

**Investors Title Company and Subsidiaries**  
**Consolidated Balance Sheets**  
*As of September 30, 2008 and December 31, 2007*  
(Unaudited)

|   | <u>September 30, 2008</u> | <u>December 31, 2007</u> |
|---|---------------------------|--------------------------|
| <b>Assets</b>   |                           |                          |
| Investments in securities:  |                           |                          |
| Fixed maturities:   |                           |                          |
| Held-to-maturity, at amortized cost   | \$ 556,721                | \$ 1,052,535             |
| Available-for-sale, at fair value   | 77,021,610                | 90,530,946               |
| Equity securities, available-for-sale, at fair value  | 12,066,559                | 14,586,066               |
| Short-term investments  | 26,268,940                | 21,222,533               |
| Other investments   | 2,207,869                 | 1,634,301                |
| Total investments   | <u>118,121,699</u>        | <u>129,026,381</u>       |
| Cash and cash equivalents   | 6,302,937                 | 3,000,762                |
| Premiums and fees receivable, net   | 5,641,878                 | 6,900,968                |
| Accrued interest and dividends  | 966,346                   | 1,254,641                |
| Prepaid expenses and other assets   | 2,374,820                 | 1,276,806                |
| Property acquired in settlement of claims   | 395,734                   | 278,476                  |
| Property, net   | 4,621,207                 | 5,278,891                |
| Deferred income taxes, net  | 3,136,788                 | 2,625,495                |
| <b>Total Assets</b>   | <u>\$ 141,561,409</u>     | <u>\$ 149,642,420</u>    |
| <b>Liabilities and Stockholders' Equity</b>   |                           |                          |
| <b>Liabilities:</b>   |                           |                          |
| Reserves for claims   | \$ 37,290,000             | \$ 36,975,000            |
| Accounts payable and accrued liabilities  | 10,746,536                | 11,236,781               |
| Commissions and reinsurance payable   | 302,429                   | 406,922                  |
| Current income taxes payable  | -                         | 1,747,877                |
| Total liabilities   | <u>48,338,965</u>         | <u>50,366,580</u>        |
| <b>Stockholders' Equity:</b>  |                           |                          |
| Common stock - no par value (shares authorized 10,000,000;<br>2,298,546 and 2,411,318 shares issued and outstanding 2008 and 2007,<br>respectively, excluding 291,676 shares for 2008 and 2007<br>of common stock held by the Company's subsidiary) | 1                         | 1                        |
| Retained earnings   | 92,534,330                | 95,739,827               |
| Accumulated other comprehensive income  | 688,113                   | 3,536,012                |
| Total stockholders' equity  | <u>93,222,444</u>         | <u>99,275,840</u>        |
| <b>Total Liabilities and Stockholders' Equity</b>   | <u>\$ 141,561,409</u>     | <u>\$ 149,642,420</u>    |