

**Investors Title Company and Subsidiaries**  
**Consolidated Balance Sheets**  
*As of September 30, 2006 and December 31, 2005*  
*(Unaudited)*

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,957,098	\$ 14,608,481
Investments in securities:		
Fixed maturities:		
Held-to-maturity, at amortized cost	1,200,276	1,648,708
Available-for-sale, at fair value	96,677,536	75,472,342
Equity securities, available-for-sale at fair value	12,363,984	9,437,678
Short-term investments	3,000,463	7,257,734
Other investments	1,629,631	1,336,111
Total investments	<u>114,871,890</u>	<u>95,152,573</u>
Premiums and fees receivable, net	7,326,398	7,818,558
Accrued interest and dividends	1,081,266	1,010,198
Prepaid expenses and other assets	6,796,132	1,592,326
Property acquired in settlement of claims	417,800	359,980
Property, net	6,119,700	5,466,765
Deferred income taxes, net	<u>2,011,981</u>	<u>2,462,647</u>
<b>Total Assets</b>	<u>\$ 142,582,265</u>	<u>\$ 128,471,528</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Reserves for claims	\$ 36,477,000	\$ 34,857,000
Accounts payable and accrued liabilities	12,758,421	7,928,384
Commissions and reinsurance payables	353,362	442,098
Current income taxes payable	126,255	946,790
Total liabilities	<u>49,715,038</u>	<u>44,174,272</u>
<b>Stockholders' Equity:</b>		
Common stock - no par value (shares authorized 10,000,000; 2,506,784 and 2,549,434 shares issued and outstanding 2006 and 2005, respectively, excluding 291,676 and 297,783 shares 2006 and 2005, respectively, of common stock held by the Company's subsidiary)	1	1
Retained earnings	90,002,406	81,477,022
Accumulated other comprehensive income (net unrealized gain on investments)	2,864,820	2,820,233
Total stockholders' equity	<u>92,867,227</u>	<u>84,297,256</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 142,582,265</u>	<u>\$ 128,471,528</u>