITLE INSURANCE AND SERVICES SEGMENT AND CERTAIN OTHER OF THE COMPANY’S BUSINESSES; REGULATION OF TITLE INSURANCE RATES; LIMITATIONS ON ACCESS TO PUBLIC RECORDS AND OTHER DATA; CLIMATE CHANGE, HEALTH CRISES, SEVERE WEATHER CONDITIONS AND OTHER CATASTROPHE EVENTS; CHANGES IN RELATIONSHIPS WITH LARGE MORTGAGE LENDERS AND GOVERNMENT-SPONSORED ENTERPRISES; CHANGES IN MEASURES OF THE STRENGTH OF THE COMPANY’S TITLE INSURANCE UNDERWRITERS, INCLUDING RATINGS AND STATUTORY CAPITAL AND SURPLUS; LOSSES IN THE COMPANY’S INVESTMENT PORTFOLIO OR VENTURE CAPITAL PORTFOLIO; MATERIAL VARIANCE BETWEEN ACTUAL AND EXPECTED CLAIMS EXPERIENCE; DEFALCATIONS, INCREASED CLAIMS OR OTHER COSTS AND EXPENSES ATTRIBUTABLE TO THE COMPANY’S USE OF TITLE AGENTS; ANY INADEQUACY IN THE COMPANY’S RISK MANAGEMENT FRAMEWORK OR USE OF MODELS; SYSTEMS DAMAGE, FAILURES, INTERRUPTIONS, CYBERATTACKS AND INTRUSIONS OR UNAUTHORIZED DATA DISCLOSURES; INNOVATION EFFORTS OF THE COMPANY AND OTHER INDUSTRY PARTICIPANTS AND ANY RELATED MARKET DISRUPTION; ERRORS AND FRAUD INVOLVING THE TRANSFER OF FUNDS; FAILURES TO RECRUIT AND RETAIN QUALIFIED PERSONNEL; THE COMPANY’S USE OF A GLOBAL WORKFORCE; INABILITY OF THE COMPANY’S SUBSIDIARIES TO PAY DIVIDENDS OR REPAY FUNDS; AND OTHER FACTORS DESCRIBED IN THE COMPANY’S QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2022 AND THE COMPANY’S SUBSEQUENT QUARTERLY REPORTS, EACH AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE TO UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT CIRCUMSTANCES OR EVENTS THAT OCCUR AFTER THE DATE THE FORWARD-LOOKING STATEMENTS ARE MADE.



Use of non-GAAP Financial Measures

THIS PRESENTATION AND RELATED MANAGEMENT COMMENTARY CONTAIN CERTAIN FINANCIAL MEASURES THAT ARE NOT PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), INCLUDING AN ADJUSTED DEBT TO CAPITALIZATION RATIO, PERSONNEL AND OTHER OPERATING EXPENSE RATIOS; SUCCESS RATIOS; NET OPERATING REVENUES; AND ADJUSTED REVENUES, ADJUSTED NET INVESTMENT INCOME, ADJUSTED PRETAX INCOME, ADJUSTED EARNINGS PER SHARE, AND ADJUSTED PRETAX MARGINS FOR THE COMPANY, ITS TITLE INSURANCE AND SERVICES SEGMENT AND ITS SPECIALTY INSURANCE SEGMENT. ADJUSTED INVESTMENT INCOME EXCLUDES AFFILIATED INVESTMENTS AND IS PRESENTED BECAUSE IT PROVIDES THE COMPANY'S MANAGEMENT AND INVESTORS WITH A BETTER UNDERSTANDING OF THE IMPACT OF INTEREST RATES ON THE COMPANY'S INVESTMENT INCOME OVER TIME. THE COMPANY IS PRESENTING THESE OTHER NON-GAAP FINANCIAL MEASURES BECAUSE THEY PROVIDE THE COMPANY'S MANAGEMENT AND INVESTORS WITH ADDITIONAL INSIGHT INTO THE FINANCIAL LEVERAGE, OPERATIONAL EFFICIENCY AND PERFORMANCE OF THE COMPANY RELATIVE TO EARLIER PERIODS AND RELATIVE TO THE COMPANY'S COMPETITORS. THE COMPANY DOES NOT INTEND FOR THESE NON-GAAP FINANCIAL MEASURES TO BE A SUBSTITUTE FOR ANY GAAP FINANCIAL INFORMATION. IN THIS PRESENTATION OR IN THE COMPANY'S FORM 8-K FILED ON APRIL 28, 2022 WITH THE SECURITIES AND EXCHANGE COMMISSION, THESE NON-GAAP FINANCIAL MEASURES HAVE BEEN PRESENTED WITH, AND RECONCILED TO, THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES. INVESTORS SHOULD USE THESE NON-GAAP FINANCIAL MEASURES ONLY IN CONJUNCTION WITH THE COMPARABLE GAAP FINANCIAL MEASURES. BECAUSE NOT ALL COMPANIES USE IDENTICAL CALCULATIONS, THE PRESENTATION OF THESE NON-GAAP MEASURES MAY NOT BE COMPARABLE TO OTHER SIMILARLY TITLED MEASURES OF OTHER COMPANIES.

22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL



First American

AGENDA

.....> Strong Track Record of Results

Market Conditions in Transition

Consistent Strategy and Capital Management Priorities



Leader in the Title and Settlement Services Industry

\$9.2B Total Revenue

22,200 Employees

90% of Revenue, Title Segment

23.1% Title Market Share

770 Offices

6% of Revenue, Specialty Insurance Segment

\$16.5B Total Assets

9 Countries

4% of Revenue, Corporate Segment including Venture Portfolio

Trusted National Brand

Largest Title Plant and Property Record Database

Fortune 100 Best Companies to Work For®
7 Years in a Row (2016 – 2022)

Note: Revenue and market share data for 2021. All other data as of December 31, 2021.

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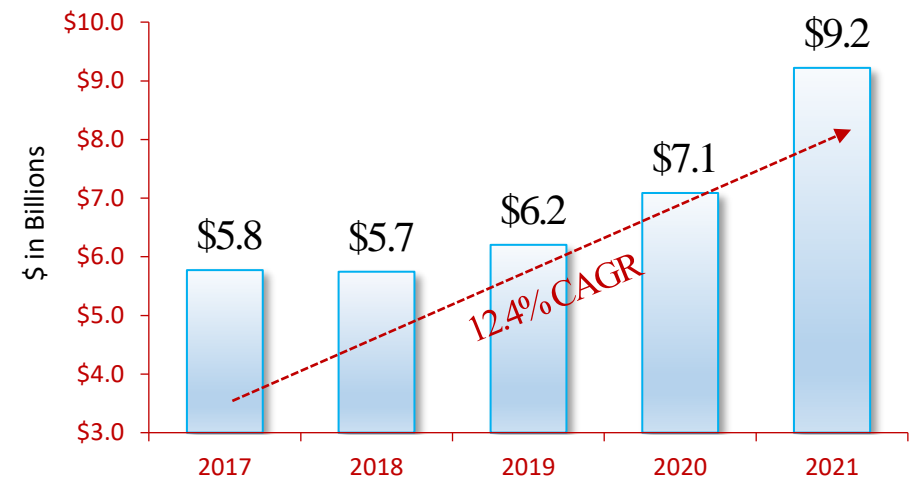
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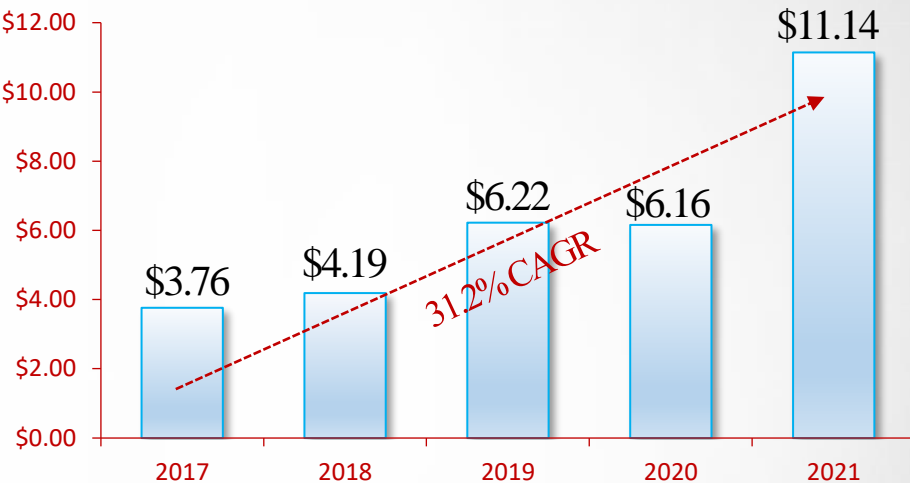
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Past 5 Years: Achieved Strong Financial Results

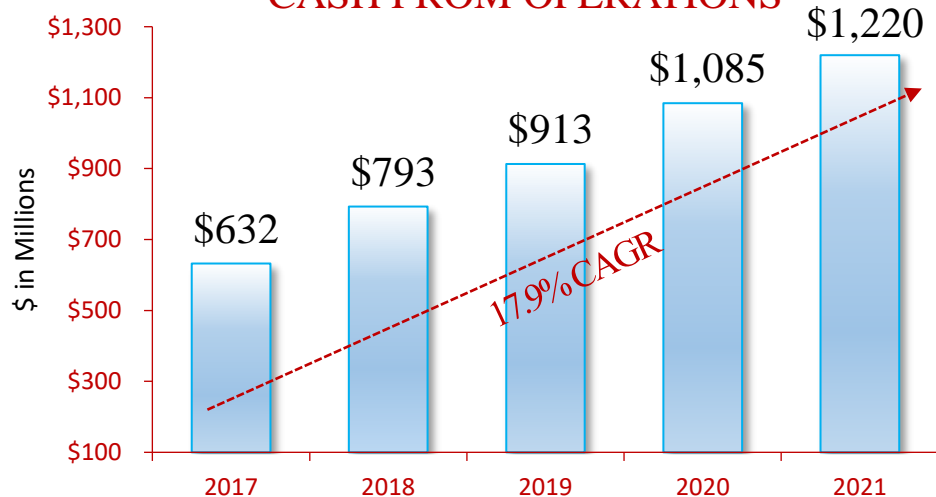
TOTAL REVENUE



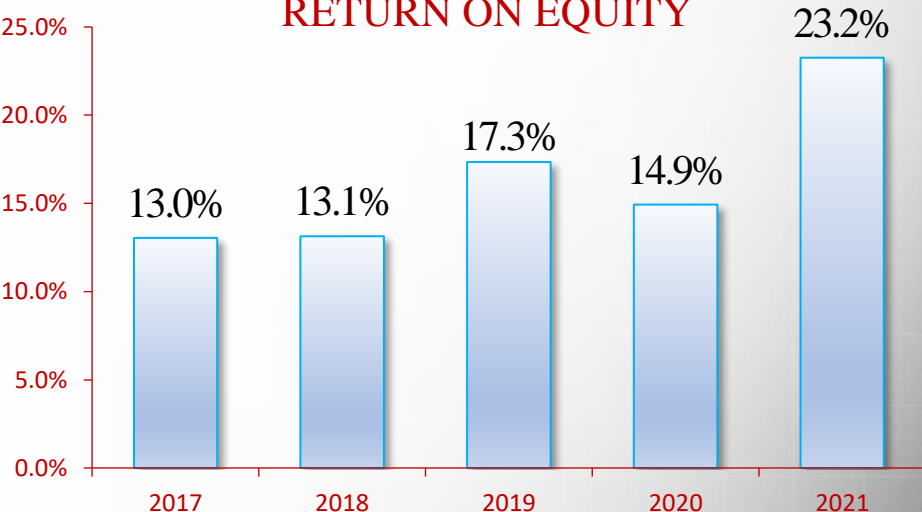
EARNINGS PER SHARE



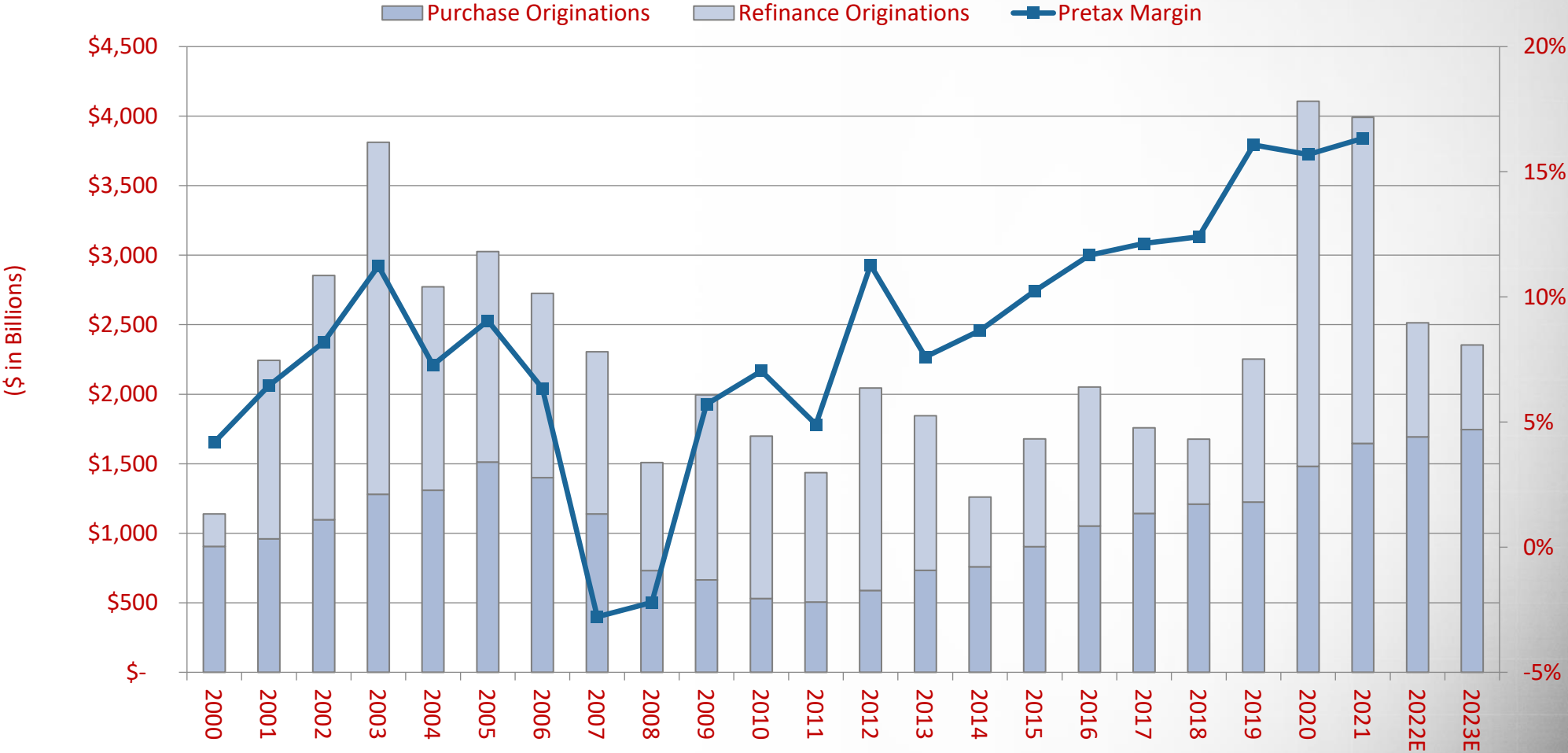
CASH FROM OPERATIONS



RETURN ON EQUITY



Historical Title Insurance Margin



Source: May 2022 MBA Mortgage Finance Forecast

AGENDA

Strong Track Record of Results

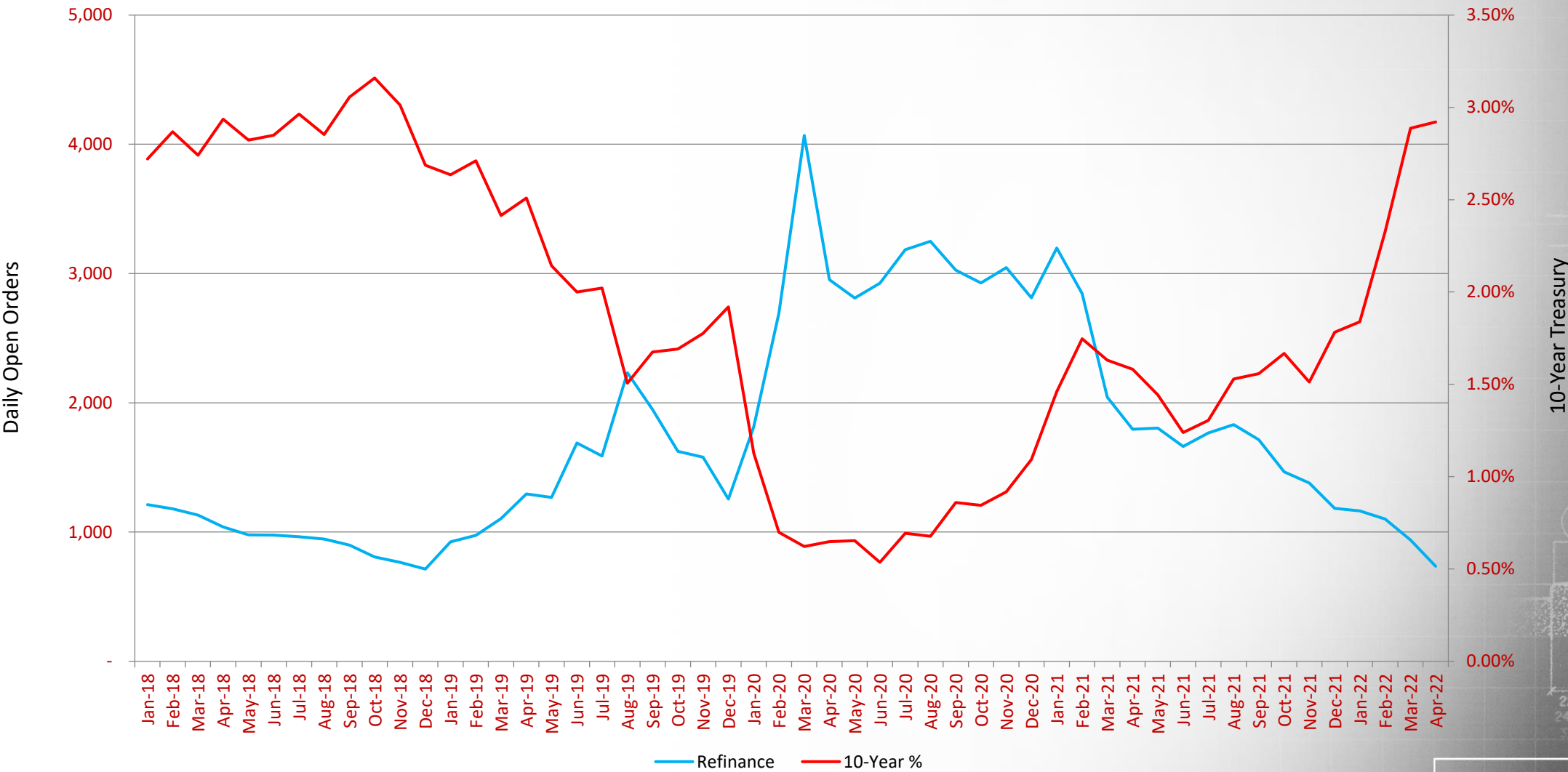


Market Conditions in Transition

Consistent Strategy and Capital Management Priorities



Rising Mortgage Rates Bring an End to Refinance Boom

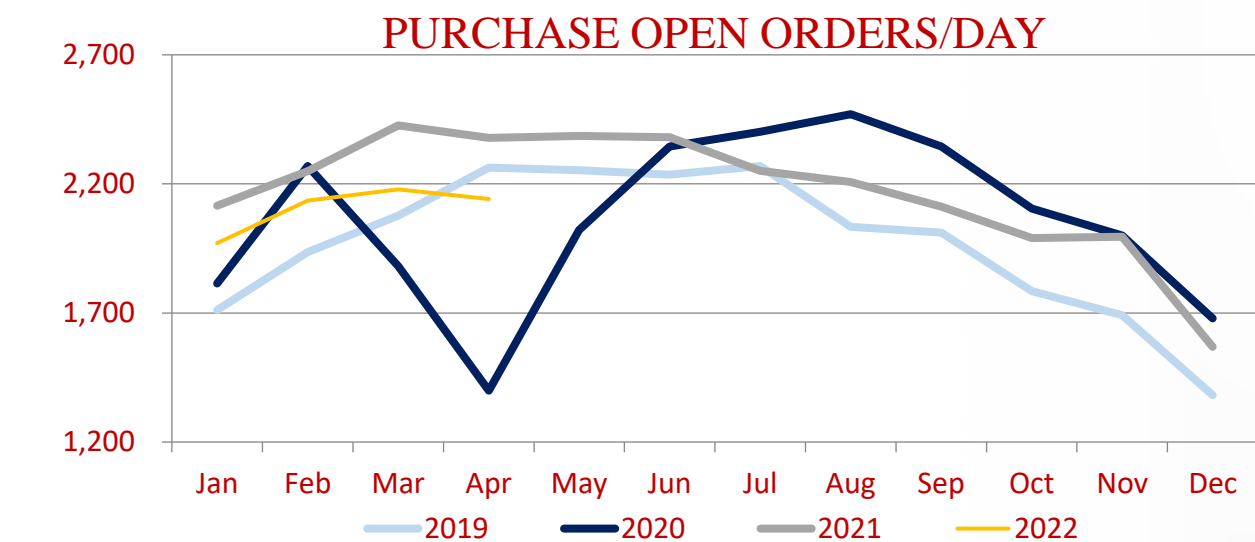
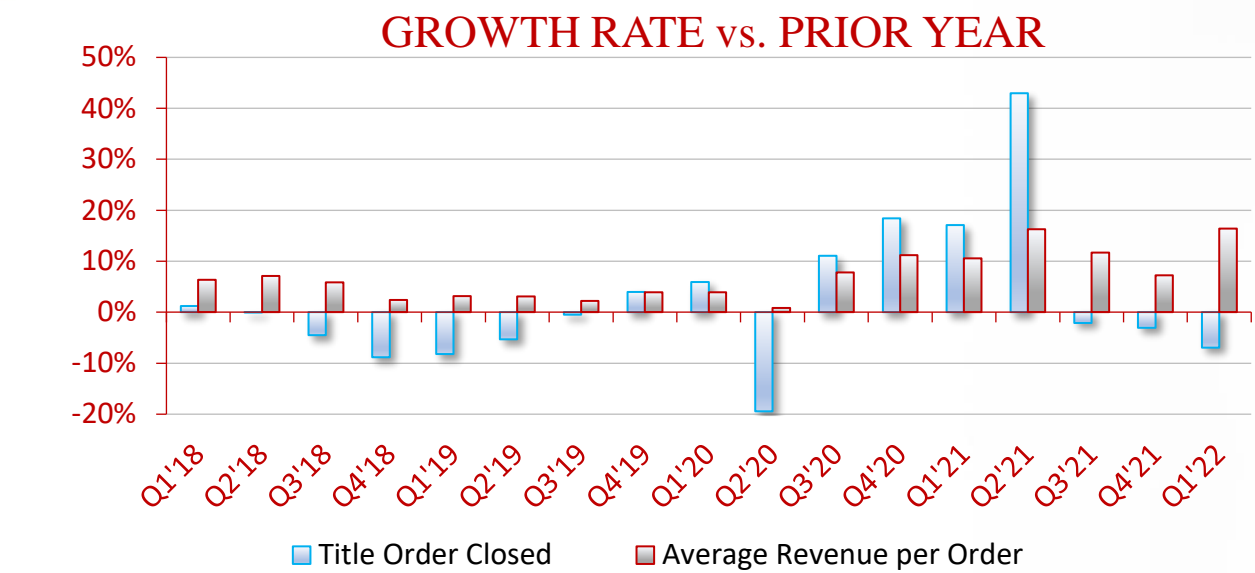


10-Year Treasury

22" SQUARE PEDESTAL
24" SQUARE PEDESTAL
33" SQUARE PEDESTAL



Purchase Market Cooling Down



Purchase Market

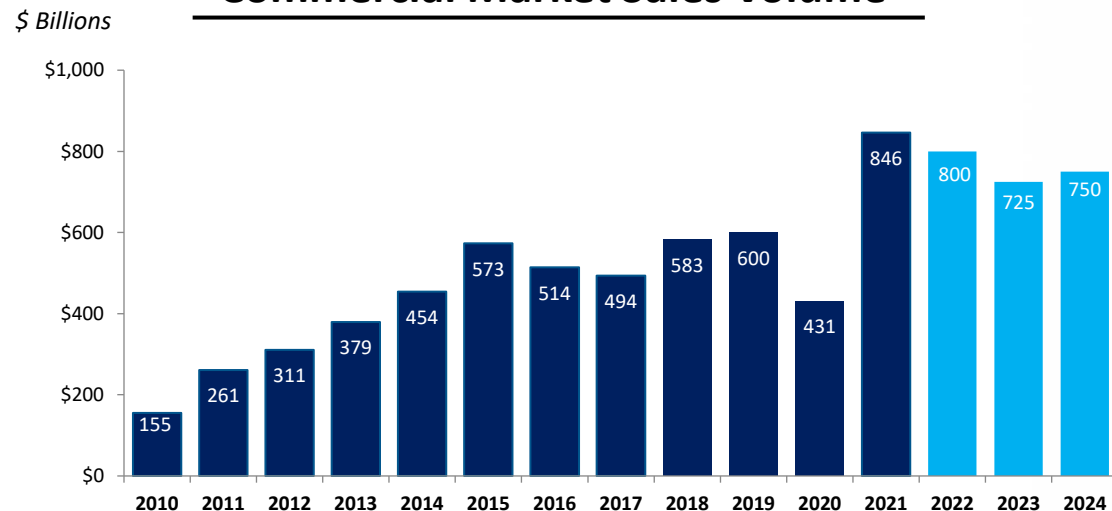
- Market demand continues to exceed supply in most markets
 - Mortgage rates still reasonably supportive
 - Favorable demographics
 - Pandemic-related demand waning
 - Investor demand a factor
 - Home price appreciation brisk but expected to decline - especially in 2H
 - Inventory remains tight

First American Operations

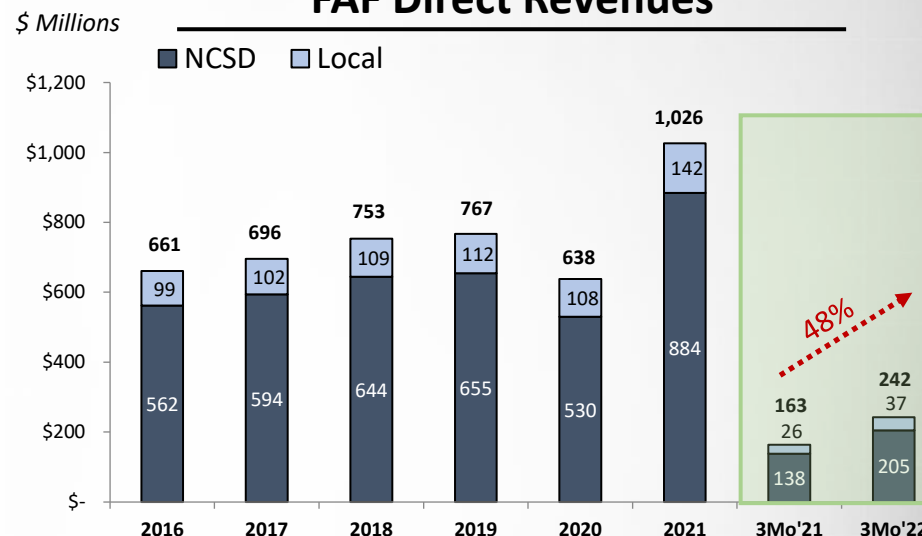
- ~550 local offices focused on purchase
- Leading homebuilder business
- Fee per file ~2.5x refinance

Commercial Volumes Remain Elevated

Commercial Market Sales Volume⁽¹⁾



FAF Direct Revenues

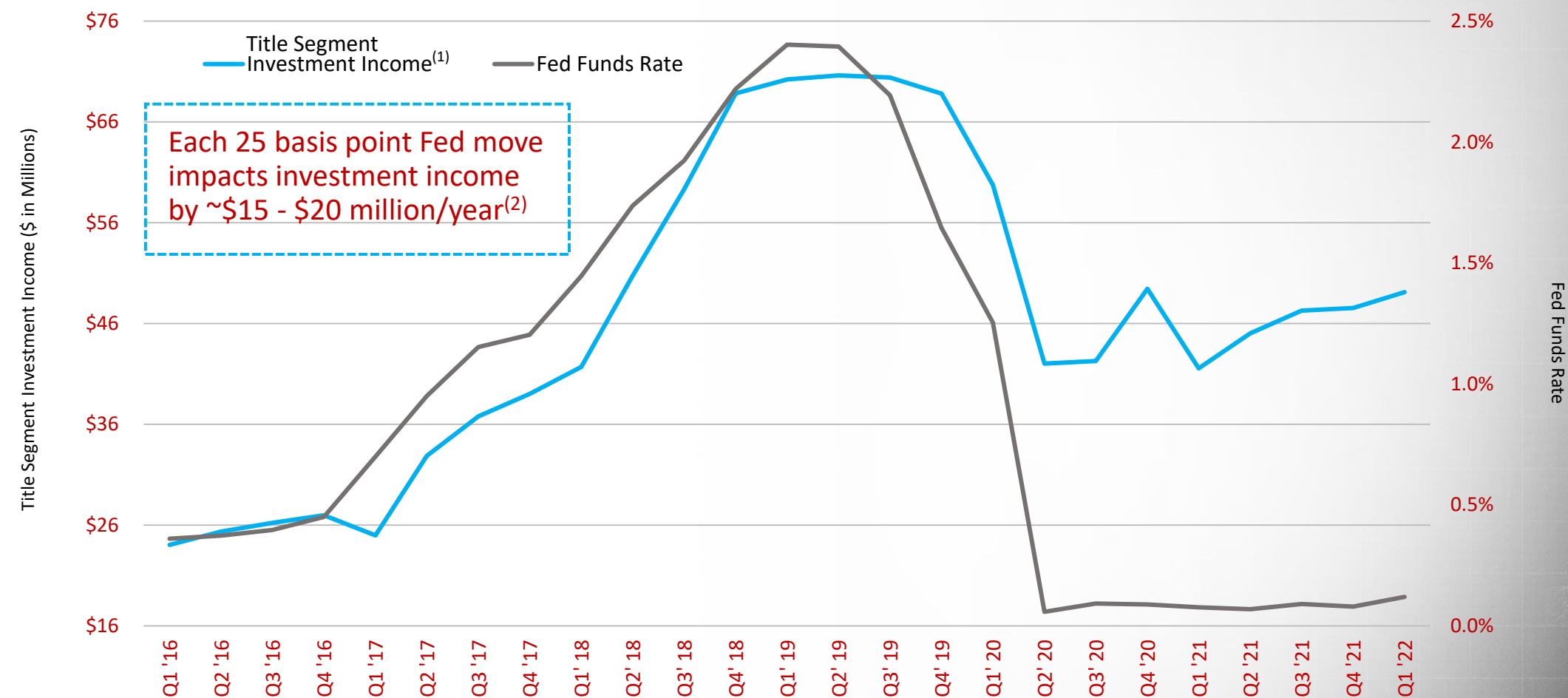


Commercial - Current Trend and Outlook

- Sustained revenue growth expected to again drive strong performance this year
- Transaction pipeline is solid, including large transactions
- Broad based strength across markets, but continue to see some disparity in health of different asset classes and certain urban markets
- Capital availability and historically-low interest rates continue to support the market

(1) Source: Real Capital Analytics ULI Real Estate Economic Forecast April 2022 (includes purchase transactions over \$2.5 million only)

Investment Income – Expect Strong Growth Ahead



(1) Excludes affiliated investments (See reconciliation in Appendix).
(2) Company estimate.

AGENDA

Strong Track Record of Results

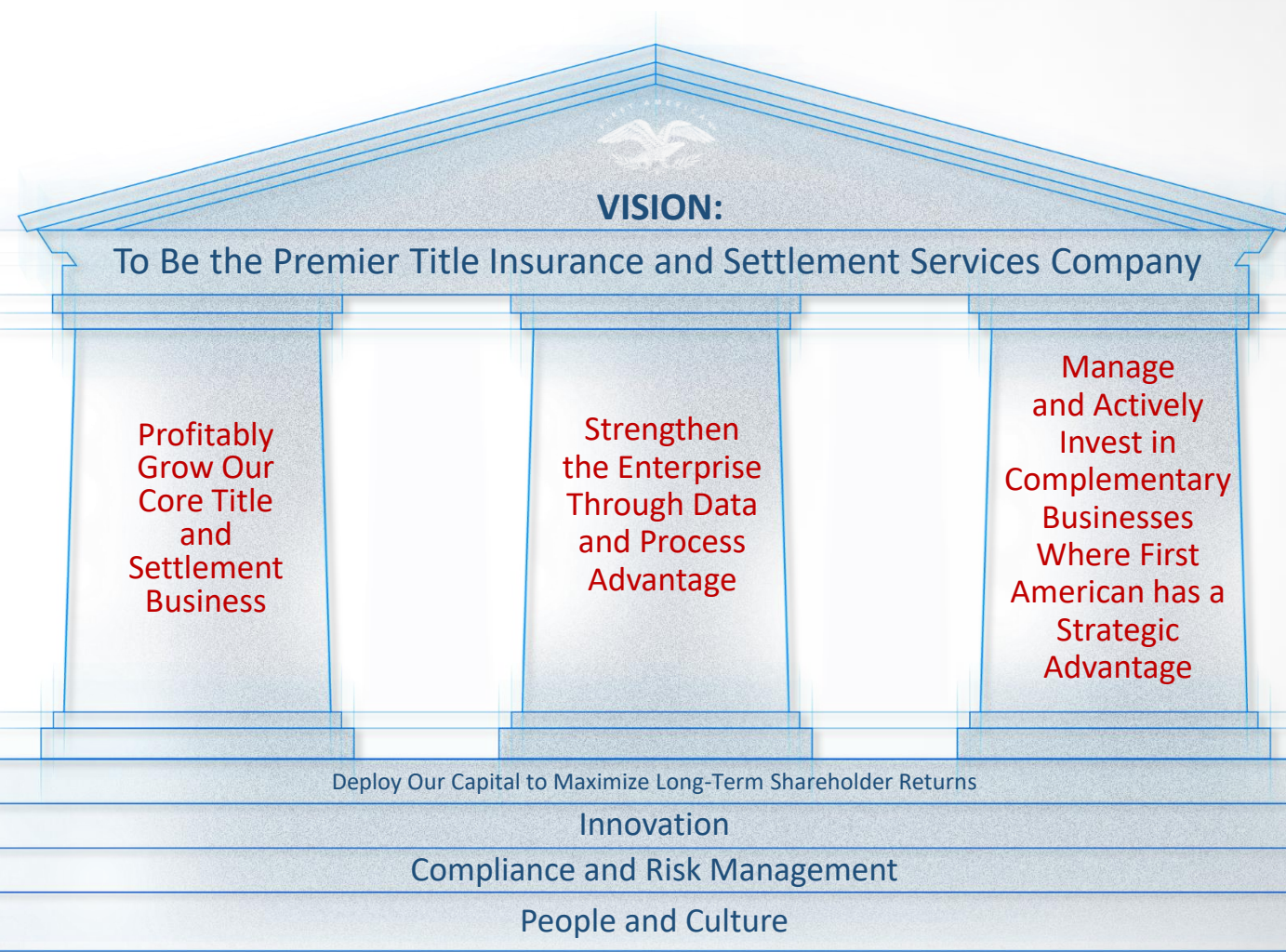
Market Conditions in Transition



Consistent Strategy and Capital Management Priorities



First American Strategy



22" SQUARE PEDESTAL
24 3/4" SQUARE PEDESTAL
33" SQUARE PEDESTAL

Profitably Grow our Core Title and Settlement Business

Pillar 1 Strategic priorities



- **Sustain leadership in Title and Settlement Services**
 - Maintain and grow profitable market share
 - Opportunistically expand use of multi-brand marketing
 - Focus on innovation to lead the digital transformation
 - Develop value-added services that strengthen customer relationships
- **Win with emerging customers**

Be the preferred title company for next-generation real estate companies
- **Grow interest income**

Provide banking services to our agents to improve their risk profile and our returns



Strengthen the Enterprise through Data and Process Advantage

Pillar 2 Strategic priorities



- **Further develop data advantage**
Expand coverage of property data elements and geographies
- **Achieve market-leading title automation**
Leverage data advantage together with data science capability
- **Find new businesses that can leverage our data**
Determine innovative and meaningful ways to monetize our data
- **Grow licensing and online data visualization organically**
Leverage position in market to meet the growing data needs from customers



First American has Strongest Data Foundation in the Industry



| | No. of counties | Population (%) | Market position |
|--------------------------------|-----------------|----------------|-----------------|
| Assessor/property ownership | 3,143 | 100 | 1 st |
| Proprietary title plants | 1,650 | 78 | 1 st |
| Deeds, Mortgages, Foreclosures | 3,106 | 99 | 1 st |
| Assignments and releases | 2,682 | 99 | 1 st |
| Parcel Boundaries | 3,103 | 99 | 1 st |
| Homeowner associations | 2,721 | 99 | 1 st |
| Active real estate listings | 792K | 85 | 1 st |
| Document images (7.6B total) | 1,839 | 83 | 1 st |

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Manage and Actively Invest in Complementary Businesses where First American has a Strategic Advantage

Pillar 3 Strategic priorities



- **Grow Home Warranty**
Accelerate direct-to-consumer growth while maintaining strong operating margins
- **Grow international business in core geographies**
Invest for long-term growth in Canada, Europe, and Australia
- **Seek out new opportunities**
Enter adjacent businesses where First American has a strategic advantage (e.g. Docutech, ServiceMac)
- **Wind-down of Property & Casualty (P&C) business on schedule for Q3 2022 completion**
Redeploy capital to areas with higher expected returns

Capital Management Strategy

- Objective: Create long-term shareholder value
- Capital management priorities:
 - Make value-creating investments in our core business
 - Acquire or invest in businesses that fit within our strategy
 - Return excess capital to shareholders through dividends and share repurchases
 - Maintain adequate capital levels
 - Manage our capital structure prudently
 - Maintain ample financial flexibility and holding company liquidity



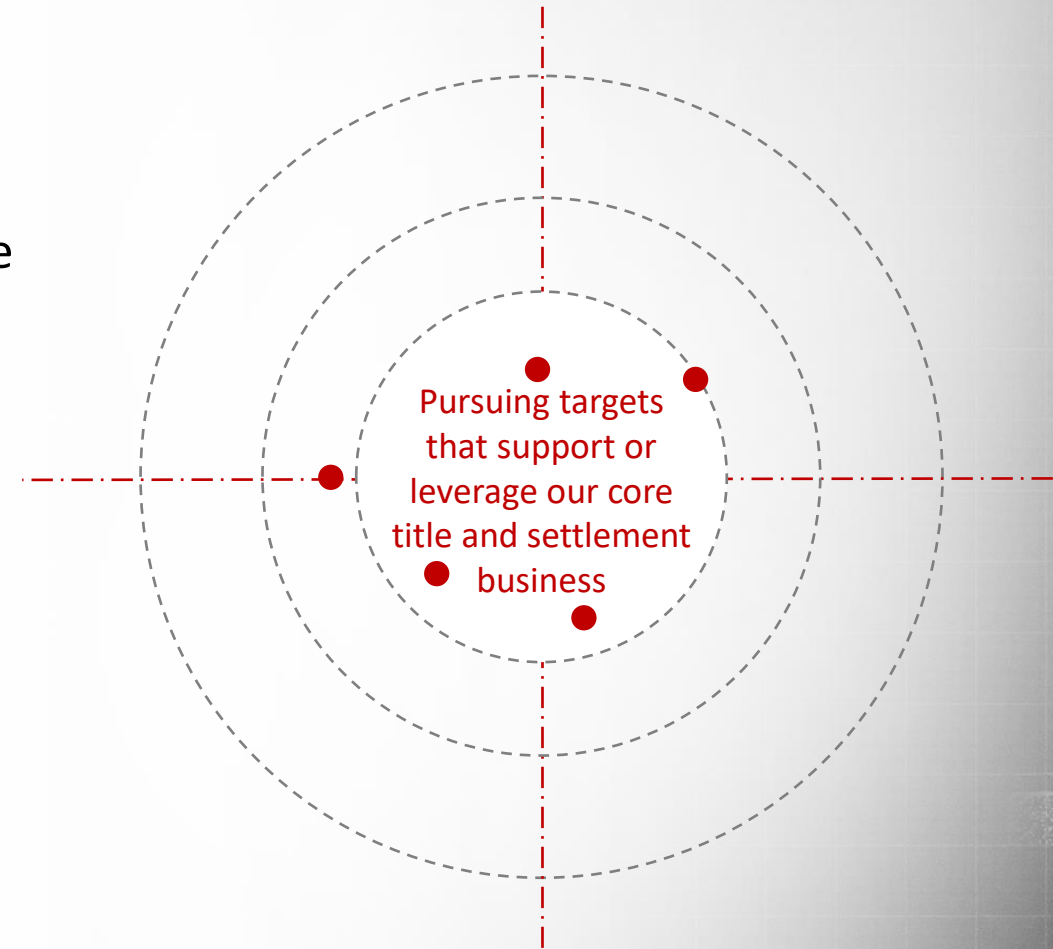
Disciplined M&A Strategy Drives Growth

Focused Strategy

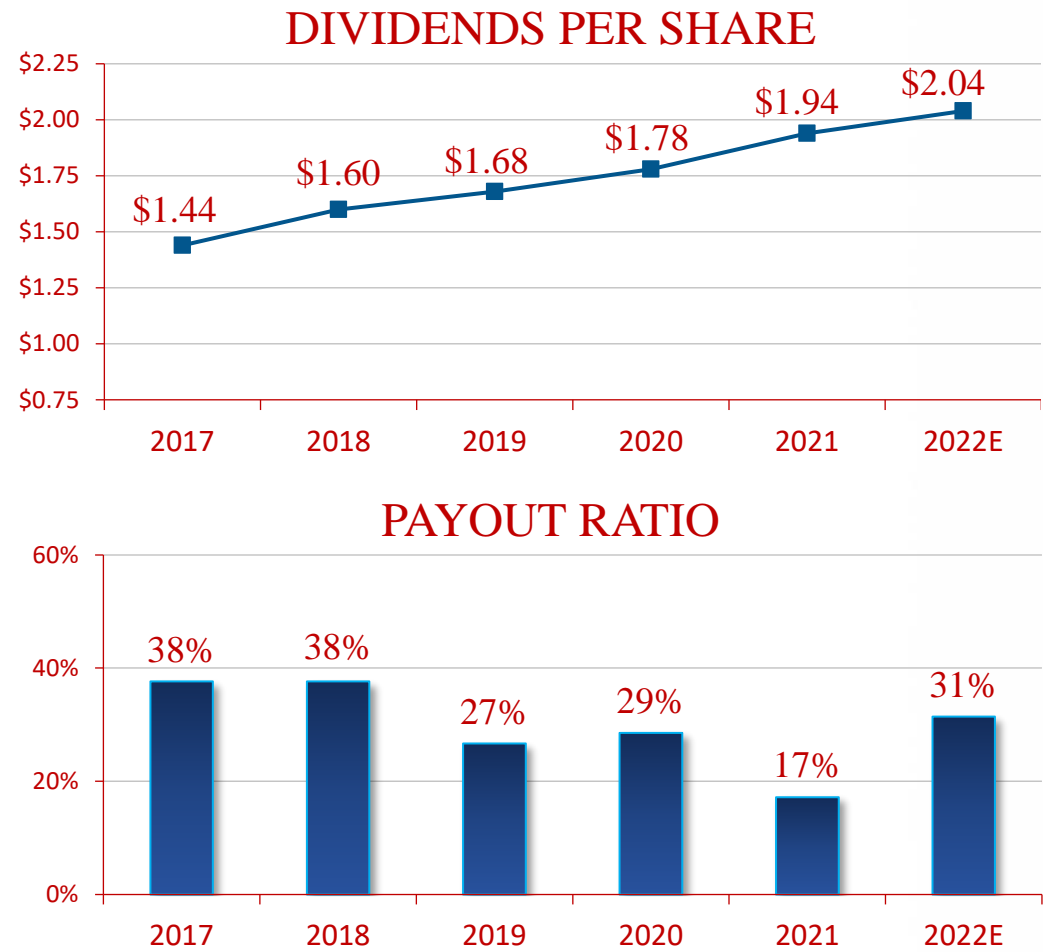
- Title companies that expand our footprint in key markets
- Data and information companies that enhance our data capabilities or advance title automation
- Opportunities complementary to title

Disciplined Process

- Strategic and cultural fit
- Risk adjusted return targets
- Operational integration



Dividends

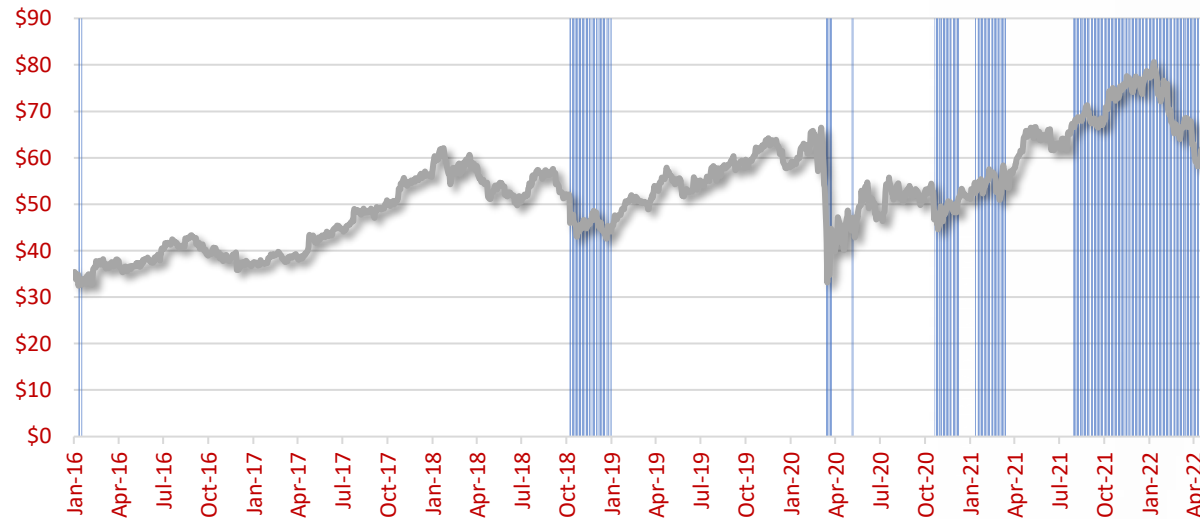


Dividend Considerations

- First American expects to pay a meaningful dividend given the company’s cash flow generation and investment opportunities
- Dividend increases are intended to be sustainable in perpetuity
- Dividend increases will be dependent upon expected holding company cash flows, market conditions and alternative uses of capital, among other factors
- The company is not committed to always increasing the dividend each year

Share Repurchases

SHARE REPURCHASE HISTORY



- Share repurchases will be dependent upon capital levels, market conditions and alternative uses of capital, among other factors
- New \$300 million share repurchase authorization was approved by board of directors in late August 2021, resulting in total authorization remaining of \$335 million as of March 31, 2022

Repurchase Summary

| | <u>2018/2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| Shares purchased | 0.5 million | 3.2 million | 1.7 million | 3.3 million |
| Total amount | \$20.9 million | \$138.6 million | \$99.0 million | \$210.2 million ⁽¹⁾ |
| Avg. price per share | \$44.20 | \$43.44 | \$58.05 | \$64.64 |
| IRR | 15.3% ⁽²⁾ | 24.3% ⁽²⁾ | 11.7% ⁽²⁾ | -6.8% ⁽³⁾⁽⁴⁾ |

(1) As of Apr 30, 2022

(2) As of March 31, 2022

(3) YTD As of May 16, 2022

(4) Not annualized



Investment Considerations

- Focused strategy as “pure play” in title and settlement markets
- Attractive industry characteristics
- Strong competitive position in title and settlement services
- Opportunity to grow through focus on innovation and by leveraging unique assets (e.g. bank and data)
- Venture investments creating strategic and financial benefit
- Strong balance sheet with ample liquidity and financial flexibility
- Commitment to return capital to shareholders



APPENDIX



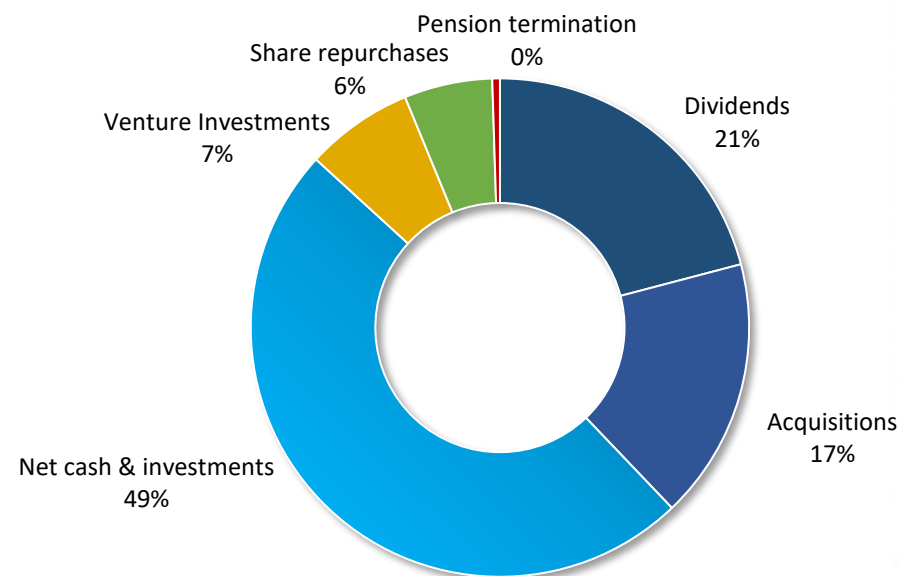
Title Segment Net Investment Income Non-GAAP Reconciliation

| Net Investment Income Less Affiliate Investments | | | | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| \$ in Millions | Q1 '18 | Q2 '18 | Q3 '18 | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 | Q2'20 | Q3'20 | Q4'20 | Q1'21 | Q2'21 | Q3'21 | Q4'21 | Q1'22 |
| Net Investment Income | \$41.4 | \$51.7 | \$60.9 | \$69.3 | \$70.1 | \$71 | \$72 | \$69.8 | \$59.7 | \$43.2 | \$44.7 | \$51.6 | \$42.7 | \$47.5 | \$49.8 | \$48.4 | \$52.7 |
| Less: Affiliate Investments | (0.3) | 1.0 | 1.5 | 0.5 | (0.2) | 0.3 | 1.6 | 1.0 | (0.1) | 1.2 | 2.4 | 2.2 | 1.1 | 2.4 | 2.5 | 0.8 | 3.6 |
| Adjusted Net Investment Income | \$41.7 | \$50.7 | \$59.3 | \$68.8 | \$70.2 | \$70.6 | \$70.4 | \$68.8 | \$59.8 | \$42.0 | \$42.3 | \$49.4 | \$41.6 | \$45.0 | \$47.3 | \$47.5 | \$49.1 |

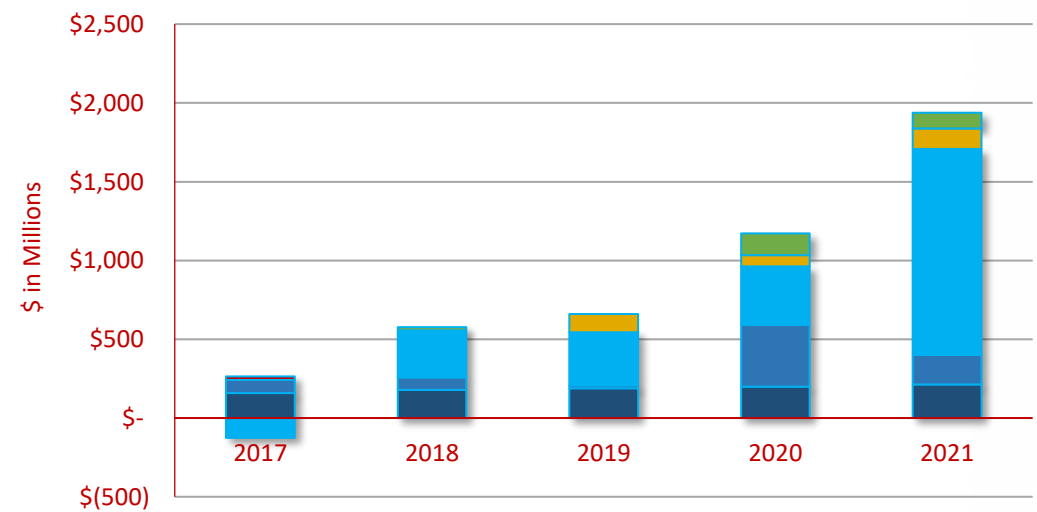
| | Q1 '14 | Q2 '14 | Q3 '14 | Q4 '14 | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 | Q2 '17 | Q3 '17 | Q4 '17 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net Investment Income | \$15.7 | \$19.3 | \$22.0 | \$2.7 | \$21.8 | \$26.0 | \$25.4 | \$24.4 | \$24.9 | \$27.5 | \$29.0 | \$29.4 | \$26.6 | \$34.7 | \$37.9 | \$38.3 |
| Less: Affiliate Investments | (2.0) | 0.3 | 2.8 | (17.6) | 1.1 | 3.7 | 2.8 | 0.1 | 0.9 | 2.1 | 2.8 | 2.4 | 1.6 | 1.8 | 1.1 | (0.8) |
| Adjusted Net Investment Income | \$17.7 | \$19.0 | \$19.2 | \$20.3 | \$20.6 | \$22.2 | \$22.6 | \$24.3 | \$24.0 | \$25.4 | \$26.2 | \$27.0 | \$25.0 | \$32.9 | \$36.8 | \$39.0 |

Uses of Free Cash Flow and Debt Proceeds

CUMULATIVE 5 YEAR USES

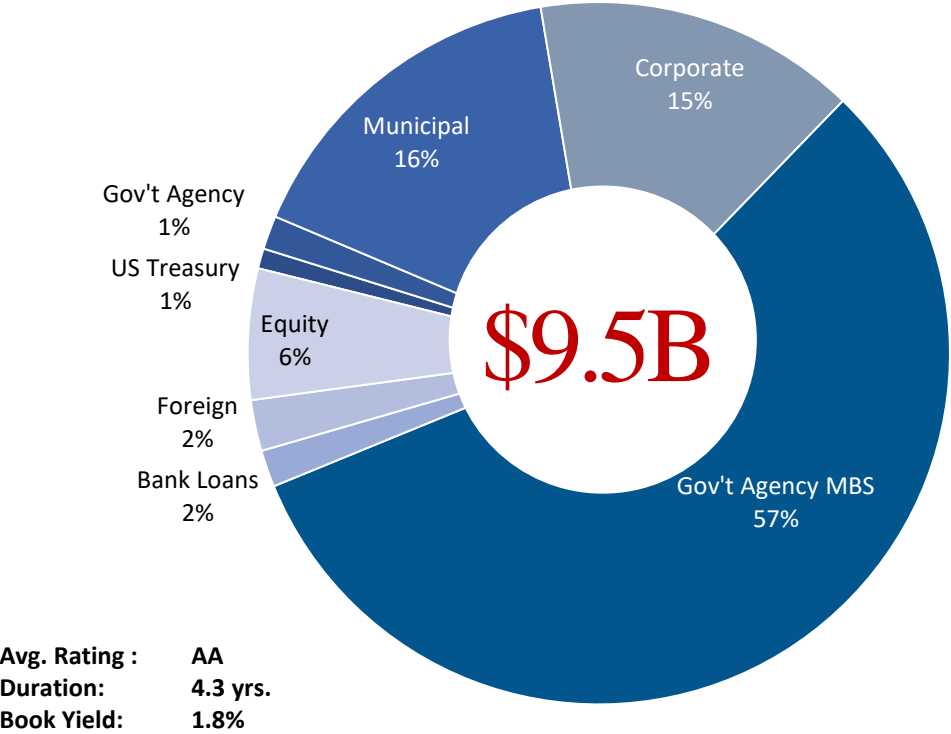


- 49% of cash flow went into the investment portfolio to strengthen the balance sheet
- Moving forward, further balance sheet strengthening not necessary as capital levels exceed current targets

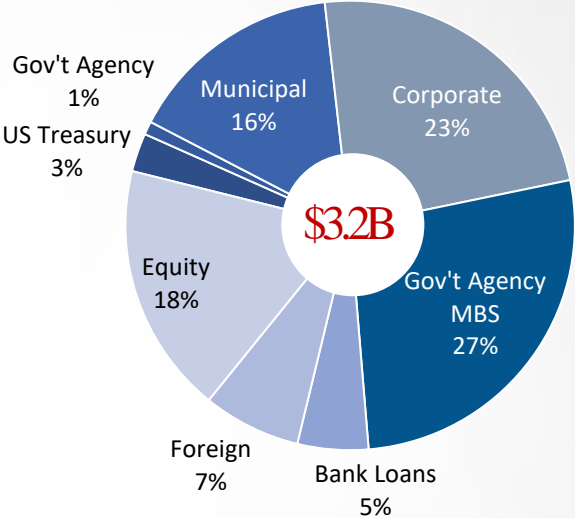


Investment Portfolio

CONSOLIDATED PORTFOLIO

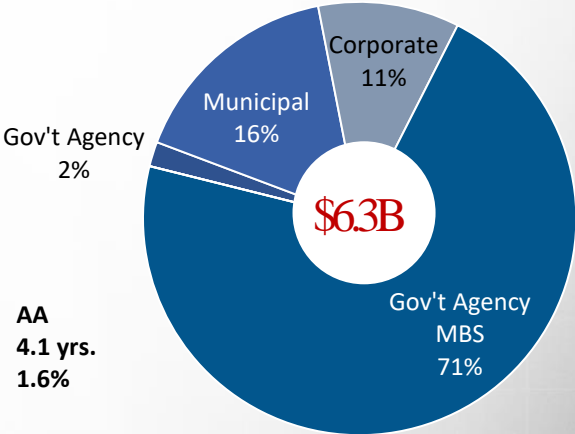


INSURANCE PORTFOLIO



Avg. Rating : A+
Duration: 4.5 yrs.
Book Yield: 2.4%

BANK PORTFOLIO



Avg. Rating : AA
Duration: 4.1 yrs.
Book Yield: 1.6%

Capital Structure

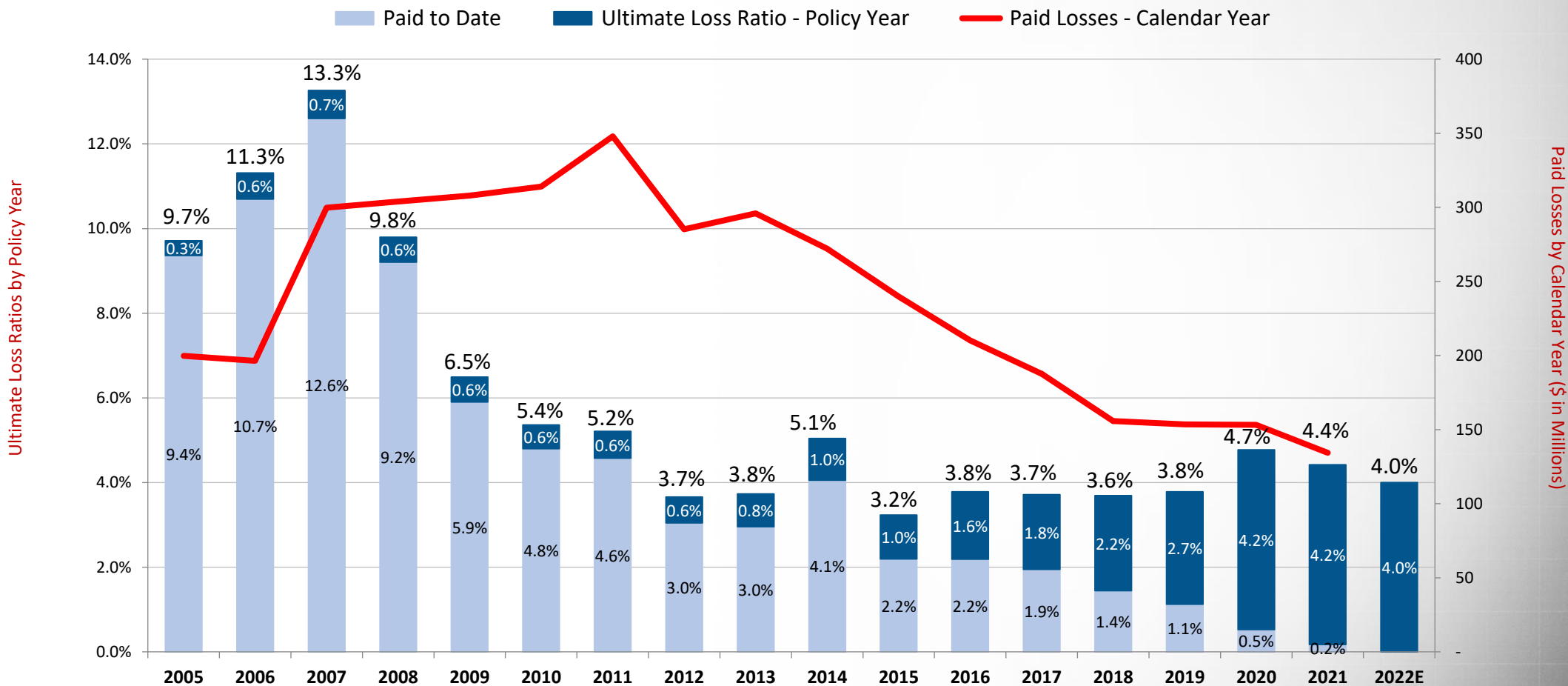
As of March 31, 2022 (\$ in Millions)

| | |
|---|---------|
| 4.3% Senior Notes Due 2023 | \$250 |
| 4.6% Senior Notes Due 2024 | \$300 |
| 4.0% Senior Notes Due 2030 | \$450 |
| 2.4% Senior Notes Due 2031 | \$650 |
| Unamortized discounts and debt Issuance costs | (\$14) |
| Trust Deed Notes | \$7 |
| Other Notes | \$3 |
| Revolving Credit Facility | \$0 |
| Notes and Contracts Payable | \$1,647 |
| Secured Financings Payable (SFP) | \$558 |
| Total Debt | \$2,204 |
| Total Equity | \$5,379 |
| Debt-to-Total Capital Ratio | 29.1% |
| Debt-to-Total Capital Ratio (excluding SFP) | 23.4% |

- Management targets debt-to-capital ratio of 18-20% (excluding secured financings payable)
 - Supports target financial strength ratings
- \$700 million revolving credit facility 100% undrawn
 - Credit facility term ends in April 2024
- Significant financial flexibility to seize strategic opportunities



Ultimate Loss Ratios by Policy Year



Note: Ultimate loss ratios are estimates and calculated as a percentage of title premiums and escrow fees for a given policy year as of February 28, 2022



U.S. TITLE

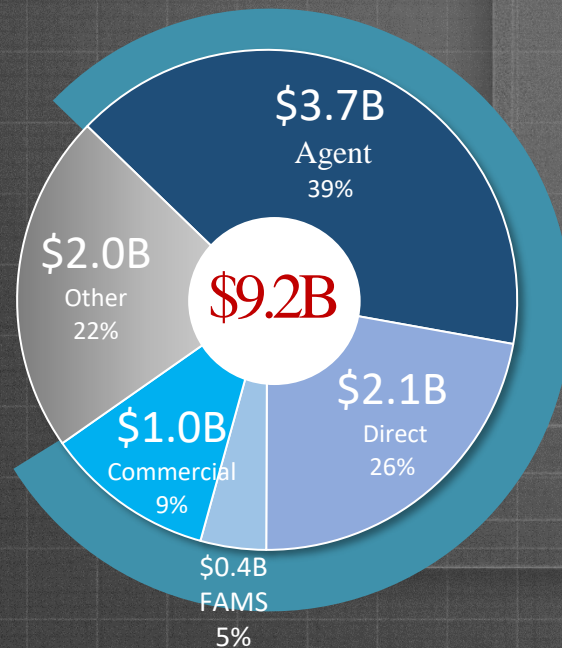
DIRECT

AGENCY

COMMERCIAL

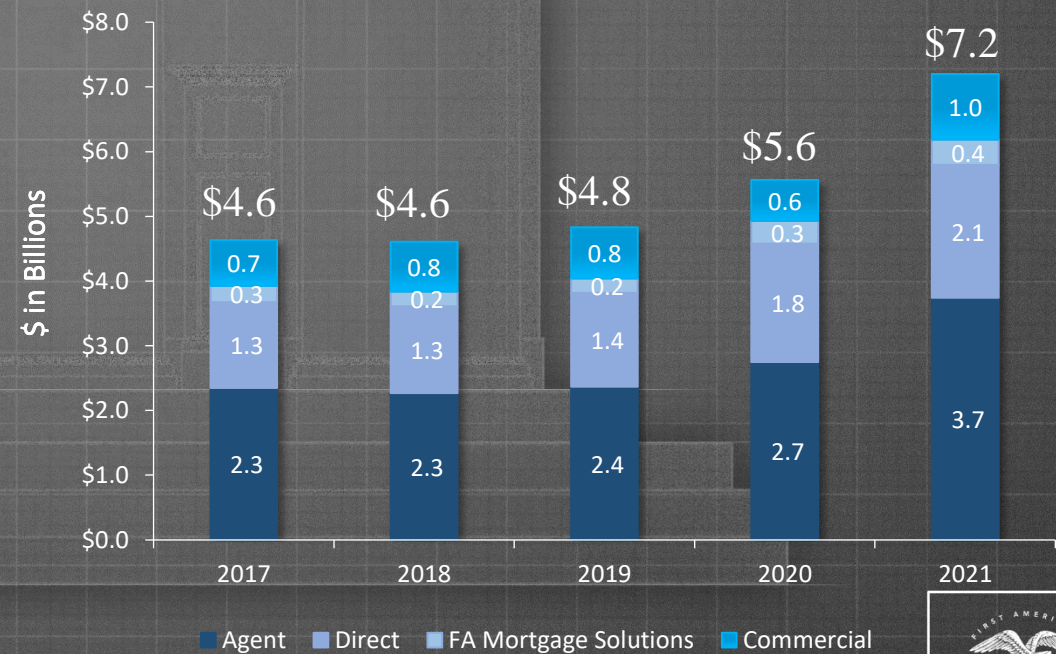
MORTGAGE SOLUTIONS

First American Financial Total Revenue



\$7.2B
U.S. Title
78%

Total Revenue Trend



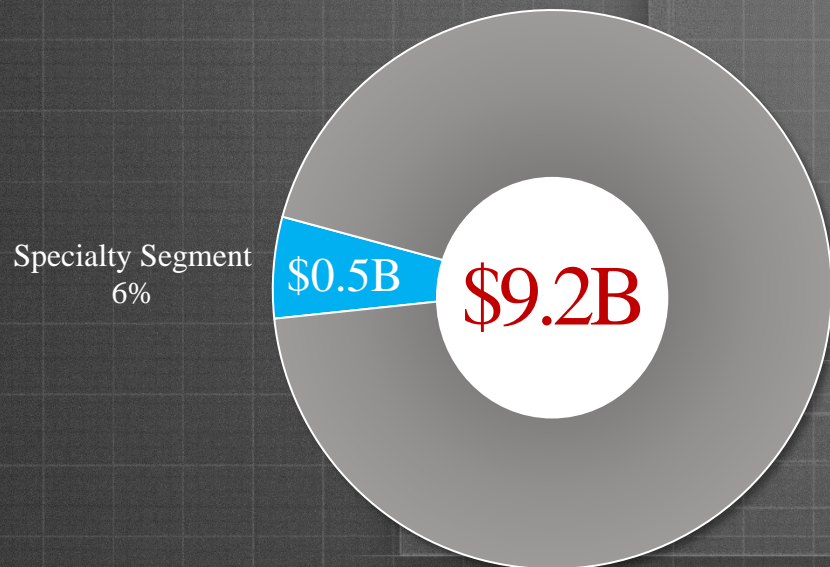
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SPECIALTY INSURANCE

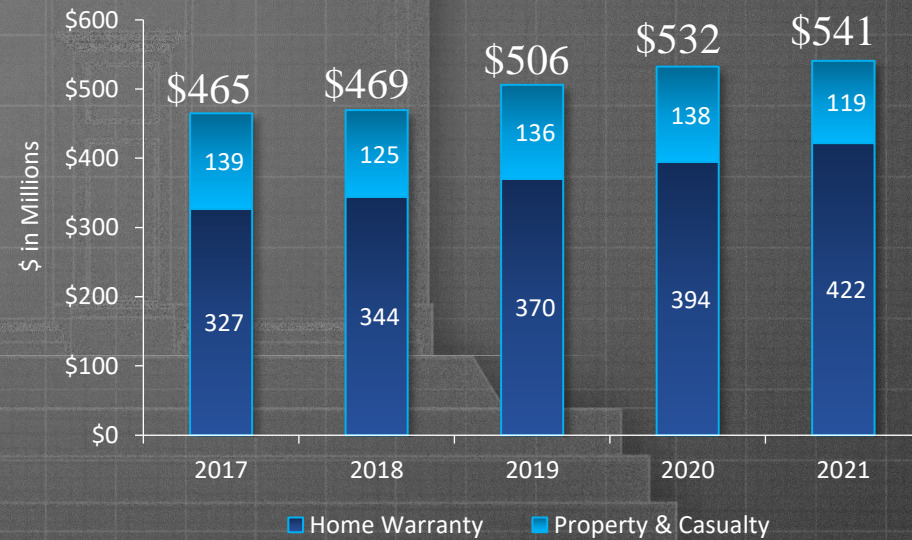
PROPERTY & CASUALTY

HOME WARRANTY

First American Financial Total Revenue



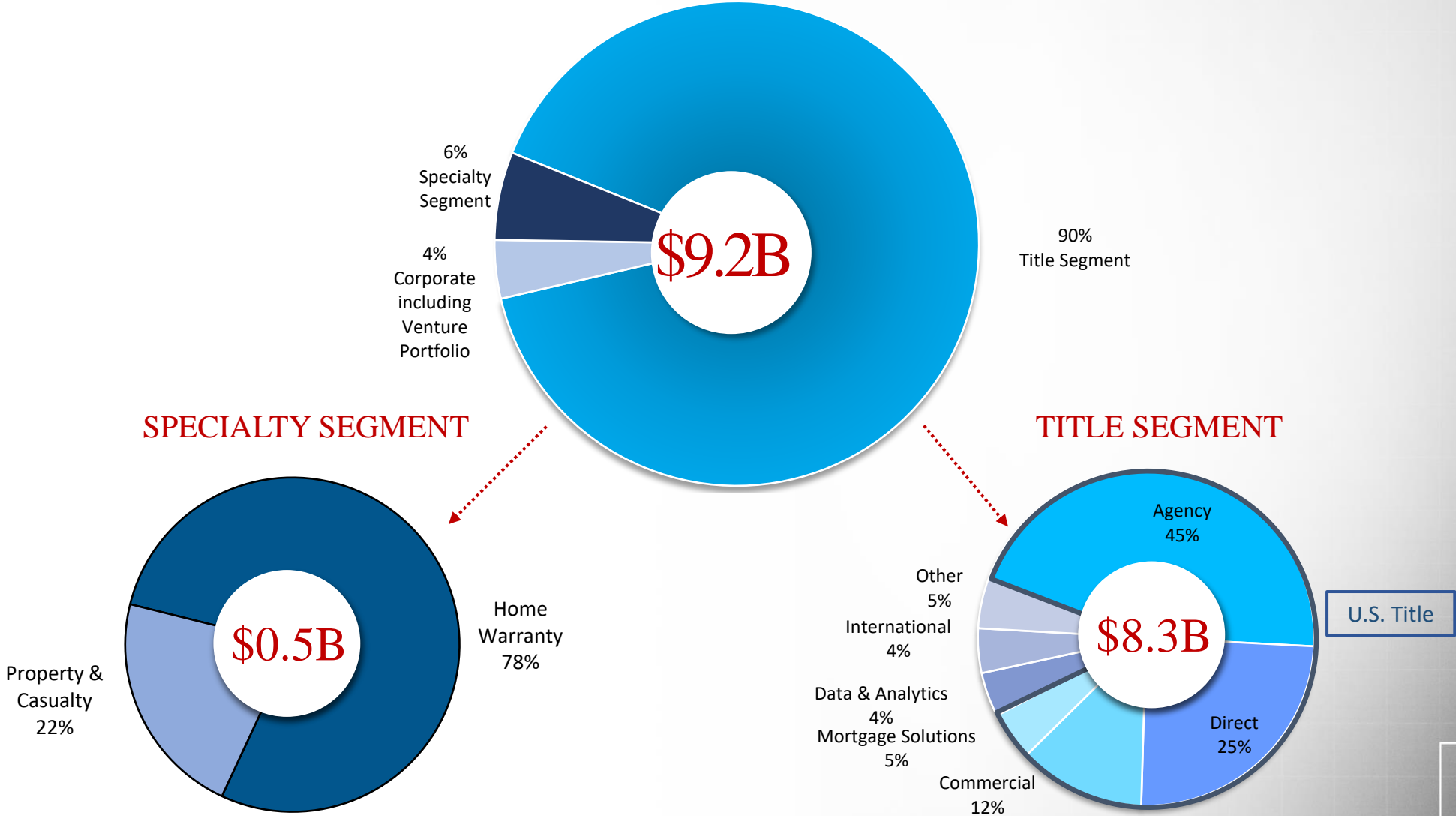
Total Revenue Trend



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2021 Revenue Breakdown

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