

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

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Assets		
Cash and cash equivalents	\$ 14,608,481	\$ 4,726,443
Investments in securities:		
Fixed maturities:		
Held-to-maturity, at amortized cost	1,648,708	2,202,635
Available-for-sale, at fair value	75,472,342	72,471,766
Equity securities, available-for-sale at fair value	9,437,678	7,240,306
Short term investments	7,257,734	10,134,321
Other investments	1,336,111	1,211,517
Total investments	<u>95,152,573</u>	<u>93,260,545</u>
Premiums receivable, net	7,818,558	6,679,994
Accrued interest and dividends	1,010,198	753,638
Prepaid expenses and other assets	1,592,326	1,410,584
Property acquired in settlement of claims	359,980	322,517
Property, net	5,466,765	4,592,784
Deferred income taxes, net	<u>2,462,647</u>	<u>1,440,247</u>
Total Assets	\$ <u>128,471,528</u>	\$ <u>113,186,752</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Reserves for claims	\$ 34,857,000	\$ 31,842,000
Accounts payable and accrued liabilities	7,928,384	7,919,651
Commissions and reinsurance payables	442,098	551,662
Current income taxes payable	946,790	366,168
Total liabilities	<u>44,174,272</u>	<u>40,679,481</u>
Stockholders' Equity:		
Common stock - no par value (shares authorized 10,000,000; 2,549,434 and 2,481,024 shares issued and outstanding 2005 and 2004, respectively, excluding 297,783 and 374,720 shares 2005 and 2004, respectively, of common stock held by the Company's subsidiary)	1	1
Retained earnings	81,477,022	69,272,092
Accumulated other comprehensive income (net unrealized gain on investments)	2,820,233	3,235,178
Total stockholders' equity	<u>84,297,256</u>	<u>72,507,271</u>
Total Liabilities and Stockholders' Equity	\$ <u>128,471,528</u>	\$ <u>113,186,752</u>