

BLUE SHIELD OF CALIFORNIA CONSOLIDATED FINANCIALS (\$ IN MILLIONS)			
	2020	2019	2018
Premiums, net and other revenue	\$21,806	\$21,086	\$20,632
less: medical expenses	\$17,985	\$18,006	\$17,250
Gross profit	\$3,821	\$3,080	\$3,382
<i>Medical expenses as a % of premiums</i>	<i>82.5%</i>	<i>85.4%</i>	<i>83.6%</i>
Marketing and selling	\$651	\$649	\$723
ACA taxes, premium taxes, and other fees	\$499	\$273	\$547
General and administrative expense	\$1,948	\$1,883	\$1,615
Total administrative expenses	\$3,099	\$2,804	\$2,885
Pre-tax operating income	\$722	\$276	\$497
Investment income	\$366	\$426	\$119
Income before taxes	\$1,088	\$702	\$616
Income taxes	\$408	\$129	\$203
Net income	\$680	\$573	\$413
<i>Profit margin (net income as a % of premiums)</i>	<i>3.1%</i>	<i>2.7%</i>	<i>2.0%</i>
2% Pledge amount	\$81	\$120	\$57
Social Impact Giving Contribution	\$46	\$45	\$45

Notes:

1. 2020 net income margin @ 2.6% after exclusion of unrealized equity gains
2. 2019 net income margin @ 2% after exclusion of unrealized equity gains
3. 2020 2% Pledge based on a three-year net income average excluding unrealized gains