

Investors Title Company and Subsidiaries
Consolidated Balance Sheets
As of September 30, 2005 and December 31, 2004
(Unaudited)

	<u>September 30, 2005</u>	<u>December 31, 2004</u>
Assets		
Cash and cash equivalents	\$ 6,165,400	\$ 4,726,443
Investments in securities:		
Fixed maturities:		
Held-to-maturity, at amortized cost	1,703,724	2,202,635
Available-for-sale, at fair value	62,511,297	72,471,766
Equity securities, available-for-sale at fair value	7,962,143	7,240,306
Short-term investments	25,825,270	10,134,321
Other investments	1,346,311	1,211,517
Total investments	<u>99,348,745</u>	<u>93,260,545</u>
Premiums receivable, net	8,958,003	6,679,994
Accrued interest and dividends	750,600	753,638
Prepaid expenses and other assets	2,005,707	1,410,584
Property acquired in settlement of claims	355,008	322,517
Property, net	4,417,201	4,592,784
Deferred income taxes, net	<u>1,431,563</u>	<u>1,440,247</u>
Total Assets	\$ <u>123,432,227</u>	\$ <u>113,186,752</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Reserves for claims	\$ 34,308,000	\$ 31,842,000
Accounts payable and accrued liabilities	7,130,514	7,919,651
Commissions and reinsurance payables	547,394	551,662
Current income taxes payable	193,410	366,168
Total liabilities	<u>42,179,318</u>	<u>40,679,481</u>
Stockholders' Equity:		
Common stock - no par value (shares authorized 10,000,000; 2,557,711 and 2,481,024 shares issued and outstanding 2005 and 2004, respectively, excluding 298,033 and 374,720 shares 2005 and 2004, respectively, of common stock held by the Company's subsidiary)	1	1
Retained earnings	78,369,004	69,272,092
Accumulated other comprehensive income (net unrealized gain on investments)	2,883,904	3,235,178
Total stockholders' equity	<u>81,252,909</u>	<u>72,507,271</u>
Total Liabilities and Stockholders' Equity	\$ <u>123,432,227</u>	\$ <u>113,186,752</u>