Anthem

2014 ANNUAL REPORT

REDEFINING
REINVENTING
REASSURING

Anthem®

REDEFINING

Redefining Health Care

REINVENTING

Reinventing How We Do Business

REASSURING

Reassuring Our Customers

Anthem is working to transform health care with trusted and caring solutions. Our health plan companies deliver quality products and services that give their members access to the care they need. With more than 68 million people served by its affiliated companies, including more than 37 million enrolled in its family of health plans, Anthem is one of the nation's leading health benefits companies.

We're an independent licensee of the Blue Cross and Blue Shield Association. Anthem companies serve members as the Blue Cross licensee for California, and as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the northern Virginia suburbs of Washington, D.C.), and Wisconsin. In most of these service areas, our plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). Anthem, Inc. subsidiaries Amerigroup, CareMore and Simply Healthcare Holdings, Inc. also serve consumers in many states across the country.

Additional information about Anthem, Inc. is available at www.AnthemInc.com.

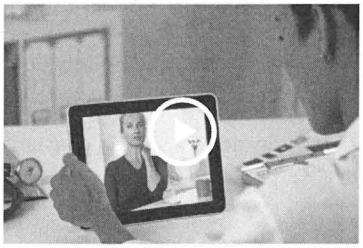
The Blue Cross and Blue Shield names and symbols and BlueCard are registered marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and/or Blue Shield Plans.

REDEFINING

We believe the consumer must be at the center of their health care experience, and our goal in redefining how health care works is to make it better. This means changing what consumers expect from their health plan and building a system that invests in patient-centered care, eliminates inefficiencies and empowers consumers.

Today, consumers are looking for more than just value from their health plans. They want a trusted partner to help them make better decisions for themselves and their family. Earning that trust requires acting as a true resource by providing easy-to-use solutions and quantifiable cost savings amidst a confusing health landscape. Redefining health care starts with consumer-centered solutions.

Vivity



Traditionally, health plan and consumer interaction occurs solely at the point of benefit review or payment. At Anthem, we believe a health plan should support and empower the consumer throughout their personal health journey. That's why our California plan, Anthem Blue Cross, created the Vivity benefit plan. Vivity combines the expertise of our health plan with a provider network that includes seven Los Angeles and Orange County hospitals and their affiliated medical groups. Together, Vivity aligns care and improves the consumer experience. This moves away from fee-for-service payment to true financial risk- and gain-sharing that rewards providers for activities that keep patients healthy.

The hospitals are paid according to the rates in their Anthem Blue Cross provider contracts, but they now have the opportunity to earn shared savings. The risk-sharing arrangement is structured to incentivize the participating hospital systems to focus on sustainable costs and favorable outcomes for members. Each of these hospital systems holds the others accountable for high-quality, affordable care and each must satisfy certain quality metrics before receiving any shared savings. Consumers benefit through simplified access to care and more predictable costs.

Enhanced Personal Health Care

Consumers deeply value the patient-doctor relationship that is at the heart of health care, and Anthem is working to strengthen it. The U.S. health care payment system has not always succeeded in reinforcing this connection. That's why our affiliated health plans developed Enhanced Personal Health Care to support providers as they work to improve the overall health of plan members by offering personalized, coordinated and proactive care.

Enhanced Personal Health Care providers are empowered in three ways: with payment that rewards high-quality, efficient care; access to useful information that can help guide improved care; and support and guidance as they adopt or expand the patient-centered care model. When these three things come together both consumers and Anthem benefit from improved outcomes, time savings and lower costs.

More than one-third of primary care providers in Anthem's affiliated health plan networks participate in Enhanced Personal Health Care. Early results show cost savings of between $5 and $11 per member, per month for members under the care of participating providers. At the same time, clinical quality measures such as diabetes care improve, avoidable emergency room visits drop and patients report that their providers are more accessible, spend enough time with them and listen to them.

Image Cost & Quality Program

Anthem is also putting cost choices in the hands of consumers. As consumers embrace health benefit plans with lower premiums and higher deductibles, out-of-pocket costs per procedure or service are expected to rise. However, it's not easy for consumers to recognize when they're getting the best value. And we all know that higher cost doesn't always guarantee higher quality.

That's why Anthem subsidiary AIM Specialty Health is helping consumers find imaging services at the best price—providing information on providers and out-of-pocket costs anticipated by each consumer. By engaging and educating the consumer about variations in cost for non-urgent imaging procedures, such as MRIs, consumers now have the information and power to make an informed choice on the best value.

According to an AIM study, consumers who chose less expensive MRIs after receiving AIM's price information helped save $220 per test in total health system costs. The study also found increased price awareness was linked to a shift in consumer behavior, decreasing the use of high-cost hospital-based MRIs and ultimately reducing price variation between hospital and non-hospital facilities for all consumers.[1]

Anthem takes the trust of consumers seriously, and its plans work with providers and consumers to provide the best value and access to quality services. We are reinforcing our commitment to redefining health care by helping consumers make informed decisions and strengthening their relationships with their health care providers.

1 *Hussey PS, Wertheimer S, Mehrota A. The association between health care quality and cost: a systematic review. Ann Intern Med. 2013;158(1):27–34*

REINVENTING

There are medical advancements every day, and our health care system must evolve to accommodate those advancements. Anthem is tackling complex areas of health care, collaborating with industry experts and creating information-sharing opportunities. These are just a few of the ways we are helping reinvent the way providers, payers, academic institutes and others work together to improve our health care system.

There are medical advancements every day and the health care system has undergone significant change over the past few years. Anthem is at the forefront of changes to the health care system. By reinventing how health care is administered with innovative changes in treatment plans, research advancements and the exchange of information, our plans are giving providers the tools they need to give consumers the best care possible.

Cancer Care Quality Program

Thanks to medical innovation, there are more cancer treatment options than ever before. Survival rates for many types of cancer have reached all-time highs. But research shows that there's a lot of variation in treatment practice patterns and quality of care; and costs have never been higher.

To tackle these quality and cost issues for chemotherapy treatment of cancer, Anthem worked with its subsidiary AIM Specialty Health to develop the Cancer Care Quality Program.

The Cancer Care Quality Program identifies certain cancer treatment pathways based upon current medical evidence, peer-reviewed published literature, consensus guidelines and Anthem's clinical policies in order to support oncologists in identifying cancer treatment therapies that are highly effective and provide greater value. The program also provides oncologists who are in-network for a member's health benefit plan with enhanced reimbursement to offset the lower fees they receive when prescribing less expensive drugs.

Anthem is trying to shift the paradigm on cancer quality and how our plans pay for cancer care. By reimbursing for treatment planning and care coordination, it helps to weaken the link between drug margin and practice revenue. Our hope is that this program will result in improved quality and less variation regardless of the drug reimbursement.

HealthCore Collaborations

Anthem, Inc. and its subsidiaries are also working with leaders in the pharmaceutical industry to transform disconnected data sets into real world results. This is the kind of research that will advance traditional thinking and translate into better treatment outcomes for consumers.

Just this year, a five-year research collaboration between Boehringer Ingelheim, Anthem and Anthem subsidiary HealthCore seeks to generate real-world evidence and develop health economics and outcomes data to inform the development and evaluation of new medicines, guidelines and interventions. Of initial interest are aims to identify gaps in non-valvular atrial fibrillation research, development and treatment.

Similarly, Anthem and HealthCore are working with Eli Lilly and Company to jointly develop and conduct research projects in health outcomes and real-world evidence in areas of mutual interest.

Together, the companies plan to explore issues related to appropriate use of existing and new therapies and interventions, and the impact these have on clinical and economic outcomes that matter the most to patients. It's collaborations like these with trusted experts in their fields that will result in true advancements in care and therapies—closing gaps by creating new strategies.

Cal INDEX

Anthem knows that gaps also exist for consumers when they receive health care from various doctors at different health care systems—doctors aren't getting a true, holistic view of the care that consumers have received if their treatment information isn't shared. Often, when consumers are being treated by more than one doctor, those professionals cannot see the treatments and tests the others are prescribing, particularly if they work in different health care systems. Fortunately, this is changing.

In California, Anthem Blue Cross is a founding member of Cal INDEX, a new statewide health information exchange. Through Cal INDEX, participating doctors, nurses and hospitals across systems and offices can access patients' health records so they can provide better, more cost-effective care. When a consumer receives services from a participating doctor or hospital, their health record is updated so other Cal INDEX participants can see a more complete view of their patient's health history. This not only helps avoid duplicative procedures and potential drug interactions, but also makes health information available in emergency situations so care can be delivered more effectively.

Anthem is facilitating the creation of complete health records, fostering research collaborations and utilizing evidence-based cancer treatment pathways. Imagine a more educated physician armed with the best medical data to treat the patient—this is how Anthem is reinventing health care.

REASSURING

Anthem, Inc. and its affiliated health plans have decades of experience providing health benefits and services. We have seen change and adapted to it. We know what works, we are sharing our expertise with others and we are providing reassuring support in moving health care forward.

Anthem, Inc. is committed to being there for our consumers, business partners and communities. We know change will not come to our health care system overnight, which is why we are working in a caring manner to help everyone take the next steps toward a healthier future.

CareMore Emory Agreement

Anthem recognizes the need to focus on improved health outcomes while reducing health care costs. In Georgia, CareMore Health System, a subsidiary of Anthem, is working with Emory Healthcare to better manage the health needs of Medicare patients and create both value-based reimbursement models and risk-based payment arrangements. This partnership ensures consumers are getting more preventive and coordinated care to avoid costly emergency events—getting and keeping the patient healthy.

Under the agreement, the Emory Healthcare Network's 1,800 physicians, five hospitals and 200 care locations will continue to provide services to patients of many different Medicare Advantage plans and incorporate CareMore's nationally recognized clinical care model. The CareMore care model provides interactive care and

tailored treatment plans for Emory Healthcare Network patients, beginning with the Medicare Advantage (MA) population. Additionally, Emory Healthcare will add CareMore-like comprehensive care centers—clinics where patients get the preventive care they need.

LiveHealth Online

While the CareMore model focuses on preventive care, LiveHealth Online* helps consumers when they are sick by providing access to more convenient, cost-effective care through on-demand, secure video conversations with doctors.

Colds, sore throats and rashes don't always appear during doctors' regular office hours. That's where LiveHealth Online comes in. With LiveHealth Online, consumers can use their smart phone, tablet or computer to have a live video visit with a US-based, board certified doctor 24/7 anywhere they have internet access. Doctors using LiveHealth Online can provide a diagnosis, treatment and even a prescription if needed.

Since its launch to large employers in 2013, visits by doctors using LiveHealth Online are now a covered benefit for the majority of Anthem-affiliated health plan members, including health insurance marketplace members. Doctors are available 24 hours, 365 days a year, including holidays. Consumers can choose Spanish-speaking doctors in our California market. This is yet another way we are making health care convenient and accessible to all.

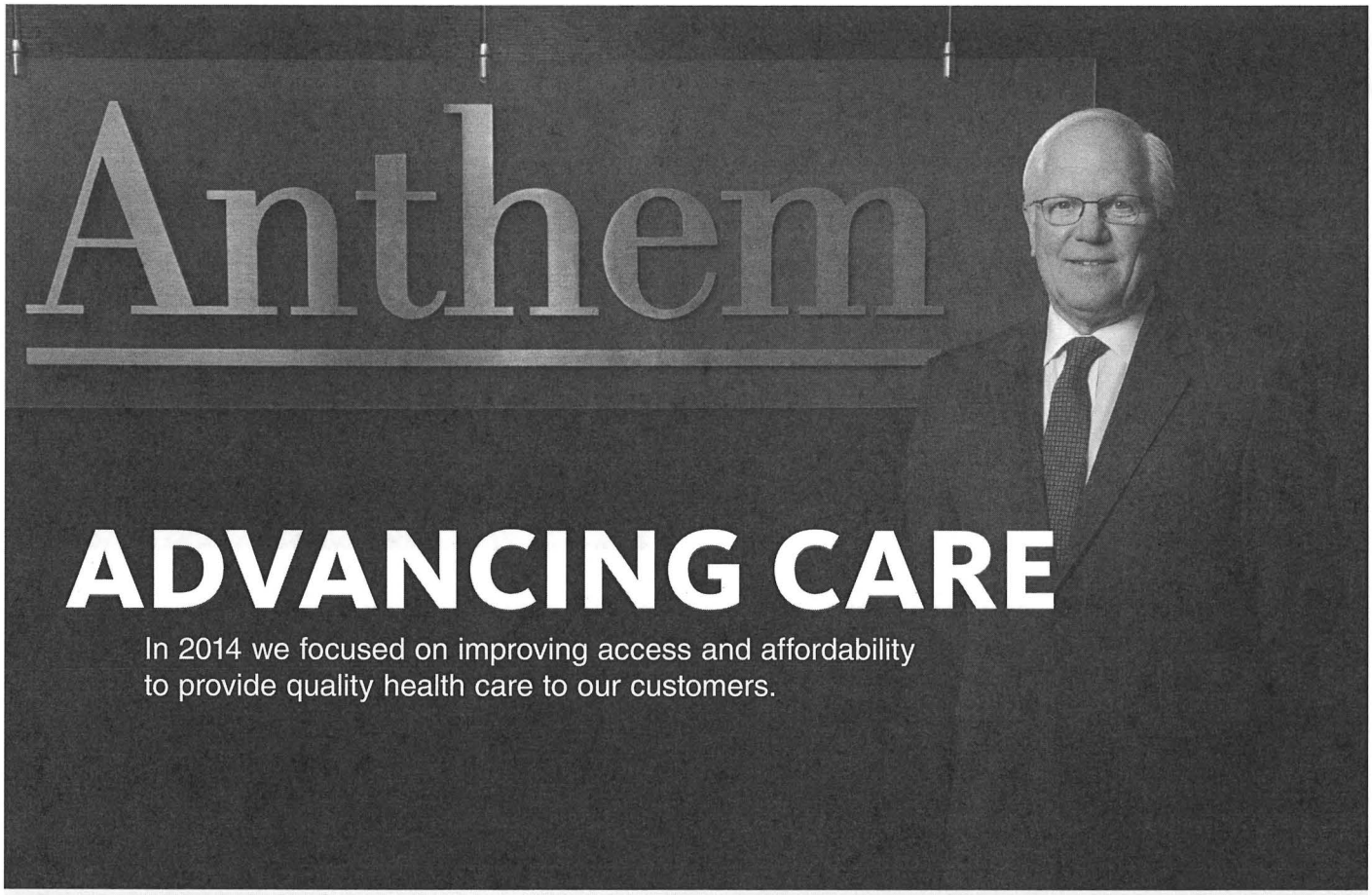
Medicaid Expansion

Anthem plans are also providing convenience and accessibility for our nation's most vulnerable population—those served by publicly funded health programs. Anthem's Government Business Division provides best-in-class services to Medicaid programs and consumers across the country, and our commitment to serving this population continues to grow.

Our plans earned new contracts in Florida and Washington that will further expand our presence in the Medicaid market and allow us to bring care coordination models to additional Americans. We are also working collaboratively with state governments to implement cost-saving emergency room diversion programs and to strengthen foster care. Anthem's wholly-owned subsidiaries are helping educate millions of Americans on how to most effectively use the health care system and achieve improved health.

Our expansion of plans to service the Medicaid population, innovation providing convenience to consumers and collaboration with top providers shows our commitment to improving health care. This is how we reassure consumers and providers that we are evolving and creating a better health care delivery model.

**LiveHealth Online is the trade name of Anthem's subsidiary Health Management Corporation*



ADVANCING CARE

In 2014 we focused on improving access and affordability to provide quality health care to our customers.

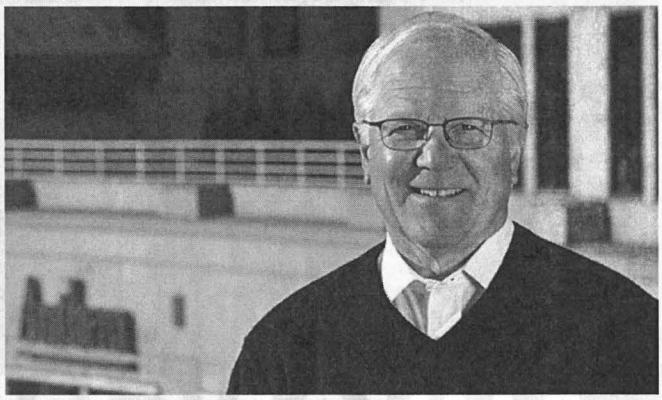
To Our Shareholders, Customers and Communities:
Organizations have two choices when facing change: stand idly and endure it, or actively embrace it as a springboard to success. Anthem's exceptional performance in 2014 represents our choice to make a calculated and concerted effort to transform our company and lead change across our nation's health care system. By redefining our strategy and reinventing the way we do business, we reassured our shareholders of both our strong position for the future and our unified vision to be America's valued health partner. Anthem truly embraced the challenge of change last year and as a result we thrived. We are pleased to share our success and the pride of our many achievements with all of you.

At our Investor Day in March 2014, we clarified our long-term goals and strategy, and realigned our company around three core strategic pillars—provider collaboration, affordability through managing the total cost of care and consumer centricity. These pillars reflect the changing dynamics of our markets and our response to the evolving needs and challenges of our customers, our network providers and our federal and state health care program partners. Under this strategic framework, we invested heavily in developing and enhancing programs and capabilities that are generating visible and significant results.

We are leading the industry in provider collaboration, with nearly $50 billion in provider reimbursement tied to better quality, value and health outcomes for our members. Our ground-breaking relationships across the country are advancing innovative approaches to sharing risk, exchanging clinical information and managing population health with unprecedented levels of provider-payer teamwork.

We're also laser-focused on affordability and ensuring that high quality, high value health care remains accessible and affordable for all of our members. Programs launched last year in complex clinical areas like oncology, specialty pharmaceuticals and chronic disease management are achieving these goals by promoting better informed decision-making by patients and physicians.

Health care consumers are more engaged and empowered than ever, and their expectations are growing based on experiences with industries outside of health care. This is why we believe becoming a more



consumer-centric company is a mandate, not a choice. It is also one of the driving forces behind our decision to change our name to Anthem, the name by which consumers know us best. The Anthem name is an important expression of our commitment to our members and our communities, and will keep us focused on a common company culture while improving alignment between our operations and operating brands.

The strategy we set and the investments made to support it produced very strong results that exceeded investors' expectations and surpassed the very high bar we set for ourselves. In 2014, we grew membership by 1.8 million new medical members, including more than 700,000 members from the Public Exchanges, and surpassed 5 million members in our Medicaid business. Our year-end operating revenue stood at $73 billion, an increase of nearly $3 billion over the previous year. In addition, we made and are continuing to make substantial investments in new capabilities that better serve our members and will help drive future growth. We're confident that by remaining disciplined, consistent and accountable for delivering results, we will achieve our goals.

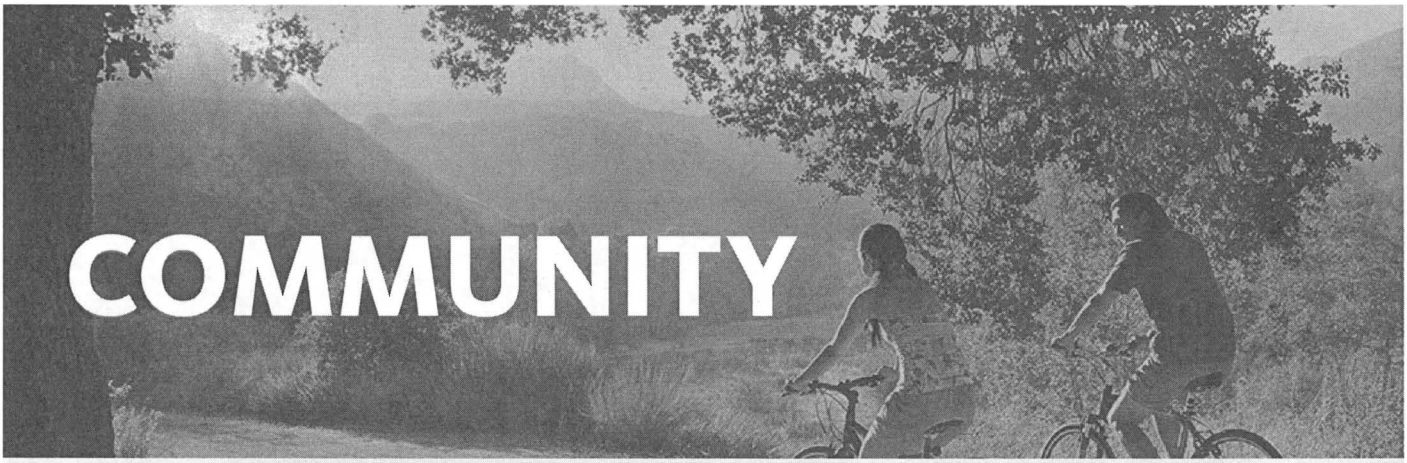
Translating change into success was a meaningful accomplishment for our company in 2014, but is no cause for complacency. The health care landscape continues to rapidly evolve, and with it, the needs and expectations of our many stakeholders. We remain inspired by the changing market dynamics around us, motivated by the challenges that lie ahead and confident we've built a framework, a culture and a team of associates that position us for long-term growth and success.

We acknowledge, however, that even more important than strong financial and operational results, is maintaining the trust and confidence of our members. Safeguarding our members' personal, financial and medical information is one of our top priorities, and we would like to apologize to our current and former members whose information was accessed during the recent external cyber attack on Anthem. We continue to work around the clock in coordination with law enforcement, regulators and our cybersecurity partners to mitigate the potential impact of this attack on our members. You have my personal commitment that we are doing everything in our power to enhance our systems and security processes and make them more secure, and we hope that we can earn back our members' trust and confidence in Anthem.

Thank you to our associates for leading the change across our company and our health care system, and thank you for your continued support of our company. Together, as Anthem, we will continue to lead the charge in "*transforming health care with trusted and caring solutions.*"

Sincerely,

Joseph R. Swedish
President and CEO



COMMUNITY

Corporate Responsibility

Helping to address some the most pressing health needs of our communities continues to underscore the commitment of the Anthem Foundation, the charitable arm of Anthem, Inc. And as the needs of our communities grow and change over time, so has the way in which the Foundation, together with Anthem, Inc., has *refined* opportunities to support our associates who also want to make a difference in the communities where we live, work and serve.

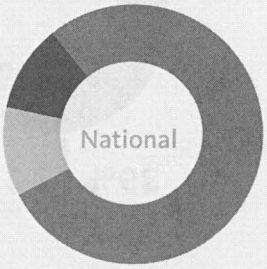
Through its *Healthy Generations* grant program in 2014, the Anthem Foundation built on its signature approach to funding strategic initiatives that improve public health—from programs such as the American Heart Association's *Hands-Only™ CPR* training that has taught more than 3 million people across the country how keeping a simple beat can help save a life, to the Boys & Girls Clubs of America's innovative Triple Play program aimed at helping kids stay active and healthy.

With a multigenerational focus on heart health, cancer prevention, prenatal care, diabetes prevention and active lifestyles, the Anthem Foundation partnered with thousands of national and local organizations that not only share our vision for a healthier future, but have also set the standard for developing innovative and interactive programs that engage and empower our local communities to take charge of their health.

To support our associates who want to make a difference in their own communities, the Foundation matched associate donations in its year-round Giving Program at 50 percent, and encouraged and augmented community service through the company's Dollars for Doers program and Volunteer Time Off benefit. Finally, Anthem, its Foundation and its associates support each other and our communities in times of need through our disaster relief efforts including the Anthem Cares Fund.

Total Giving

$49.7 Million
Total Giving



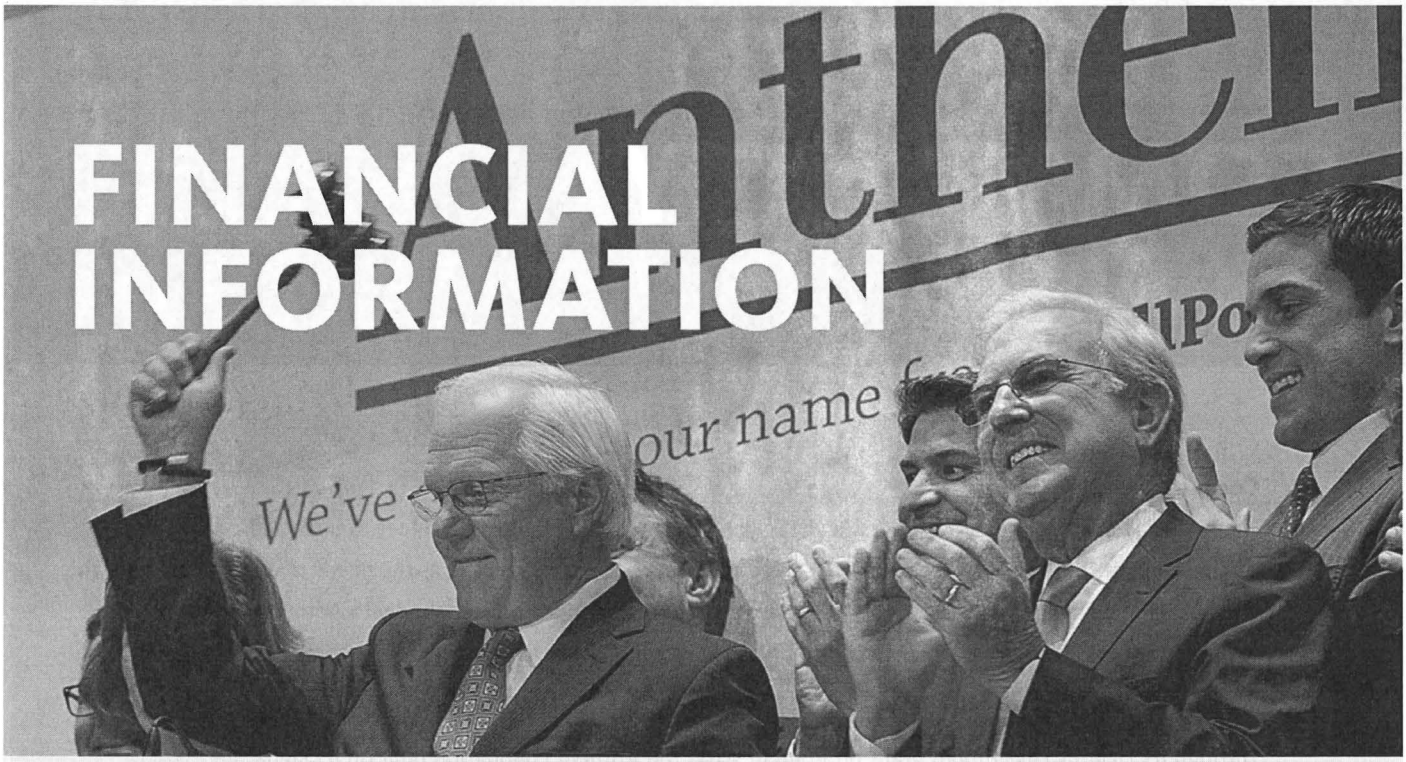
$38.8 Million
Foundation Grants

$5.6 Million
Associate Programs*

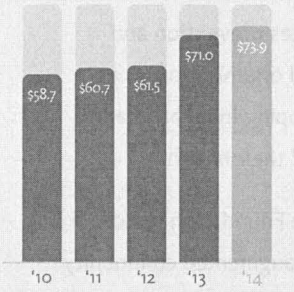
$5.3 Million
Community Relations**

** Total Associate Giving pledges plus Foundation Matches, Dollars for Doers Grants plus associated value for volunteering, Director's Fund pledges, and Anthem Cares Fund grant*
*** Community Relations includes $1.5 million corporate contribution to American Lung Association*

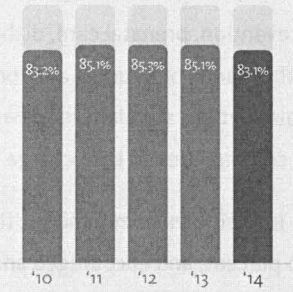
FINANCIAL INFORMATION



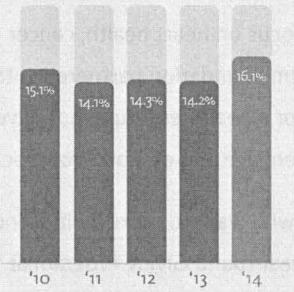
Total Revenues
(In Billions)



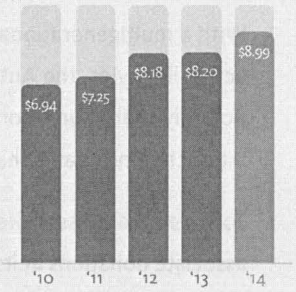
Benefit Expense Ratio



Selling, General and Administrative Expense Ratio



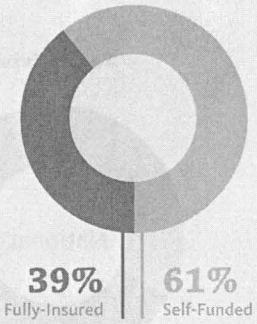
Diluted Net Income Per Share
(In Whole Dollars)



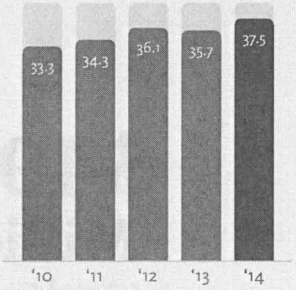
2014 Medical Membership
(In Millions)

Local Group	15.137	40%
Individual	1.793	5%
National Accounts	7.155	19%
BlueCard®	5.279	14%
Medicare	1.404	4%
Medicaid	5.193	14%
Federal Employee	1.538	4%

Customer Base



Total Medical Membership
(In Millions)



Financial and Membership Highlights

The information presented below is as reported in Anthem's 2014 Annual Report on Form 10-K.

(Dollars in millions, except per share data)	2014	2013	2012
OPERATING RESULTS			
Total operating revenue	$73,021.7	$70,191.4	$60,514.0
Total revenue	73,874.1	71,023.5	61,497.2
Net income	2,569.7	2,489.7	2,655.5
EARNINGS PER SHARE			
Basic net income	$ 9.31	$ 8.34	$ 8.26
Diluted net income	8.99	8.20	8.18
Dividends per share (In whole dollars)	1.75	1.50	1.15
BALANCE SHEET INFORMATION			
Total assets	$62,065.0	$59,574.5	$58,955.4
Total liabilities	37,813.7	34,809.3	35,152.7
Total shareholders' equity	24,251.3	24,765.2	23,802.7
MEDICAL MEMBERSHIP (000s)			
Commercial and Specialty Business	29,364	28,307	28,552
Government Business	8,135	7,346	7,578
Total medical membership	37,499	35,653	36,130
CUSTOMER TYPE			
Local Group	15,137	14,725	14,681
Individual	1,793	1,755	1,855
National:			
National Accounts	7,155	6,777	7,000
BlueCard®	5,279	5,050	5,016
Total National	12,434	11,827	12,016
Medicare	1,404	1,441	1,538
Medicaid	5,193	4,378	4,520
FEP	1,538	1,527	1,520
Total medical membership by customer type	37,499	35,653	36,130
FUNDING ARRANGEMENT			
Self-Funded	22,800	20,294	20,176
Fully-Insured	14,699	15,359	15,954
Total medical membership by funding arrangement	37,499	35,653	36,130
OTHER MEMBERSHIP			
Life and Disability Members	4,762	4,819	4,838
Dental Members	4,995	4,895	4,863
Dental Administration Members	4,918	4,886	4,103
Vision Members	5,096	4,743	4,519
Medicare Advantage Part D Members	690	628	734
Medicare Part D Standalone Members	467	474	574

Note 1: The information presented above should be read in conjunction with the audited consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Anthem's 2014 Annual Report on Form 10-K.

Note 2: Certain prior year amounts have been reclassified to conform to current year presentation.

Consolidated Balance Sheets

(In millions, except share data)	December 31 2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,151.7	$ 1,582.1
Investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of $17,120.4 and $16,826.7)	17,467.4	17,038.2
Equity securities (cost of $1,303.7 and $1,168.5)	1,906.6	1,735.5
Other invested assets, current	20.2	16.3
Accrued investment income	161.4	168.8
Premium and self-funded receivables	4,825.5	3,968.7
Other receivables	2,117.0	1,063.3
Income taxes receivable	308.9	235.7
Securities lending collateral	1,515.2	969.8
Deferred tax assets, net	280.4	383.0
Other current assets	1,474.6	1,677.5
Assets held for sale	—	906.9
Total current assets	32,228.9	29,745.8
Long-term investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of $500.7 and $455.9)	504.4	449.9
Equity securities (cost of $27.0 and $27.4)	31.5	31.3
Other invested assets, long-term	1,695.9	1,542.6
Property and equipment, net	1,944.3	1,801.5
Goodwill	17,082.0	16,917.2
Other intangible assets	7,958.1	8,441.0
Other noncurrent assets	619.9	645.2
TOTAL ASSETS	$62,065.0	$59,574.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities:		
Policy liabilities:		
Medical claims payable	$ 6,861.2	$ 6,127.2
Reserves for future policy benefits	68.1	63.1
Other policyholder liabilities	2,626.5	2,073.2
Total policy liabilities	9,555.8	8,263.5
Unearned income	1,078.1	822.7
Accounts payable and accrued expenses	3,651.8	3,426.3
Security trades pending payable	66.2	95.2
Securities lending payable	1,515.3	969.7
Short-term borrowings	400.0	400.0
Current portion of long-term debt	625.0	518.0
Other current liabilities	1,861.2	1,674.7
Liabilities held for sale	—	181.4
Total current liabilities	18,753.4	16,351.5
Long-term debt, less current portion	14,127.2	13,573.6
Reserves for future policy benefits, noncurrent	671.3	723.0
Deferred tax liabilities, net	3,226.0	3,325.2
Other noncurrent liabilities	1,035.8	836.0
TOTAL LIABILITIES	37,813.7	34,809.3
Commitments and contingencies—Note 13		
SHAREHOLDERS' EQUITY		
Preferred stock, without par value, shares authorized—100,000,000; shares issued and outstanding—none	—	—
Common stock, par value $0.01, shares authorized—900,000,000; shares issued and outstanding—268,109,932 and 293,273,830	2.7	2.9
Additional paid-in capital	10,062.3	10,765.2
Retained earnings	14,014.4	13,813.9
Accumulated other comprehensive income	171.9	183.2
TOTAL SHAREHOLDERS' EQUITY	24,251.3	24,765.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$62,065.0	$59,574.5

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2014 Annual Report on Form 10-K.

Consolidated Statements of Income

(In millions, except per share data)	Years Ended December 31 2014	2013	2012
REVENUES			
Premiums	$68,389.8	$66,119.1	$56,496.7
Administrative fees	4,590.6	4,031.9	3,934.1
Other revenue	41.3	40.4	83.2
Total operating revenue	73,021.7	70,191.4	60,514.0
Net investment income	724.4	659.1	686.1
Net realized gains on investments	177.0	271.9	334.9
Other-than-temporary impairment losses on investments:			
Total other-than-temporary impairment losses on investments	(56.2)	(100.6)	(41.2)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	7.2	1.7	3.4
Other-than-temporary impairment losses recognized in income	(49.0)	(98.9)	(37.8)
Total revenues	73,874.1	71,023.5	61,497.2
EXPENSES			
Benefit expense	56,854.9	56,237.1	48,213.6
Selling, general and administrative expense:			
Selling expense	1,490.1	1,526.9	1,586.9
General and administrative expense	10,258.3	8,426.0	7,093.6
Total selling, general and administrative expense	11,748.4	9,952.9	8,680.5
Interest expense	600.7	602.7	511.8
Amortization of other intangible assets	220.9	245.3	233.0
Loss on extinguishment of debt	81.1	145.3	—
Total expenses	69,506.0	67,183.3	57,638.9
Income from continuing operations before income tax expense	4,368.1	3,840.2	3,858.3
Income tax expense	1,808.0	1,205.9	1,207.3
Income from continuing operations	2,560.1	2,634.3	2,651.0
Income (loss) from discontinued operations, net of tax	9.6	(144.6)	4.5
NET INCOME	$ 2,569.7	$ 2,489.7	$ 2,655.5
Basic net income (loss) per share:			
Basic—continuing operations	$ 9.28	$ 8.83	$ 8.25
Basic—discontinued operations	0.03	(0.49)	0.01
Basic net income per share	$ 9.31	$ 8.34	$ 8.26
Diluted net income (loss) per share:			
Diluted—continuing operations	$ 8.96	$ 8.67	$ 8.17
Diluted—discontinued operations	0.03	(0.47)	0.01
Diluted net income per share	$ 8.99	$ 8.20	$ 8.18
Dividends per share	$ 1.75	$ 1.50	$ 1.15

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2014 Annual Report on Form 10-K.

Consolidated Statements of Comprehensive Income

(In millions)	Years Ended December 31 2014	2013	2012
NET INCOME	$2,569.7	$2,489.7	$2,655.5
Other comprehensive (loss) income, net of tax:			
Change in net unrealized gains/losses on investments	118.6	(294.7)	189.9
Change in non-credit component of other-than-temporary impairment losses on investments	(3.9)	1.7	4.5
Change in net unrealized gains/losses on cash flow hedges	(3.6)	3.0	0.1
Change in net periodic pension and postretirement costs	(118.1)	172.7	(10.9)
Foreign currency translation adjustments	(4.3)	1.4	0.6
Other comprehensive (loss) income	(11.3)	(115.9)	184.2
Total comprehensive income	$2,558.4	$2,373.8	$2,839.7

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2014 Annual Report on Form 10-K.

Consolidated Statements of Cash Flows

(In millions)	Years Ended December 31 2014	2013	2012
OPERATING ACTIVITIES			
Net income	$ 2,569.7	$ 2,489.7	$ 2,655.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Net realized gains on investments	(177.0)	(271.9)	(334.9)
Other-than-temporary impairment losses recognized in income	49.0	98.9	37.8
Loss on extinguishment of debt	81.1	145.3	—
(Gain) loss on disposal from discontinued operations	(3.2)	221.8	—
(Gain) loss on disposal of assets	(1.7)	3.9	4.7
Deferred income taxes	30.7	59.1	127.5
Amortization, net of accretion	744.5	800.9	633.6
Depreciation expense	106.5	107.9	107.1
Impairment of property and equipment	7.9	47.7	66.8
Share-based compensation	168.9	146.0	146.5
Excess tax benefits from share-based compensation	(46.4)	(30.1)	(28.8)
Changes in operating assets and liabilities:			
Receivables, net	(1,899.7)	(418.3)	189.9
Other invested assets	(21.7)	(15.1)	(38.9)
Other assets	405.5	(33.6)	79.2
Policy liabilities	1,240.6	(345.8)	(53.7)
Unearned income	255.1	(73.8)	(193.7)
Accounts payable and accrued expenses	(14.4)	303.6	(406.5)
Other liabilities	(7.9)	(154.6)	(132.8)
Income taxes	(34.0)	9.3	(73.9)
Other, net	(84.2)	(38.6)	(40.8)
Net cash provided by operating activities	3,369.3	3,052.3	2,744.6
INVESTING ACTIVITIES			
Purchases of fixed maturity securities	(9,613.4)	(13,704.5)	(15,040.4)
Proceeds from fixed maturity securities:			
Sales	8,066.0	10,977.9	13,675.9
Maturities, calls and redemptions	1,318.7	1,836.8	1,781.5
Purchases of equity securities	(912.0)	(820.3)	(232.8)
Proceeds from sales of equity securities	746.5	721.0	422.7
Purchases of other invested assets	(205.7)	(251.5)	(303.7)
Proceeds from sales of other invested assets	124.7	127.1	35.5
Settlement of non-hedging derivatives	(67.4)	(109.8)	(59.8)
Changes in securities lending collateral	(545.6)	(405.1)	307.9
Purchases of subsidiaries, net of cash acquired	—	—	(4,597.0)
Proceeds from sale of subsidiary, net of cash sold	740.0	—	—
Purchases of property and equipment	(714.6)	(646.5)	(544.9)
Proceeds from sales of property and equipment	88.0	39.2	0.4
Other, net	(0.1)	1.3	3.1
Net cash used in investing activities	(974.9)	(2,234.4)	(4,551.6)

(continued)

Consolidated Statements of Cash Flows *(continued)*

(In millions)	Years Ended December 31 2014	2013	2012
FINANCING ACTIVITIES			
Net repayments of commercial paper borrowings	$ (379.2)	$ (191.7)	$ (229.0)
Proceeds from long-term borrowings	2,700.0	1,250.0	6,468.9
Repayments of long-term borrowings	(1,730.1)	(1,801.9)	(1,251.3)
Proceeds from short-term borrowings	2,050.0	1,100.0	642.0
Repayments of short-term borrowings	(2,050.0)	(950.0)	(492.0)
Changes in securities lending payable	545.6	405.0	(307.8)
Changes in bank overdrafts	173.0	9.9	(17.6)
Premiums paid on equity options	—	(25.8)	—
Repurchase and retirement of common stock	(2,998.8)	(1,620.1)	(2,496.8)
Cash dividends	(480.7)	(448.0)	(367.1)
Proceeds from issuance of common stock under employee stock plans	301.3	524.7	110.8
Excess tax benefits from share-based compensation	46.4	30.1	28.8
Net cash (used in) provided by financing activities	(1,822.5)	(1,717.8)	2,088.9
Effect of foreign exchange rates on cash and cash equivalents	(7.1)	2.2	1.1
Change in cash and cash equivalents	564.8	(897.7)	283.0
Cash and cash equivalents at beginning of year	1,586.9	2,484.6	2,201.6
Cash and cash equivalents at end of year	2,151.7	1,586.9	2,484.6
Less cash and cash equivalents of discontinued operations at end of year	—	(4.8)	(9.3)
CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF YEAR	$ 2,151.7	$ 1,582.1	$ 2,475.3

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2014 Annual Report on Form 10-K.

Market Price of Common Stock

Our common stock, par value $0.01 per share, is listed on the NYSE under the symbol "ANTM." On February 5, 2015, the closing price on the NYSE was $137.23. As of February 5, 2015, there were 74,717 shareholders of record of our common stock. The following table presents high and low sales prices for our common stock on the NYSE for the periods indicated.

	High	Low
2014		
First Quarter	$102.56	$ 81.84
Second Quarter	110.03	90.75
Third Quarter	124.58	106.52
Fourth Quarter	129.96	108.92
2013		
First Quarter	$ 66.62	$ 58.75
Second Quarter	82.33	65.82
Third Quarter	90.00	80.75
Fourth Quarter	94.36	83.13

CORPORATE INFORMATION

Board of Directors

George A. Schaefer, Jr. [1 2 4 5 6]
Chairman, Anthem, Inc.
Former Chairman and CEO,
Fifth Third Bank

R. Kerry Clark [2 3]
Former Chairman and Chief Executive Officer, Cardinal Health, Inc.

Robert L. Dixon, Jr. [2 4 6]
Senior Vice President and Global Chief Information Officer, PepsiCo, Inc.

Lewis Hay, III [2 4 5]
Former Chairman and CEO,
NextEra Energy, Inc.

Julie A. Hill [2 3 6]
Owner of the Hill Company

Ramiro G. Peru [2 3 5]
Former Executive Vice President and
Chief Financial Officer,
Phelps Dodge Corporation

William J. Ryan [2 4 5 6]
Former Chairman and CEO,
TD Banknorth Inc.

Joseph R. Swedish [5]
President and Chief Executive Officer,
Anthem, Inc.

Elizabeth E. Tallett [2 3 6]
Former Principal, Hunter Partners LLC

1–Chairman of the Board
2–Independent Director
3–Audit Committee
4–Compensation Committee
5–Executive Committe
6–Governance Committee

Executive Leadership Team

Joseph R. Swedish
President and Chief Executive Officer

Wayne S. DeVeydt
Executive Vice President and
Chief Financial Officer

Kenneth R. Goulet
Executive Vice President, President,
Commercial and Specialty Division

Peter D. Haytaian
Executive Vice President, President,
Government Business Division

Gloria M. McCarthy
Executive Vice President and
Chief Administrative Officer

Samuel R. Nussbaum, M.D.
Executive Vice President, Clinical Health
Policy, and Chief Medical Officer

Martin B. Silverstein, M.D.
Executive Vice President and
Chief Strategy Officer

Jose Tomas
Executive Vice President and
Chief Human Resources Officer

Thomas C. Zielinski
Executive Vice President and
General Counsel