

Investors Title Company and Subsidiaries
Consolidated Statements of Income
September 30, 2005 and 2004
(Unaudited)

	For The Three Months Ended September 30		For The Nine Months Ended September 30	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:				
Underwriting income:				
Premiums written	\$ 21,035,519	\$ 18,391,953	\$ 58,333,687	\$ 55,219,529
Less-premiums for reinsurance ceded	49,419	37,510	234,234	200,818
Net premiums written	<u>20,986,100</u>	<u>18,354,443</u>	<u>58,099,453</u>	<u>55,018,711</u>
Investment income-interest and dividends	812,659	603,584	2,373,983	1,922,515
Net realized gain on sales of investments	69,597	19,280	89,504	39,667
Exchange services revenue	1,222,602	931,446	3,272,034	1,953,644
Other	942,365	594,571	2,381,990	1,666,843
Total	<u>24,033,323</u>	<u>20,503,324</u>	<u>66,216,964</u>	<u>60,601,380</u>
Operating Expenses:				
Commissions to agents	8,209,799	7,372,112	23,050,329	22,283,907
Provision for claims	2,283,372	2,110,152	6,354,485	6,139,555
Salaries, employee benefits and payroll taxes	4,540,061	4,042,857	14,320,940	12,219,022
Office occupancy and operations	1,320,550	1,294,766	4,353,434	3,821,521
Business development	591,506	447,159	1,483,367	1,324,096
Taxes, other than payroll and income	67,234	42,823	387,218	341,877
Premium and retaliatory taxes	411,084	357,244	1,204,399	1,079,639
Professional fees	183,310	336,919	830,683	1,144,905
Other	186,878	84,428	298,088	138,995
Total	<u>17,793,794</u>	<u>16,088,460</u>	<u>52,282,943</u>	<u>48,493,517</u>
Income Before Income Taxes	<u>6,239,529</u>	<u>4,414,864</u>	<u>13,934,021</u>	<u>12,107,863</u>
Provision For Income Taxes	<u>1,910,000</u>	<u>1,487,000</u>	<u>4,162,000</u>	<u>4,078,000</u>
Net Income	<u>\$ 4,329,529</u>	<u>\$ 2,927,864</u>	<u>\$ 9,772,021</u>	<u>\$ 8,029,863</u>
Basic Earnings Per Common Share	<u>\$ 1.69</u>	<u>\$ 1.17</u>	<u>\$ 3.81</u>	<u>\$ 3.21</u>
Weighted Average Shares Outstanding - Basic	<u>2,559,154</u>	<u>2,493,786</u>	<u>2,562,247</u>	<u>2,500,654</u>
Diluted Earnings Per Common Share	<u>\$ 1.67</u>	<u>\$ 1.12</u>	<u>\$ 3.74</u>	<u>\$ 3.06</u>
Weighted Average Shares Outstanding - Diluted	<u>2,600,289</u>	<u>2,608,160</u>	<u>2,611,073</u>	<u>2,621,922</u>