

Erie Indemnity Company
Statements of Operations

(dollars in thousands, except per share data)

	Three months ended March 31,	
	2019	2018
	(Unaudited)	
Operating revenue		
Management fee revenue - policy issuance and renewal services, net	\$ 430,983	\$ 405,978
Management fee revenue - administrative services, net	13,951	13,074
Administrative services reimbursement revenue	142,480	145,963
Service agreement revenue	6,692	7,145
Total operating revenue	<u>594,106</u>	<u>572,160</u>
Operating expenses		
Cost of operations - policy issuance and renewal services	365,504	348,630
Cost of operations - administrative services	142,480	145,963
Total operating expenses	<u>507,984</u>	<u>494,593</u>
Operating income	86,122	77,567
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	(1,147)	(192)
Total investment income	<u>9,795</u>	<u>6,163</u>
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	<u>\$ 75,311</u>	<u>\$ 65,758</u>
Net income per share		
Class A common stock – basic	\$ 1.62	\$ 1.41
Class A common stock – diluted	<u>\$ 1.44</u>	<u>\$ 1.26</u>
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	<u>2,542</u>	<u>2,542</u>
Weighted average shares outstanding – Diluted		
Class A common stock	52,312,036	52,310,628
Class B common stock	<u>2,542</u>	<u>2,542</u>
Dividends declared per share		
Class A common stock	\$ 0.90	\$ 0.84
Class B common stock	<u>\$ 135.00</u>	<u>\$ 126.00</u>

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	\$ 1,799,456	\$ 1,778,327