

First American Financial Corporation

Keefe, Bruyette & Woods
2010 Insurance Conference

September 8, 2010



First American

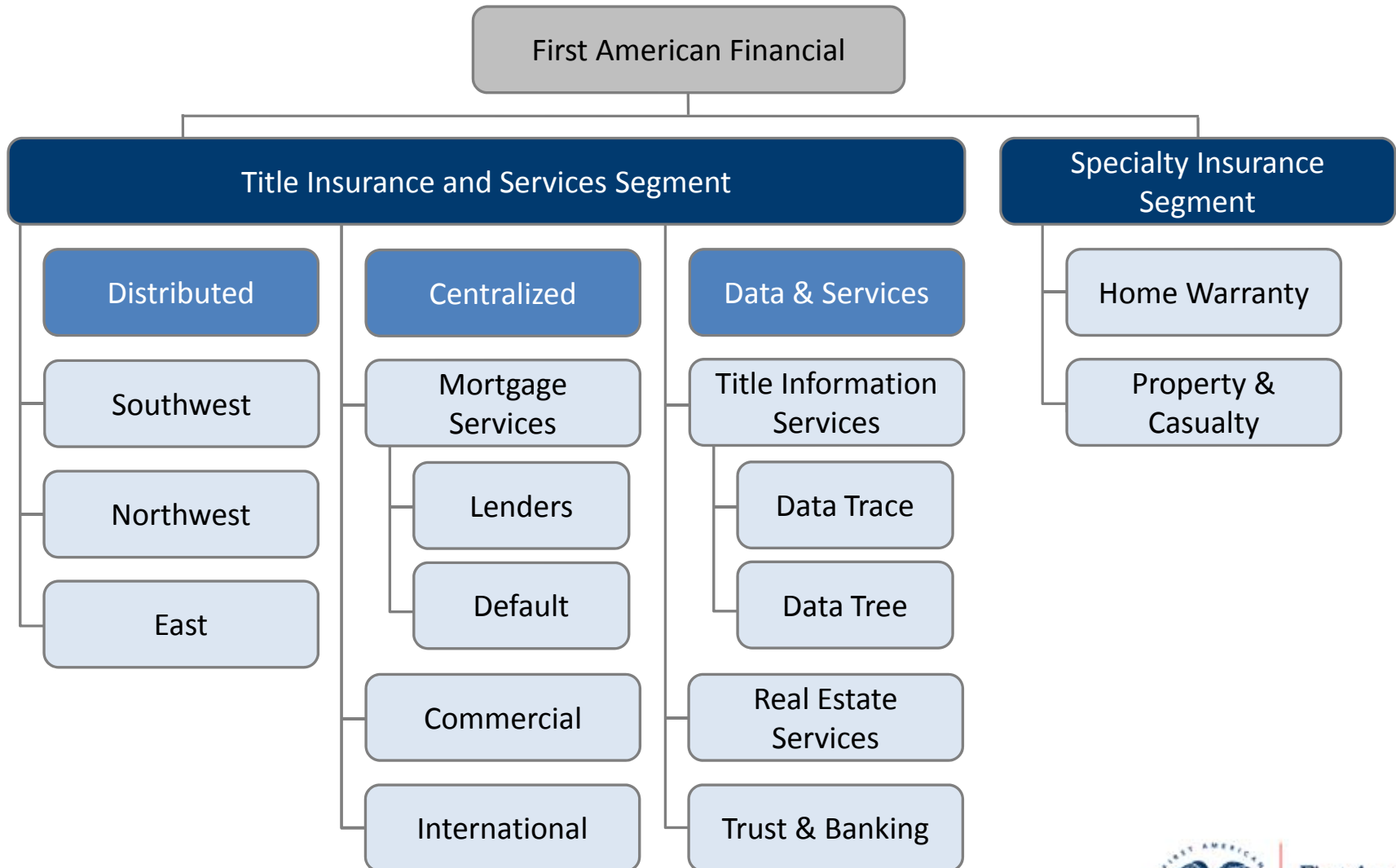
Safe Harbor Statement

Certain statements made in this presentation, including but not limited to those relating to opportunities for revenue growth; capital management strategy; opportunities to improve margins; enhanced scalability; growth prospects; and the return of capital to shareholders; are 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 may contain the words “believe,” “anticipate,” “expect,” “plan,” “predict,” “estimate,” “project,” “will be,” “will continue,” “will likely result,” or other similar words and phrases. 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: interest rate fluctuations; changes in the performance of the real estate markets; limitations on access to public records and other data; general volatility in the capital markets; changes in applicable government regulations; heightened scrutiny by legislators and regulators of the company’s title insurance and services segment and certain other of the company’s businesses; the inability to consummate the spin-off transaction or to consummate it in the form originally proposed as a result of, among other factors, the inability to obtain necessary regulatory approvals, the failure to obtain the final approval of the company’s board of directors, the inability to obtain third party consents or undesirable concessions or accommodations required to be made to obtain such consents, the landscape of the real estate and mortgage credit markets, market conditions, the inability to transfer assets into the entity being spun-off or unfavorable reactions from customers, ratings agencies, investors or other interested persons; the inability to realize the benefits of the proposed spin-off transaction as a result of the factors described immediately above, as well as, among other factors, increased borrowing costs, competition between the resulting companies, unfavorable reactions from employees, the inability of the Financial Services company to pay the anticipated level of dividends, the triggering of rights and obligations by the transaction or any litigation arising out of or related to the separation; consolidation among the company’s significant customers and competitors; unfavorable economic conditions; impairments in the company’s goodwill or other intangible assets; losses in the company’s investment portfolio; expenses of and funding obligations to the company’s pension plan; weakness in the commercial real estate market and increases in the amount or severity of commercial real estate transaction claims; regulation of title insurance rates; and other factors described in First American Financial Corporation’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 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.

First American Financial Profile

- 120 years of market leadership in title insurance and settlement services
 - \$4.0 billion annual revenue
- Leading market positions (#1 or #2)
 - U.S. title insurance
 - Commercial title insurance
 - International title insurance & services
 - Title plant information
 - Home warranty
- Strong competitive position
 - Industry-leading technology infrastructure
 - Well-developed global workforce

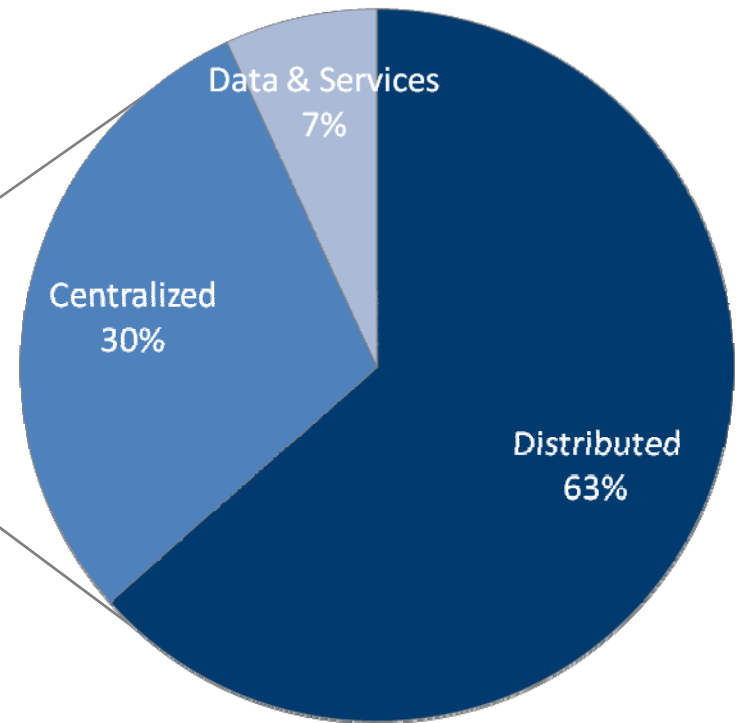
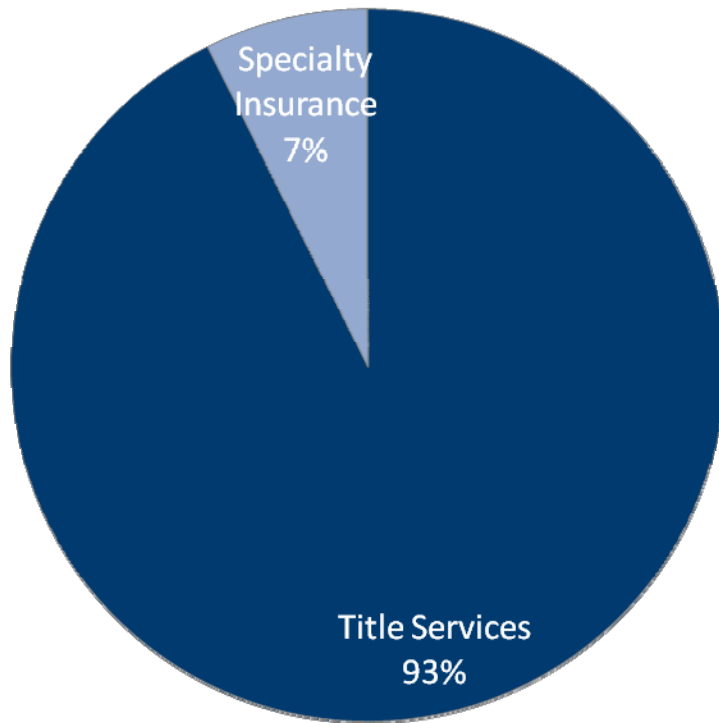
Organizational Structure



2010 Revenue Breakdown

June 2010 YTD: \$1,878 million

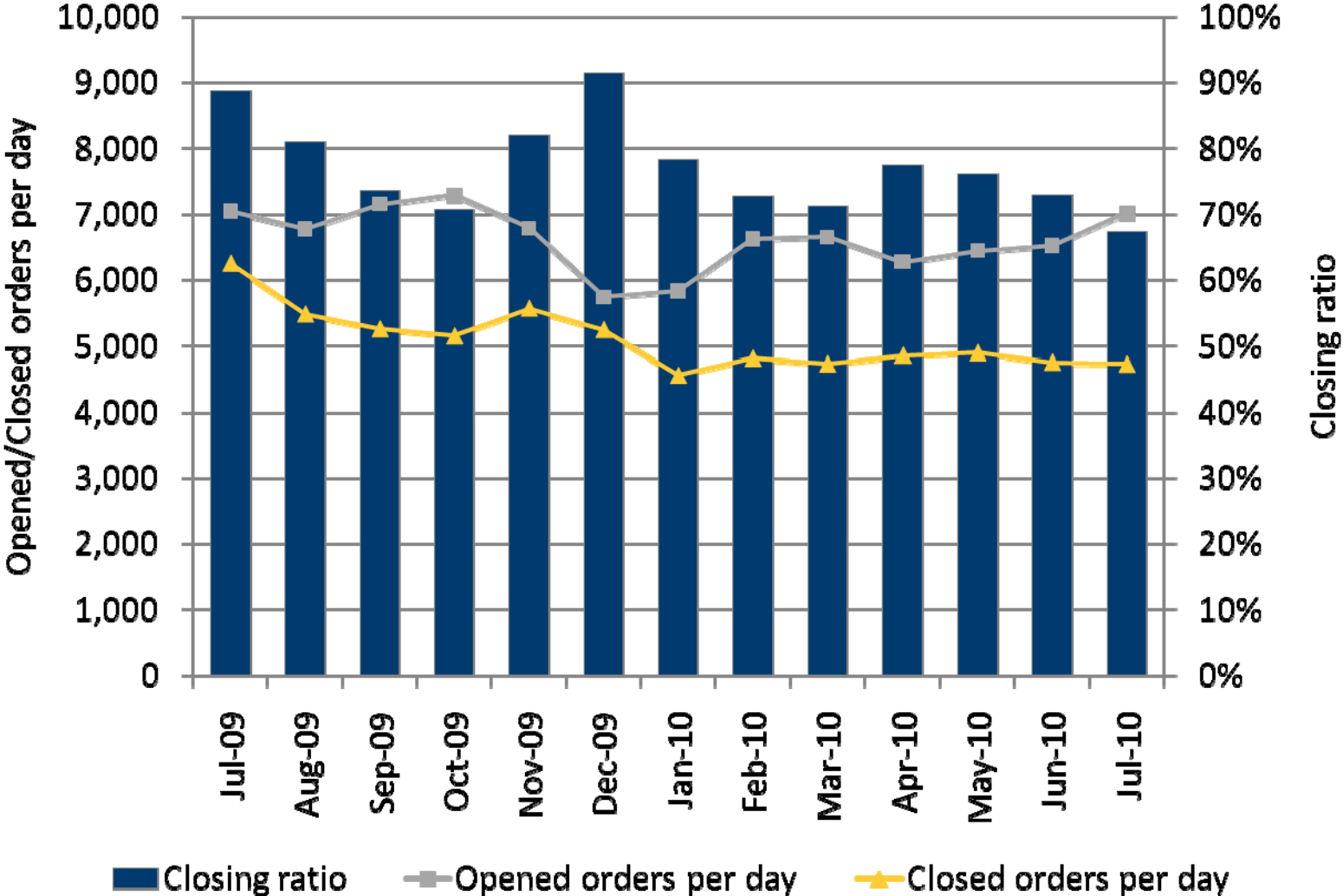
June 2010 YTD: \$1,744 million



Current Market Environment

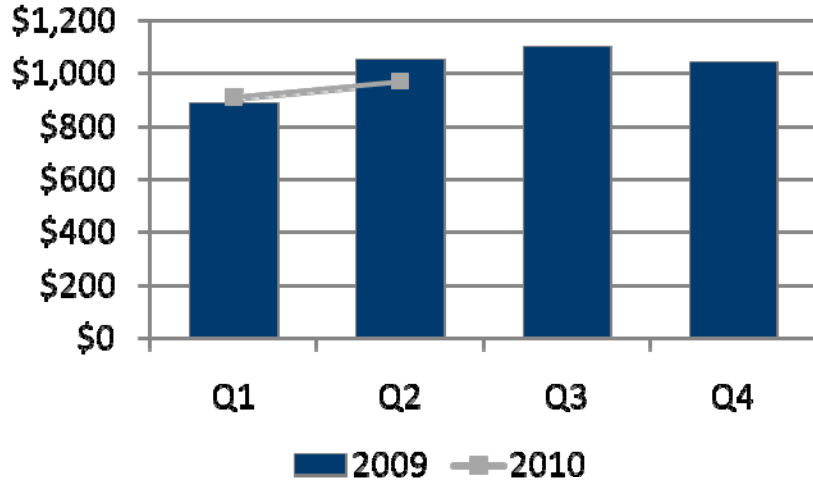
- Resale volumes trending lower since home buyers tax credit expired
- Refinance volumes are strong but taking longer to close
- Continued signs of recovery in commercial
- International experiencing gradual improvement
- Default title business is down but cycle has lengthened
- Uncertainty remains
 - Renewed pessimism on economic recovery
 - Length of low interest rate refinance wave
 - Effectiveness of continued government support
 - Timing of foreclosure activity

Title Order Count Trends

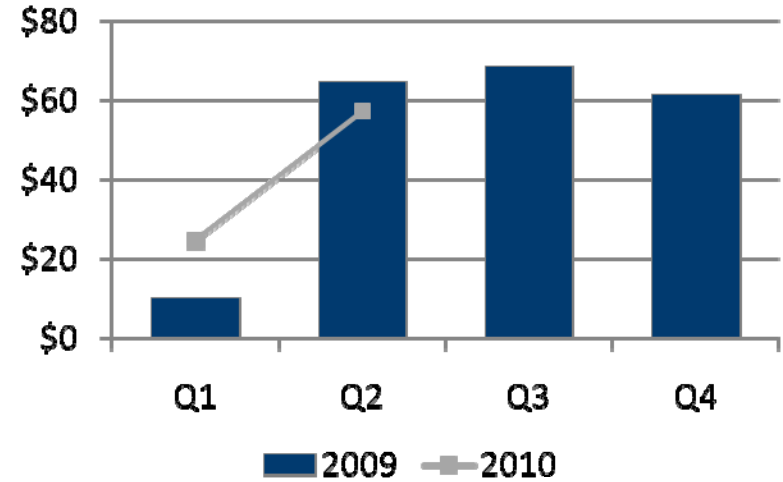


2010 Financial Results

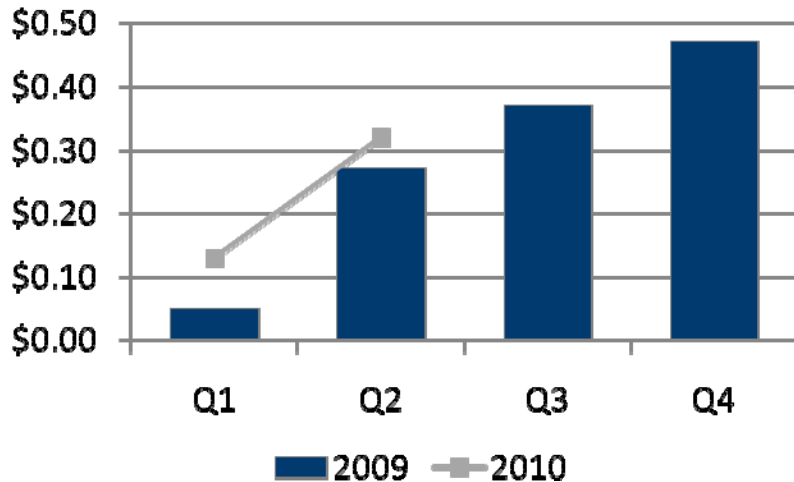
Total Revenue



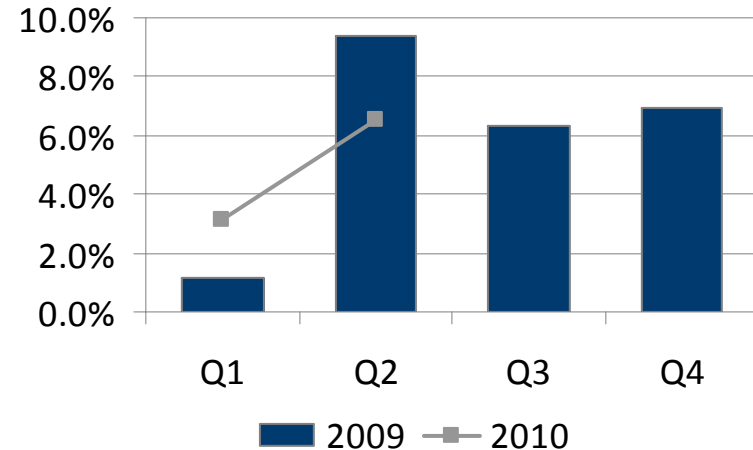
Pretax Income



Earnings per Share



Adjusted Title Margin



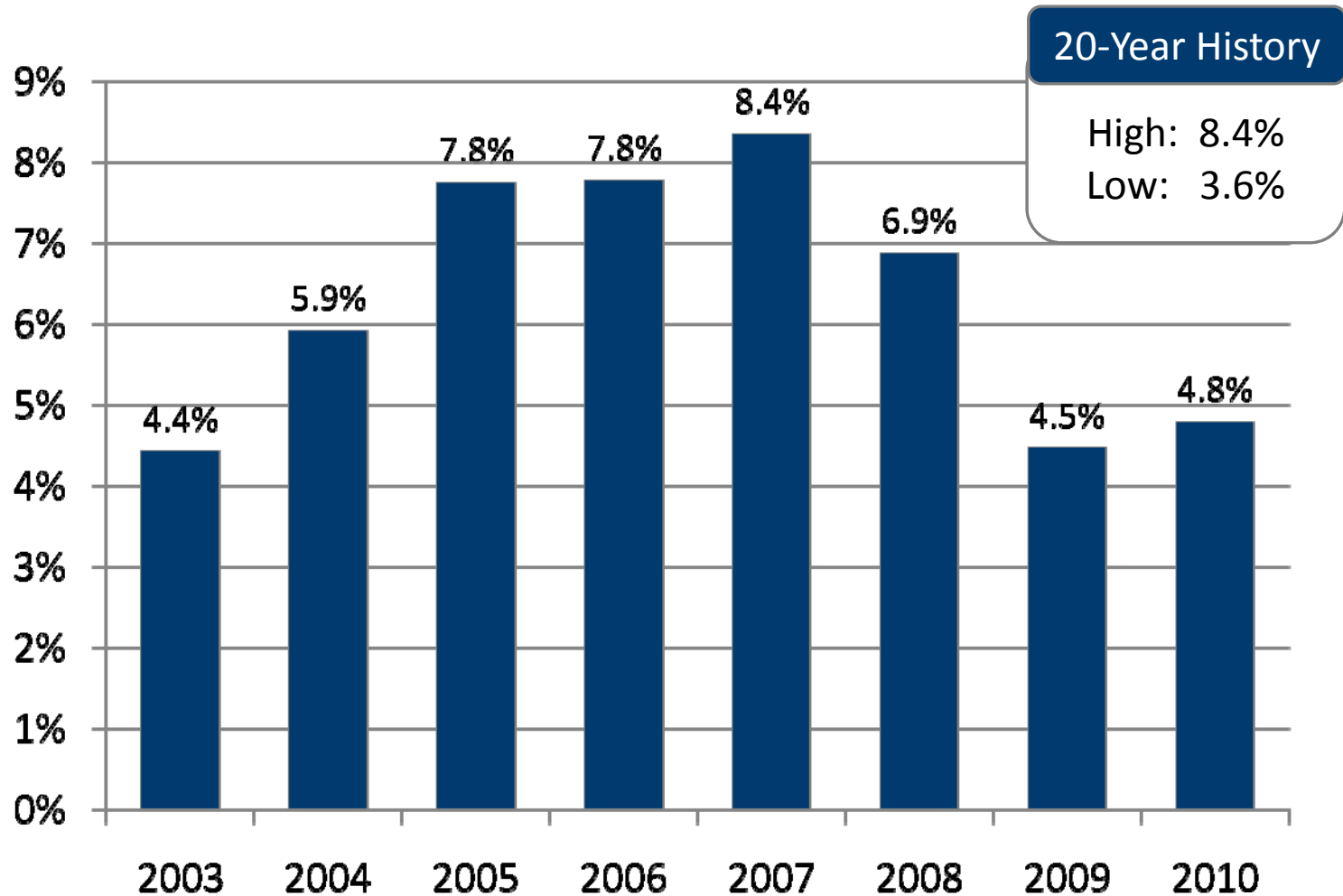
2012 Title Insurance Margin Objectives

	<u>Downside</u>	<u>Base Case</u>	<u>Upside</u>
Pretax Margin	< 8%	8% - 10%	> 10%
Mortgage Originations	< \$1.2 Trillion	~ \$1.5 Trillion	> \$1.8 Trillion
% Refinance	~ 35%	~ 35%	~ 35%

Margin Improvement Initiatives

- Reduce administrative expenses
- Improve agency profitability
- Expand offshore leverage
- Improve loss ratio
- Enhance returns on investment portfolio
- Examine rate and fee adequacy

Ultimate Loss Ratios by Policy Year



Balance Sheet Summary

As of June 30, 2010 (\$ in millions)

Assets

Cash & equivalents	\$579
Investments	2,483
Property and equipment	338
Title plants	487
Goodwill & intangibles	873
Other assets	726
Total assets	<u><u>\$5,486</u></u>

Liabilities & equity

Liabilities	\$2,140
Reserves	1,158
Debt	308
Equity	1,880
Total liabilities & equity	<u><u>\$5,486</u></u>

Debt

Line of credit	\$200
Trust deed notes	50
Other notes	58
Total debt	<u>\$308</u>
Debt / Total Capitalization	14.1%
Statutory surplus	\$801
Premiums / Surplus	3.1x



Holding Company Liquidity

(\$ in millions)

Holding Company Cash (as of 7/31/10)	\$23
<u>Expected Inflows for the remainder of 2010</u>	
Dividends from subsidiaries	59
<u>Expected Outflows for remainder of 2010</u>	
Interest and taxes	(13)
Common dividends	(6)
Pension	(5)
Other	(10)
Projected 12/31/2010 balance	\$48
<u>Additional Liquidity</u>	
CoreLogic equity	97
Credit facility Availability	200
Total Liquidity	\$345

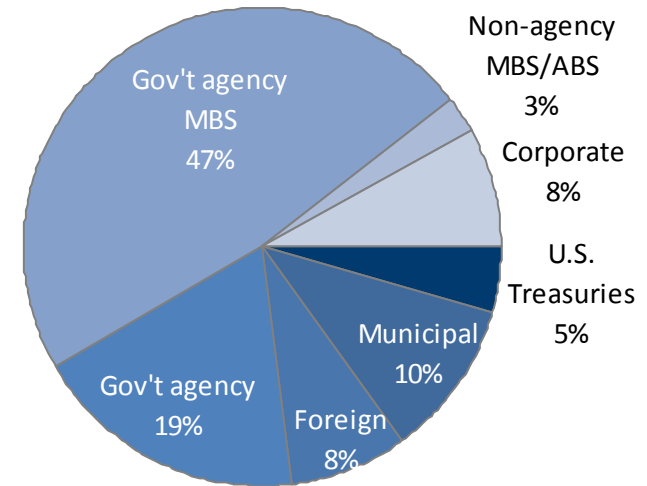


Consolidated Investment Portfolio

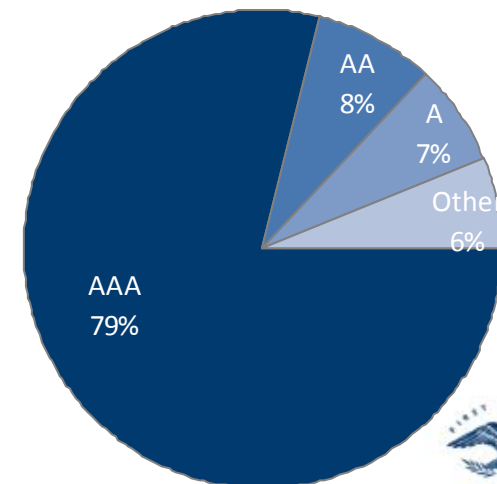
As of June 30, 2010 (\$ in millions)

Cash & deposits	\$687
Debt securities	1,900
Equity securities	267
Other long-term investments	208
Total cash & investments	\$3,062

Fixed income by asset class



Fixed income by credit rating



First American

Investment Considerations

- Opportunity to improve margins despite challenging market conditions
- Structural changes have enhanced scalability
- Attractive growth prospects
- Meaningful opportunity to return capital to shareholders
- “Pure play” in title and mortgage industries