

First American Financial Reports

Fourth Quarter and Full Year 2017 Results

8 February 2018

First American Financial Corporation (NYSE: FAF), a leading global provider of title insurance, settlement services and risk solutions for real estate transactions, today announced financial results for the fourth quarter and year ended Dec. 31, 2017.

Current Quarter Highlights

- Total revenue of \$1.5 billion, down 2 percent compared with last year.
- Closed title orders down 19 percent, driven by a 41 percent decline in refinance orders.
- Average revenue per order up 23 percent, driven by the shift in the mix to higher-premium purchase and commercial transactions.
- Title Insurance and Services segment pre-tax margin of 12.2 percent.
- Commercial revenues of \$196.2 million, up 6 percent compared with last year.
- Specialty Insurance segment pre-tax margin of 9.2 percent.
- Property and casualty loss rate of 108.1 percent impacted by California wildfires.
- Debt-to-capital ratio of 17.4 percent as of Dec. 31, 2017.
- Net tax benefit of \$114.1 million, or \$1.01 per diluted share, related to tax reform.

Full Year 2017 Highlights

- Total revenue of \$5.8 billion, up 4 percent compared with last year.
- Title Insurance and Services segment pre-tax margin of 12.1 percent.
- Closed acquisitions totalling \$91 million.
- Completed termination of pension plan, resulting in annualised savings of \$22 million.
- Raised common stock dividend 12 percent to an annual rate of \$1.52 per share.
- Cash flow from operations of \$632.1 million, up 29 percent from last year.
- Return on equity of 13.0 percent.

About First American

First American Financial Corporation (NYSE: FAF) is a leading provider of title insurance, settlement services and risk solutions for real estate transactions that traces its heritage back to 1889. First American also provides title plant management services; title and other real property records and images; valuation products and services; home warranty products; property and casualty insurance; and banking, trust and wealth management services. With total revenue of \$5.8 billion in 2017, the company offers its products and services directly and through its agents throughout the United States and abroad. In 2016 and again in 2017, First American was named to the *Fortune* 100 Best Companies to Work For® list. More information about the company can be found at www.firstam.com

About First Title Insurance

First Title Insurance plc provides innovative insurance solutions that minimise legal risk and add security to real estate transactions throughout Europe. First Title Insurance plc is part of The First American Family that traces its heritage back to 1889. For more information, please visit www.firsttitle.eu.

Leading Title Insurance