

**Erie Indemnity Company**  
**Statements of Operations**

(dollars in thousands, except per share data)

	Three months ended March 31,	
	2018	2017
	(Unaudited)	
<b>Operating revenue</b>		
Management fee revenue - policy issuance and renewal services, net	\$ 405,978	\$ 392,058
Management fee revenue - administrative services, net	13,074	—
Administrative services reimbursement revenue	145,963	—
Service agreement revenue	7,145	7,258
Total operating revenue	<u>572,160</u>	<u>399,316</u>
<b>Operating expenses</b>		
Cost of operations - policy issuance and renewal services	348,630	332,376
Cost of operations - administrative services	145,963	—
Total operating expenses	<u>494,593</u>	<u>332,376</u>
<b>Operating income</b>	77,567	66,940
<b>Investment income</b>		
Net investment income	6,820	5,981
Net realized investment (losses) gains	(465)	516
Net impairment losses recognized in earnings	0	(121)
Equity in (losses) earnings of limited partnerships	(192)	213
<b>Total investment income</b>	<u>6,163</u>	<u>6,589</u>
Interest expense, net	553	166
Other income (expense)	44	(409)
Income before income taxes	83,221	72,954
Income tax expense	17,463	25,078
<b>Net income</b>	<u>\$ 65,758</u>	<u>\$ 47,876</u>
<b>Earnings Per Share</b>		
<b>Net income per share</b>		
Class A common stock – basic	\$ 1.41	\$ 1.03
<b>Class A common stock – diluted</b>	<u>\$ 1.26</u>	<u>\$ 0.91</u>
Class B common stock – basic and diluted	\$ 212	\$ 154
<b>Weighted average shares outstanding – Basic</b>		
Class A common stock	46,187,908	46,188,522
Class B common stock	<u>2,542</u>	<u>2,542</u>
<b>Weighted average shares outstanding – Diluted</b>		
Class A common stock	52,310,628	52,408,560
Class B common stock	<u>2,542</u>	<u>2,542</u>
<b>Dividends declared per share</b>		
Class A common stock	\$ 0.8400	\$ 0.7825
Class B common stock	<u>\$ 126.000</u>	<u>\$ 117.375</u>

**Erie Indemnity Company**  
**Statements of Financial Position**

(in thousands)

	March 31, 2018	December 31, 2017
	(Unaudited)	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 119,627	\$ 215,721
Available-for-sale securities	96,574	71,190
Receivables from Erie Insurance Exchange and affiliates	415,343	418,328
Prepaid expenses and other current assets	43,061	34,890
Federal income taxes recoverable	14,716	29,900
Note receivable from Erie Family Life Insurance Company	25,000	25,000
Accrued investment income	6,425	6,853
<b>Total current assets</b>	720,746	801,882
Available-for-sale securities	633,230	687,523
Equity securities	12,583	—
Limited partnership investments	44,114	45,122
Fixed assets, net	88,448	83,149
Deferred income taxes, net	29,055	19,390
Other assets	45,300	28,793
<b>Total assets</b>	<b>\$ 1,573,476</b>	<b>\$ 1,665,859</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities:</b>		
Commissions payable	\$ 240,848	\$ 228,124
Agent bonuses	30,232	122,528
Accounts payable and accrued liabilities	95,789	104,533
Dividends payable	39,119	39,116
Contract liability	31,951	—
Deferred executive compensation	9,710	15,605
<b>Total current liabilities</b>	447,649	509,906
Defined benefit pension plans	176,598	207,530
Employee benefit obligations	313	423
Contract liability	16,910	—
Deferred executive compensation	16,096	14,452
Long-term borrowings	74,726	74,728
Other long-term liabilities	1,029	1,476
<b>Total liabilities</b>	733,321	808,515
<b>Shareholders' equity</b>	<b>840,155</b>	<b>857,344</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,573,476</b>	<b>\$ 1,665,859</b>