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

(dollars in thousands, except per share data)

Operating revenue         2019         2018           Management fee revenue - policy issuance and renewal services, net         \$ 430,983         \$ 405,978           Management fee revenue - administrative services, net         112,480         142,480           Service agreement revenue         6,692         7,145           Total operating revenue         6,692         7,150           Total operating revenue         365,504         348,630           Cost of operations - policy issuance and renewal services         142,480         145,683           Cost of operations - policy issuance and renewal services         142,480         145,693           Total operating expenses         365,504         348,630           Total operating expenses         86,122         77,576           Net recalized investment income         8,517         6,820           Net recalized investment gains (losses)         2,503         466,59           Net recalized investment gains (losses)         4,147         406           Net recalized investment gains (losses)         4,147         406           Requiry in Casso of limited partnerships         1,147         402           Total investment income         9,755         6,63           Increst expense, net         2,97         6,63		Three months ended March 31,			
Operating revenue         430,983         \$ 405,978           Management fee revenue - administrative services, net         13,951         13,078           Administrative services reimbursement revenue         142,480         145,963           Service agreement revenue         6,692         7,145           Total operating revenue         365,104         348,630           Operating expenses           Cost of operations - spolicy issuance and renewal services         365,504         348,630           Cost of operations - administrative services         142,480         145,693           Total operating expenses         507,984         145,963           Total operating income         85,12         7,567           Net investment income           Net realized investment gains (losses)         2,503         (465)           Net realized investment gains (losses)         2,503         (465)           Net inpairment losses recognized in earnings         1,147         (192)           Total investment income         9,795         6,620           Net injairment losses recognized in earnings         1,147         (192)           Total investment income         9,795         6,162           Total investment income         9,795         6,162     <		 2019 2018			
Management fee revenue - policy issuance and renewal services, net         4 30,983         \$ 405,978           Management fee revenue - administrative services, net         11,951         13,074           Administrative services reimbursement revenue         6,692         7,145           Service agreement revenue         594,106         592,106           Cost of operating revenue         365,504         348,630           Cost of operations - policy issuance and renewal services         365,504         348,630           Total operating expenses         507,984         494,939           Operating income         86,122         77,567           Investment income           Net realized investment gains (losses)         2,503         (465)           Net investment income         8,517         6,820           Net investment income         8,517         6,820           Net injustiment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (11,47)         (1920)           Total investment income         449         553           Other income         3,551         8,3221           Income be fore income taxes         35,515         83,221           Income be fore income taxes         35,515 <th></th> <th colspan="3"> (Unaudited</th>		 (Unaudited			
Management fee revenue - administrative services net         13,951         13,074           Administrative services reimbursement revenue         142,480         145,963           Service agreement revenue         594,106         572,105           Total operating revenue         394,106         572,106           Operating expenses           Cost of operations - policy issuance and renewal services         365,504         348,630           Total operating expenses         307,984         494,593           Operating income         86,122         77,567           Investment income         8,517         6,820           Net investment income         8,517         6,820           Net realized investment gains (losses)         2,503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         449         553           Interest expense, net         449         553           Other income         37,511         8,3221           Income tax expense         20,204         17,463           Income tax expense         20,204         17,463           Class A common stock	Operating revenue				
Administrative services reimbursement revenue         142,480         145,963           Service agreement revenue         6,692         7,145           Total operating revenue         594,106         592,106           Operating expenses           Cost of operations - policy issuance and renewal services         365,504         348,630           Cost of operations - administrative services         142,480         494,593           Total operating expenses         507,984         494,593           Operating income         86,122         77,507           Investment income           Net investment income         8,517         6,820           Net realized investment gains (losses)         2,503         465           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (11,147)         (1920)           Total investment income         449         553           Other income         449         553           Other income         47         44           Income tax expense, net         9,75,15         83,221           Income tax expense         20,204         17,463           Net income         5,31,1         1,24         1,24	Management fee revenue - policy issuance and renewal services, net	\$ 430,983	\$	405,978	
Service agreement revenue         6.692         7,145           Total operating revenue         594,106         592,106           Operating expenses         365,504         348,630           Cost of operations - policy issuance and renewal services         365,504         348,630           Total operating expenses         507,984         404,593           Total perating expenses         8,517         6,820           Net income         8,517         6,820           Net investment income         8,517         6,820           Net inpairment losses recognized in earnings         7,89         0           Equity in losses of limited partnerships         1,147         (192           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         457         44           Income before income taxes         9,515         83,221           Net income         5,751         83,221           Class A common stock – basic and diluted         9,14 <td>Management fee revenue - administrative services, net</td> <td>13,951</td> <td></td> <td>13,074</td>	Management fee revenue - administrative services, net	13,951		13,074	
Total operating revenue         594,106         572,10e           Operating expenses         365,504         348,630           Cost of operations - policy issuance and renewal services         142,480         145,963           Total operating expenses         507,984         494,593           Operating income         86,122         77,567           Investment income         8,517         6,820           Net investment income         8,517         6,820           Net investment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         4,79         53           Interest expense, net         449         553           Other income         47         444           Income before income taxes         5,515         8,3221           Income lax expense         20,204         17,463           Net income         5,515         8,5221           Income before income taxes         5,152         1,262           Net income per share         20,204         1,746           Class A common stock – basic         5,162         1,746           Class A common stock – basic and diluted         2,144         <	Administrative services reimbursement revenue	,		145,963	
Operating expenses         365,504         348,630           Cost of operations - policy issuance and renewal services         142,480         145,963           Total operating expenses         507,984         494,593           Operating income         86,12         77,567           Investment income           Net investment income         8,517         6,820           Net inpairment losses recognized in earnings         6,851         6,820           Net impairment losses recognized in earnings         (7,89)         6,103           Requity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income before income taxes         95,515         83,221           Net income         3,75,31         9,61,535           Net income         3,144         9,1,46           Class A common stock – basic         1,14         9,1,46           Class A common stock – basic and diluted         3,1,4         9,1,4           Class A common stock         2,54         2,54	Service agreement revenue	 6,692		7,145	
Cost of operations - policy issuance and renewal services         365,504         348,630           Cost of operations - administrative services         142,480         145,963           Total operating expenses         507,984         494,593           Operating income         86,122         77,567           Investment income           Net investment income         8,517         6,820           Net realized investment gains (losses)         46,50         6,80           Net impairment losses recognized in earnings         78         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         97,95         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         29,531         8 65,78           Net income         375,311         8 65,78           Net income per share         21,622         3 1,41           Class A common stock – basic         31,44         3 1,42           Class A common stock – basic and diluted         31,44         3 1,22           Class A common stock         46,188,337	Total operating revenue	 594,106		572,160	
Cost of operations - administrative services         142,480         145,083           Total operating expenses         507,984         494,593           Operating income         86,122         77,567           Investment income         8,517         6,820           Net investment income         8,517         6,820           Net investment gains (losses)         78         0           Net inalized investment gains (losses)         10,127         0         10           Net inalized investment income         9,795         6,163         0         10	Operating expenses				
Total operating expenses         507,984         494,593           Operating income         86,122         77,567           Investment income         8,517         6,820           Net investment income         8,517         6,820           Net realized investment gains (losses)         2,503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (1922)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income before income taxes         20,204         17,463           Net income         375,311         8 65,758           Net income         1,02         1,143         1,144           Class A common stock – basic         1,142         1,144         1,142           Class A common stock – basic and diluted         2,144         1,142         1,142           Class A common stock         2,142         2,142         2,142         2,142         2,142         2,142         2,142         2,142         2,142<	Cost of operations - policy issuance and renewal services	365,504		348,630	
Operating income         86,122         77,567           Investment income         8,517         6,820           Net investment income         8,517         6,820           Net investment gains (losses)         2,503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$75,311         \$ 65,758           Net income per share         20,204         17,463           Class A common stock – basic         \$ 1.62         \$ 1.44           Class A common stock – basic and diluted         \$ 2.14         \$ 1.26           Class B common stock – basic and diluted         \$ 2.43         \$ 2.12           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted	Cost of operations - administrative services	 142,480		145,963	
Investment income         8.517         6.820           Net investment income         8.517         6.820           Net realized investment gains (losses)         2.503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9.795         6.163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$75,311         \$65,758           Net income per share         \$1,62         \$1,44           Class A common stock – basic         \$1,44         \$1,26           Class A common stock – basic and diluted         \$1,44         \$1,26           Weighted average shares outstanding – Basic         46,188,337         46,187,90           Class B common stock         \$2,542         2,542           Weighted average shares outstanding – Diluted         \$2,312,036         \$2,310,628           Class B common stock         \$2,542         2,542           Dividends declared per shar	Total operating expenses	507,984		494,593	
Net investment income         8,517         6,820           Net realized investment gains (losses)         2,503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         375,31         65,758           Net income per share         2         1.62         1.44           Class A common stock – basic         \$ 1.62         1.44         1.26           Class A common stock – basic and diluted         \$ 1.62         \$ 1.62         1.26           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class A common stock         2,542         2,542         2,542           Weighted average shares outstanding – Bituel         \$ 23,310,628         2,542         2,542         2,542           Class A common stock         \$ 2,312,036         52,310,628         2,542	Operating income	86,122		77,567	
Net realized investment gains (losses)         2,503         (465)           Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1.62         \$ 1.41           Class A common stock – basic         \$ 1.62         \$ 1.41           Class A common stock – basic and diluted         \$ 1.42         \$ 1.26           Class B common stock – basic and diluted         \$ 2.43         \$ 2.12           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         \$ 2,542         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,312,036         \$ 23,10,628           Class A common stock         \$ 2,542         2,542         2,542           Dividends declared per share         \$	Investment income				
Net impairment losses recognized in earnings         (78)         0           Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1,62         \$ 1,44           Class A common stock – basic         \$ 1,62         \$ 1,41           Class A common stock – basic and diluted         \$ 1,42         \$ 1,26           Class B common stock – basic and diluted         \$ 2,43         \$ 2,12           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         2,542         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,312,036         \$ 23,10,628           Class A common stock         \$ 2,542         2,542         2,542           Dividends declared per share         \$ 2,542         2,542         2,542           Dividends declared per share	Net investment income	8,517		6,820	
Equity in losses of limited partnerships         (1,147)         (192)           Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share           Class A common stock – basic         \$ 1.62         \$ 1.41           Class A common stock – basic and diluted         \$ 2.43         \$ 2.12           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class A common stock         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,542         2,542           Class B common stock         \$ 2,542         2,542           Class B common stock         \$ 2,542         2,542           Dividends declared per share         \$ 0.90         \$ 0.84	Net realized investment gains (losses)	2,503		(465)	
Total investment income         9,795         6,163           Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1.62         \$ 1.41           Class A common stock – basic         \$ 1.62         \$ 1.41           Class B common stock – basic and diluted         \$ 2.43         \$ 2.12           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted         25,242         2,542           Class B common stock         52,312,036         52,310,628	Net impairment losses recognized in earnings	(78)		0	
Interest expense, net         449         553           Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1.62         \$ 1.41           Class A common stock – basic         \$ 1.42         \$ 1.42           Class A common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,312,036         \$ 23,10,628           Class B common stock         \$ 2,312,036         \$ 23,10,628           Class B common stock         \$ 2,542         2,542           Dividends declared per share         \$ 0.90         \$ 0.84	Equity in losses of limited partnerships	(1,147)		(192)	
Other income         47         44           Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share           Class A common stock – basic         \$ 1.62         \$ 1.41           Class A common stock – basic and diluted         \$ 1.44         \$ 1.26           Class B common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,312,036         \$ 2,310,628           Class A common stock         \$ 2,542         2,542           Dividends declared per share         \$ 0.90         \$ 0.84	Total investment income	 9,795		6,163	
Income before income taxes         95,515         83,221           Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1.62         \$ 1.41           Class A common stock – basic         \$ 1.42         \$ 1.26           Class B common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic         \$ 2,542         \$ 2,542           Class B common stock         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted         \$ 2,312,036         \$ 23,310,628           Class B common stock         \$ 2,542         2,542         2,542           Dividends declared per share         \$ 0.90         \$ 0.84	Interest expense, net	449		553	
Income tax expense         20,204         17,463           Net income         \$ 75,311         \$ 65,758           Net income per share         \$ 1.62         \$ 1.41           Class A common stock – basic         \$ 1.42         \$ 1.26           Class B common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic         \$ 2,542         \$ 2,542           Class A common stock         \$ 2,542         \$ 2,542           Weighted average shares outstanding – Diluted         \$ 22,312,036         \$ 22,310,628           Class A common stock         \$ 2,542         \$ 2,542           Dividends declared per share         \$ 0.90         \$ 0.84	Other income	47		44	
Net income         \$ 75,311         \$ 65,758           Net income per share         Class A common stock – basic         \$ 1.62         \$ 1.41           Class A common stock – diluted         \$ 1.44         \$ 1.26           Class B common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic         Class A common stock         46,187,908           Class B common stock         2,542         2,542         2,542           Weighted average shares outstanding – Diluted         52,312,036         52,310,628           Class A common stock         52,312,036         52,310,628           Dividends declared per share         Class A common stock         \$ 0.90         \$ 0.84	Income before income taxes	95,515		83,221	
Net income per share         Class A common stock – basic       \$ 1.62       \$ 1.41         Class A common stock – diluted       \$ 1.44       \$ 1.26         Class B common stock – basic and diluted       \$ 243       \$ 212         Weighted average shares outstanding – Basic         Class B common stock       46,188,337       46,187,908         Class B common stock       2,542       2,542         Weighted average shares outstanding – Diluted       52,312,036       52,310,628         Class B common stock       52,342       2,542         Dividends declared per share       \$ 0.90       \$ 0.84	Income tax expense	20,204		17,463	
Class A common stock – basic       \$ 1.62 \$ 1.41         Class A common stock – diluted       \$ 1.44 \$ 1.26         Class B common stock – basic and diluted       \$ 243 \$ 212         Weighted average shares outstanding – Basic         Class A common stock       46,188,337 46,187,908         Class B common stock       2,542 2,542         Weighted average shares outstanding – Diluted         Class A common stock       52,312,036 52,310,628         Class B common stock       2,542 2,542         Dividends declared per share       \$ 0.90 \$ 0.84	Net income	\$ 75,311	\$	65,758	
Class A common stock – diluted         \$ 1.44         \$ 1.26           Class B common stock – basic and diluted         \$ 243         \$ 212           Weighted average shares outstanding – Basic           Class A common stock         46,188,337         46,187,908           Class B common stock         2,542         2,542           Weighted average shares outstanding – Diluted           Class A common stock         52,312,036         52,310,628           Class B common stock         2,542         2,542           Dividends declared per share           Class A common stock         \$ 0.90         \$ 0.84	Net income per share				
Class B common stock – basic and diluted \$ 243 \$ 212  Weighted average shares outstanding – Basic Class A common stock 46,188,337 46,187,908 Class B common stock 2,542 2,542  Weighted average shares outstanding – Diluted Class A common stock 52,312,036 52,310,628 Class B common stock 52,542 2,542  Dividends declared per share Class A common stock \$ 0.90 \$ 0.84	Class A common stock – basic	\$ 1.62	\$	1.41	
Weighted average shares outstanding – BasicClass A common stock46,188,33746,187,908Class B common stock2,5422,542Weighted average shares outstanding – DilutedClass A common stock52,312,03652,310,628Class B common stock2,5422,542Dividends declared per shareClass A common stock\$ 0.90\$ 0.84	Class A common stock – diluted	\$ 1.44	\$	1.26	
Class A common stock       46,188,337       46,187,908         Class B common stock       2,542       2,542         Weighted average shares outstanding – Diluted         Class A common stock       52,312,036       52,310,628         Class B common stock       2,542       2,542         Dividends declared per share         Class A common stock       \$ 0.90       \$ 0.84	Class B common stock – basic and diluted	\$ 243	\$	212	
Class B common stock 2,542 2,542  Weighted average shares outstanding – Diluted  Class A common stock 52,312,036 52,310,628  Class B common stock 2,542 2,542  Dividends declared per share  Class A common stock \$ 0.90 \$ 0.84	Weighted average shares outstanding – Basic				
Weighted average shares outstanding – DilutedClass A common stock52,312,03652,310,628Class B common stock2,5422,542Dividends declared per shareClass A common stock\$ 0.90\$ 0.84	Class A common stock	46,188,337		46,187,908	
Class A common stock         52,312,036         52,310,628           Class B common stock         2,542         2,542           Dividends declared per share           Class A common stock         \$ 0.90 \$ 0.84	Class B common stock	2,542		2,542	
Class A common stock         52,312,036         52,310,628           Class B common stock         2,542         2,542           Dividends declared per share           Class A common stock         \$ 0.90 \$ 0.84	Weighted average shares outstanding – Diluted				
Dividends declared per share Class A common stock \$ 0.90 \$ 0.84		52,312,036		52,310,628	
Class A common stock \$ 0.90 \$ 0.84	Class B common stock	2,542		2,542	
Class A common stock \$ 0.90 \$ 0.84	Dividends declared per share				
Class B common stock \$ 135.00 \$ 126.00		\$ 0.90	\$	0.84	
	Class B common stock	\$ 135.00	\$	126.00	

## **Erie Indemnity Company**

## **Statements of Financial Position**

(in thousands)

		March 31, 2019		December 31, 2018	
	(	Unaudited)			
Assets					
Current assets:			_		
Cash and cash equivalents	\$	312,045	\$	266,417	
Available-for-sale securities		139,994		402,339	
Receivables from Erie Insurance Exchange and affiliates		456,135		449,873	
Prepaid expenses and other current assets		49,997		36,892	
Federal income taxes recoverable		0		8,162	
Accrued investment income		4,220		5,263	
Total current assets		962,391		1,168,946	
Available-for-sale securities		534,925		346,184	
Equity securities		12,410		11,853	
Limited partnership investments		30,038		34,821	
Fixed assets, net		144,652		130,832	
Deferred income taxes, net		22,180		24,101	
Other assets		92,860		61,590	
Total assets	\$	1,799,456	\$	1,778,327	
Liabilities and shareholders' equity					
Current liabilities:					
Commissions payable	\$	253,002	\$	241,573	
Agent bonuses		26,129		103,462	
Accounts payable and accrued liabilities		123,179		111,291	
Dividends payable		41,913		41,910	
Contract liability		34,116		33,854	
Deferred executive compensation		10,346		13,107	
Federal income taxes payable		11,946		0	
Current portion of long-term borrowings		1,891		1,870	
Total current liabilities		502,522		547,067	
Defined benefit pension plans		123,270		116,866	
Long-term borrowings		97,382		97,860	
Contract liability		17,907		17,873	
Deferred executive compensation		16,817		13,075	
Other long-term liabilities		27,754		11,914	
Total liabilities		785,652		804,655	
Shareholders' equity		1,013,804		973,672	
Total liabilities and shareholders' equity	<u>\$</u>	1,799,456	\$	1,778,327	
monitor and oran enougers equity	Ψ	-,,	*	-,,-,-	