

Investors Title Company and Subsidiaries
Consolidated Statements of Income
March 31, 2006 and 2005
(Unaudited)

	For The Three Months Ended March 31	
	<u>2006</u>	<u>2005</u>
Revenues:		
Underwriting income:		
Premiums Written	\$ 16,746,269	\$ 17,246,037
Less-premiums for reinsurance ceded	<u>114,643</u>	<u>139,079</u>
Net premiums written	16,631,626	17,106,958
Investment income-interest and dividends	994,054	752,765
Net realized gain (loss) on sales of investments	561,647	(10,894)
Exchange services revenue	1,027,732	809,639
Other	<u>963,789</u>	<u>671,111</u>
Total	<u>20,178,848</u>	<u>19,329,579</u>
Operating Expenses:		
Commissions to agents	6,283,396	6,991,749
Provision for claims	1,855,279	1,899,005
Salaries, employee benefits and payroll taxes	5,005,847	5,367,312
Office occupancy and operations	1,465,313	1,349,206
Business development	505,658	427,473
Taxes, other than payroll and income	150,885	110,754
Premium and retaliatory taxes	342,068	399,545
Professional fees	587,622	437,930
Other	<u>218,839</u>	<u>45,111</u>
Total	<u>16,414,907</u>	<u>17,028,085</u>
Income Before Income Taxes	<u>3,763,941</u>	<u>2,301,494</u>
Provision For Income Taxes	<u>889,000</u>	<u>721,000</u>
Net Income	\$ <u>2,874,941</u>	\$ <u>1,580,494</u>
Basic Earnings Per Common Share	\$ <u>1.13</u>	\$ <u>0.62</u>
Weighted Average Shares Outstanding - Basic	<u>2,549,070</u>	<u>2,564,490</u>
Diluted Earnings Per Common Share	\$ <u>1.11</u>	\$ <u>0.60</u>
Weighted Average Shares Outstanding - Diluted	<u>2,586,465</u>	<u>2,625,447</u>