

**Investors Title Company and Subsidiaries**  
**Consolidated Balance Sheets**  
*As of December 31, 2007 and 2006*  
(Unaudited)

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
<b>Assets</b>		
Investments in securities:		
Fixed maturities:		
Held-to-maturity, at amortized cost	\$ 1,052,535	\$ 1,195,617
Available-for-sale, at fair value	90,530,946	101,954,292
Equity securities, available-for-sale at fair value	14,586,066	12,495,923
Short-term investments	21,222,533	4,460,911
Other investments	1,634,301	1,473,303
Total investments	<u>129,026,381</u>	<u>121,580,046</u>
Cash and cash equivalents	3,000,762	3,458,432
Premiums and fees receivable, net	6,900,968	6,693,706
Accrued interest and dividends	1,254,641	1,336,790
Prepaid expenses and other assets	1,276,806	1,479,366
Property acquired in settlement of claims	278,476	303,538
Property, net	5,278,891	6,134,304
Deferred income taxes, net	<u>2,625,495</u>	<u>2,530,196</u>
<b>Total Assets</b>	<b>\$ <u>149,642,420</u></b>	<b>\$ <u>143,516,378</u></b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Reserves for claims	\$ 36,975,000	\$ 36,906,000
Accounts payable and accrued liabilities	11,236,781	10,537,992
Commissions and reinsurance payables	406,922	470,468
Current income taxes payable	1,747,877	326,255
Total liabilities	<u>50,366,580</u>	<u>48,240,715</u>
<b>Stockholders' Equity:</b>		
Common stock - no par value (shares authorized 10,000,000; 2,411,318 and 2,507,325 shares issued and outstanding 2007 and 2006, respectively, excluding 291,676 shares for 2007 and 2006 of common stock held by the Company's subsidiary)	1	1
Retained earnings	95,739,827	92,134,608
Accumulated other comprehensive income	3,536,012	3,141,054
Total stockholders' equity	<u>99,275,840</u>	<u>95,275,663</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>149,642,420</u></b>	<b>\$ <u>143,516,378</u></b>