

# Cigna Corporation

## Quarterly Financial Supplement June 30, 2017

*This document is dated August 4, 2017. The data contained in this document may not be accurate after such date and Cigna does not undertake to update or keep it accurate after such date.*



**Cigna Corporation**  
**June 30, 2017 Quarterly Financial Supplement**  
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**BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted.*

*Cigna measures the financial results of its segments using adjusted income from operations. Adjusted income from operations is defined as shareholders' net income excluding the following after-tax adjustments: realized investment results, net amortization of other acquired intangible assets and special items (identified and quantified on page 2). Operating revenues exclude net realized investment results. Adjusted income from operations and operating revenues are measures of results used by Cigna's management because they present the underlying results of operations of Cigna's businesses and permit analysis of trends in underlying revenue, expenses and profitability.*

*Adjusted income from operations and operating revenues on a consolidated basis are not determined in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be viewed as substitutes for the most directly comparable GAAP measures, which are shareholders' net income and total revenues.*

*In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present "N/M" in place of the computed percentage.*

**Cigna Corporation**  
**Financial Highlights (unaudited)**

(Dollars in millions, except per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>REVENUES</b>						
<b>Total revenues</b>	\$ 10,318	\$ 9,960	4 %	\$ 20,703	\$ 19,844	4 %
Net realized investment (gains)	(51)	(67)	24	(97)	(35)	(177)
Operating revenues	\$ 10,267	\$ 9,893	4 %	\$ 20,606	\$ 19,809	4 %
<b>Operating Revenues by Segment</b>						
Global Health Care	\$ 8,085	\$ 7,840	3 %	\$ 16,283	\$ 15,724	4 %
Global Supplemental Benefits	955	835	14	1,864	1,641	14
Group Disability and Life	1,112	1,098	1	2,233	2,207	1
Corporate and Other	115	120	(4)	226	237	(5)
Consolidated operating revenues	\$ 10,267	\$ 9,893	4 %	\$ 20,606	\$ 19,809	4 %
<b>SHAREHOLDERS' NET INCOME</b>						
<b>Shareholders' net income</b>	\$ 813	\$ 510	59 %	\$ 1,411	\$ 1,029	37 %
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(34)	(44)		(65)	(23)	
Amortization of other acquired intangibles assets, net	18	23		38	48	
Special items (see details on page 2)	(47)	26		85	62	
Adjusted income from operations	\$ 750	\$ 515	46 %	\$ 1,469	\$ 1,116	32 %
<b>Adjusted Income (Loss) From Operations by Segment</b>						
Global Health Care	\$ 591	\$ 486	22 %	\$ 1,201	\$ 1,030	17 %
Global Supplemental Benefits	105	83	27	179	150	19
Group Disability and Life	83	(12)	N/M	151	3	N/M
Ongoing operations	779	557	40	1,531	1,183	29
Corporate and Other	(29)	(42)	31	(62)	(67)	7
Total adjusted income from operations	\$ 750	\$ 515	46 %	\$ 1,469	\$ 1,116	32 %
Diluted earnings per share:						
Shareholders' net income	\$ 3.15	\$ 1.97	60 %	\$ 5.45	\$ 3.97	37 %
Adjusted income from operations	\$ 2.91	\$ 1.98	47 %	\$ 5.67	\$ 4.30	32 %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization <sup>(1)</sup>	\$ 1,302	\$ 1,001	30 %	\$ 2,551	\$ 2,118	20 %
<b>CUSTOMER RELATIONSHIPS</b>						
	As of June 30,			As of December 31,		
(Relationships, lives and policies in thousands)	2017	2016	% Change	2016	% Change	
<b>Global Health Care Medical Customers</b> (see page 7)	15,654	15,141	3 %	15,197	3 %	
<b>Other Customer Relationships:</b> (see page 7)						
Behavioral care	26,014	25,312	3	25,790	1	
Dental	15,760	14,880	6	14,981	5	
Pharmacy	8,902	8,302	7	8,461	5	
Medicare Part D	823	1,037	(21)	972	(15)	
Global Supplemental Benefit Policies (see page 9)	13,058	11,965	9	12,151	7	
Group Disability and Life covered lives (estimated) <sup>(2)</sup>	15,600	15,600	-	15,600	-	
Total customer relationships	95,811	92,237	4 %	93,152	3 %	

(1) Adjusted income from operations excluding interest, taxes, depreciation and amortization is a non-GAAP measure, defined as shareholders' net income (loss) excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization and net realized investment results.

(2) Group Disability and Life estimated covered lives as of December 31, 2016 has been revised to conform to current presentation.

**Cigna Corporation**  
**Reconciliation of Shareholders' Net Income (Loss) to Adjusted Income (Loss) from Operations (unaudited)**

(Dollars in millions, except per share amounts)

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Three Months Ended June 30,</b>												
Shareholders' net income (loss)	\$3.15	\$1.97	\$813	\$510	\$599	\$487	\$101	\$78	\$97	\$3	\$16	\$(58)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.13)	(0.18)	(34)	(44)	(22)	(19)	-	-	(14)	(15)	2	(10)
Amortization of other acquired intangible assets, net	0.07	0.09	18	23	14	18	4	5	-	-	-	-
Special item:												
Merger-related transaction costs <sup>(1)</sup>	(0.18)	0.10	(47)	26	-	-	-	-	-	-	(47)	26
Adjusted income (loss) from operations	\$2.91	\$1.98	\$750	\$515	\$591	\$486	\$105	\$83	\$83	\$(12)	\$(29)	\$(42)
Weighted average shares (in thousands)	258,061	259,500										
Special Item, pre-tax:												
Merger-related transaction costs <sup>(1)</sup>			16	34	-	-	-	-	-	-	16	34
Total			\$16	\$34	\$-	\$-	\$-	\$-	\$-	\$-	\$16	\$34

(Dollars in millions, except per share amounts)

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Six Months Ended June 30,</b>												
Shareholders' net income (loss)	\$5.45	\$3.97	\$1,411	\$1,029	\$1,143	\$1,001	\$178	\$137	\$156	\$16	\$(66)	\$(125)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.25)	(0.09)	(65)	(23)	(38)	(7)	(9)	1	(20)	(13)	2	(4)
Amortization of other acquired intangible assets, net	0.15	0.18	38	48	28	36	10	12	-	-	-	-
Special items:												
Long-term care guaranty fund assessment	0.32	-	83	-	68	-	-	-	15	-	-	-
Merger-related transaction costs <sup>(1)</sup>	-	0.24	2	62	-	-	-	-	-	-	2	62
Adjusted income (loss) from operations	\$5.67	\$4.30	\$1,469	\$1,116	\$1,201	\$1,030	\$179	\$150	\$151	\$3	\$(62)	\$(67)
Weighted average shares (in thousands)	258,913	259,473										
Common shares outstanding as of June 30, (in thousands)	252,859	256,558										
Special items, pre-tax:												
Long-term care guaranty fund assessment			\$129	\$-	\$106	\$-	\$-	\$-	\$23	\$-	\$-	\$-
Merger-related transaction costs <sup>(1)</sup>			79	74	-	-	-	-	-	-	79	74
Total			\$208	\$74	\$106	\$-	\$-	\$-	\$23	\$-	\$79	\$74

(1) For additional information related to a one-time tax benefit of approximately \$60 million recorded in the second quarter of 2017, please refer to Note 3 to the Consolidated Financial Statements in Cigna's Form 10-Q for the period ended June 30, 2017 expected to be filed on August 4, 2017.

**Cigna Corporation**  
**Consolidated Income Statements (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 8,010	\$ 7,654	5 %	\$ 16,113	\$ 15,400	5 %
Fees	1,124	1,127	-	2,280	2,260	1
Net investment income	308	294	5	611	566	8
Mail order pharmacy revenues	757	748	1	1,467	1,445	2
Other revenues	68	70	(3)	135	138	(2)
Consolidated operating revenues	10,267	9,893	4	20,606	19,809	4
Net realized investment gains	51	67	(24)	97	35	177
Total revenues	10,318	9,960	4	20,703	19,844	4
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,924	4,777	3	9,909	9,538	4
Other benefit expenses	1,335	1,414	(6)	2,702	2,782	(3)
Mail order pharmacy costs	626	630	(1)	1,207	1,204	-
Operating expenses excluding special items	2,083	2,078	-	4,245	4,179	2
Depreciation and amortization:						
Amortization of other acquired intangible assets, net	28	37	(24)	60	78	(23)
Depreciation and other amortization	112	115	(3)	226	232	(3)
Total depreciation and amortization	140	152	(8)	286	310	(8)
Interest expense	60	62	(3)	122	125	(2)
Special items (see details on page 2)	16	34	(53)	208	74	181
Total benefits and expenses	9,184	9,147	-	18,679	18,212	3
Income before income taxes	1,134	813	39	2,024	1,632	24
Income taxes (benefits) (see details on page 2):						
Current	304	338	(10)	590	632	(7)
Deferred	20	(28)	171	31	(17)	282
Total taxes	324	310	5	621	615	1
<b>Net income</b>	810	503	61	1,403	1,017	38
<b>Less: net (loss) attributable to noncontrolling interests</b>	(3)	(7)	57	(8)	(12)	33
<b>Shareholders' net income</b>	\$ 813	\$ 510	59 %	\$ 1,411	\$ 1,029	37 %

**Cigna Corporation**  
**Global Health Care**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 6,081	\$ 5,845	4 %	\$ 12,292	\$ 11,796	4 %
Fees	1,098	1,098	-	2,226	2,203	1
Net investment income	92	81	14	184	153	20
Mail order pharmacy revenues	757	748	1	1,467	1,445	2
Other revenues	<u>57</u>	<u>68</u>	(16)	<u>114</u>	<u>127</u>	(10)
Operating revenues	8,085	7,840	3	16,283	15,724	4
Net realized investment gains	<u>32</u>	<u>28</u>	14	<u>58</u>	<u>11</u>	N/M
Total revenues	<u>8,117</u>	<u>7,868</u>	3	<u>16,341</u>	<u>15,735</u>	4
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,924	4,777	3	9,909	9,538	4
Mail order pharmacy costs	626	630	(1)	1,207	1,204	-
Operating expenses	1,612	1,642	(2)	3,294	3,297	-
Amortization of other acquired intangible assets, net	21	29	(28)	44	59	(25)
Special items (see details on page 2)	<u>-</u>	<u>-</u>	N/M	<u>106</u>	<u>-</u>	N/M
Benefits and expenses	<u>7,183</u>	<u>7,078</u>	1	<u>14,560</u>	<u>14,098</u>	3
Income before income taxes	934	790	18	1,781	1,637	9
Income taxes	336	304	11	640	638	-
(Loss) attributable to noncontrolling interests	<u>(1)</u>	<u>(1)</u>	-	<u>(2)</u>	<u>(2)</u>	-
Shareholders' net income from Global Health Care	599	487	23	1,143	1,001	14
After-tax adjustments required to reconcile to adjusted income from operations:						
Net realized investment (gains)	(22)	(19)		(38)	(7)	
Amortization of other acquired intangible assets, net	14	18		28	36	
Special items (see details on page 2)	<u>-</u>	<u>-</u>		<u>68</u>	<u>-</u>	
<b>Adjusted income from operations</b>	<b>\$ 591</b>	<b>\$ 486</b>	<b>22 %</b>	<b>\$ 1,201</b>	<b>\$ 1,030</b>	<b>17 %</b>

**Cigna Corporation**  
**Global Health Care**  
**Revenue Analysis (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Premiums:</b>						
Guaranteed cost	\$ 1,522	\$ 1,163	31 %	\$ 3,065	\$ 2,295	34 %
Experience-rated <sup>(1)</sup>	680	583	17	1,359	1,169	16
Stop loss	856	760	13	1,708	1,512	13
International health care	479	464	3	954	931	2
Dental	441	391	13	882	779	13
Medicare	1,389	1,684	(18)	2,850	3,467	(18)
Medicaid	273	288	(5)	553	577	(4)
Medicare Part D	198	292	(32)	432	626	(31)
Other	243	220	10	489	440	11
<b>Total Premiums</b>	<b>6,081</b>	<b>5,845</b>	<b>4</b>	<b>12,292</b>	<b>11,796</b>	<b>4</b>
Fees, including international health care	1,098	1,098	-	2,226	2,203	1
<b>Premiums and fees</b>	<b>7,179</b>	<b>6,943</b>	<b>3</b>	<b>14,518</b>	<b>13,999</b>	<b>4</b>
Net investment income	92	81	14	184	153	20
Mail order pharmacy revenues <sup>(2)</sup>	757	748	1	1,467	1,445	2
Other revenues <sup>(3)</sup>	57	68	(16)	114	127	(10)
<b>Operating revenues</b>	<b>\$ 8,085</b>	<b>\$ 7,840</b>	<b>3 %</b>	<b>\$ 16,283</b>	<b>\$ 15,724</b>	<b>4 %</b>

(1) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self-funding portion of minimum premium revenue is reported in Fees, including international health care. Also, includes certain non-participating cases for which special customer-level reporting of experience is required.

(2) Reflects revenues for non-risk mail order pharmacy fulfillment services.

(3) Includes non-risk revenues for direct channel specialty products and revenues for management services provided to independent physician associations and health plans.

**Cigna Corporation**  
**Global Health Care**  
**Ratio Analysis (unaudited)**

RATIOS:	Three Months Ended June 30,		Change Favorable (Unfavorable)	Six Months Ended June 30,		Change Favorable (Unfavorable)
	2017	2016		2017	2016	
<u>Medical Care Ratios:</u>						
Commercial	78.7 %	78.8 %	0.1	78.2 %	77.3 %	(0.9)
Government	86.1 %	86.4 %	0.3	86.0 %	86.3 %	0.3
Consolidated Global Health Care	81.0 %	81.7 %	0.7	80.6 %	80.9 %	0.3
Operating Expense ratio <sup>(1) (2)</sup>	19.9 %	20.9 %	1.0	20.2 %	21.0 %	0.8

(1) Excludes amortization of other acquired intangible assets and special items.

(2) Operating expenses included the health insurance industry tax of approximately \$75 million for the three months ended June 30, 2016 and approximately \$155 million for the six months ended June 30, 2016. There is a one-year moratorium on the industry tax for 2017. For additional details regarding PPACA related taxes and fees and the status of the moratorium, please refer to the Health Care Industry Developments section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended June 30, 2017, expected to be filed on August 4, 2017.



**Cigna Corporation**  
**Global Health Care**  
**Estimated Covered Lives (unaudited)**

COVERED LIVES BY FUNDING TYPE:	As of June 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: <sup>(5)</sup>	As of June 30,			As of December 31,		
	2017	2016	% Change	2016	% Change	2017		2016 <sup>(6)</sup>	% Change	2016 <sup>(6)</sup>	% Change		
<i>(Lives in thousands)</i>							<i>(Lives in thousands)</i>						
<b>Medical customers: <sup>(1)</sup></b>							<b>Medical customers: <sup>(1)</sup></b>						
Commercial risk:							U.S. Commercial:						
U.S. Guaranteed cost	1,174	847	39 %	871	35 %	National Accounts	3,703	3,601	3 %	3,578	3 %		
U.S. Experience-rated <sup>(2)</sup>	905	835	8	858	5	Middle Market	8,198	7,997	3	8,032	2		
International health care - risk	848	820	3	847	-	Select	1,410	1,278	10	1,344	5		
Total commercial risk <sup>(2)</sup>	2,927	2,502	17	2,576	14	Individual <sup>(7)</sup>	336	185	82	168	100		
						Small	1	2	(50)	1	-		
Medicare	430	533	(19)	504	(15)	Total U.S. Commercial	13,648	13,063	4	13,123	4		
Medicaid	61	65	(6)	62	(2)	International	1,515	1,480	2	1,508	-		
Total risk	3,418	3,100	10	3,142	9	Total Commercial	15,163	14,543	4	14,631	4		
						Medicare	430	533	(19)	504	(15)		
						Medicaid	61	65	(6)	62	(2)		
Total service, including international health care	12,236	12,041	2	12,055	2	Total Government	491	598	(18)	566	(13)		
<b>Total medical customers</b>	<b>15,654</b>	<b>15,141</b>	<b>3 %</b>	<b>15,197</b>	<b>3 %</b>	<b>Total medical customers</b>	<b>15,654</b>	<b>15,141</b>	<b>3 %</b>	<b>15,197</b>	<b>3 %</b>		
<b>Other Customer Relationships:</b>													
Behavioral care <sup>(3)</sup>	26,014	25,312	3 %	25,790	1 %								
Dental <sup>(3)</sup>	15,760	14,880	6 %	14,981	5 %								
Pharmacy <sup>(3)</sup>	8,902	8,302	7 %	8,461	5 %								
Medicare Part D <sup>(4)</sup>	823	1,037	(21) %	972	(15) %								

<sup>(1)</sup> Includes individuals who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; or have medical claims and services that are administered by Cigna.

<sup>(2)</sup> Includes minimum premium customers, who have a risk profile similar to experience-rated customers. Also, includes certain non-participating cases for which certain customer-level reporting of experience is required.

<sup>(3)</sup> Reflects customer relationships with Cigna's dental, managed pharmacy, or behavioral care programs. These customers may also be medical customers. Behavioral customer relationships exclude certain wellness programs. Prior year behavioral membership has been revised to conform to current presentation.

<sup>(4)</sup> Reflects customers enrolled in Cigna's Medicare Part D program, which provides access to prescription medications through a nationwide pharmacy network.

<sup>(5)</sup> Market Segments are defined as follows:

~ the National Accounts market segment includes multi-state employers with more than 5,000 U.S. based, full-time employees in more than one state

~ the Middle Market segment includes employers with more than 250 but fewer than 5,000 U.S. based, full-time employees, single-site employers with more than 5,000 employees, Taft Hartley plans, and other third party payers;

~ the Select market segment includes employers with more than 50 but fewer than 250 eligible employees;

~ the Individual market segment includes individuals in fifteen states as of June 30, 2017: Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Maryland, Missouri, New Jersey, North Carolina, South Carolina, Tennessee, Texas and Virginia.

~ the Small market segment includes employers with 2-50 employees. Cigna has made a strategic business decision to exit this Market Segment.

~ the International health care segment is focused on health care products and services to meet the needs of local and multinational companies and organizations and their local and globally mobile employees and dependents.

~ the Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program, and Medicaid products as managed care alternatives to publicly funded healthcare programs.

<sup>(6)</sup> Prior year lives have been reclassified to reflect market segment transfers resulting primarily from increased/decreased enrollment at the account level.

<sup>(7)</sup> As of June 30, 2017, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (244 thousand customers), off-exchange ACA business (46 thousand customers) and off-exchange non ACA business (46 thousand customers).

**Cigna Corporation**  
**Global Supplemental Benefits**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 907	\$ 795	14 %	\$ 1,771	\$ 1,562	13 %
Fees	7	5	40	12	10	20
Net investment income	31	27	15	59	53	11
Other revenues	10	8	25	22	16	38
Operating revenues	955	835	14	1,864	1,641	14
Net realized investment gains (losses)	(1)	-	N/M	12	(2)	N/M
Total revenues	954	835	14	1,876	1,639	14
<b>Benefits and Expenses:</b>						
Benefit expenses	492	440	12	997	871	14
Operating expenses <sup>(1)</sup>	326	296	10	638	591	8
Amortization of other acquired intangible assets, net	7	8	(13)	16	19	(16)
Benefits and expenses	825	744	11	1,651	1,481	11
Income before income taxes	129	91	42	225	158	42
Income taxes	30	19	58	53	31	71
(Loss) attributable to noncontrolling interests	(2)	(6)	67	(6)	(10)	40
Shareholders' net income from Global Supplemental Benefits	101	78	29	178	137	30
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains) losses	-	-		(9)	1	
Amortization of other acquired intangible assets, net	4	5		10	12	
<b>Adjusted income from operations</b>	\$ 105	\$ 83	27 %	\$ 179	\$ 150	19 %

(1) Operating expenses include policy acquisition expenses of \$162 million for the three months and \$318 million for the six months ended June 30, 2017 and \$152 million for the three months and \$300 million for the six months ended June 30, 2016.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2016 amounts are presented using 2017 actual exchange rates:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Excluding the Effect of Foreign Currency Movements:</b>						
(Dollars in millions)						
Premiums and fees	\$ 914	\$ 808	13 %	\$ 1,783	\$ 1,592	12 %
Adjusted income from operations	\$ 105	\$ 84	25 %	\$ 179	\$ 153	17 %

**Cigna Corporation**  
**Global Supplemental Benefits**  
**Key Metrics (unaudited)**

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Korea	\$ 466	\$ 408	14 %	\$ 914	\$ 792	15 %
U.S.	203	155	31	393	309	27
Taiwan	71	66	8	139	130	7
U.K.	33	42	(21)	65	85	(24)
Turkey	25	23	9	45	45	-
Other	116	106	9	227	211	8
<b>Total <sup>(1)</sup></b>	<b>\$ 914</b>	<b>\$ 800</b>	<b>14 %</b>	<b>\$ 1,783</b>	<b>\$ 1,572</b>	<b>13 %</b>
China Joint Venture <sup>(1)</sup>	\$ 254	\$ 202	26 %	\$ 535	\$ 381	40 %

  

NUMBER OF POLICIES:	As of June 30,			As of December 31,		
	2017	2016	% Change	2016	% Change	
(Policies in thousands)						
Global Supplemental Benefits Policies	13,058	11,965	9 %	12,151	7 %	
China Joint Venture <sup>(1)</sup>	1,759	1,553	13 %	1,651	7 %	

(1) Cigna owns a 50% noncontrolling interest in its China Joint Venture. Cigna's 50% share of the joint venture's earnings is reported in Other Revenues using the equity method of accounting under GAAP. As such, the premiums and fees and policy counts from the China Joint Venture are not included in Premiums and Fees By Geography or Number of Policies. For informational purposes, the China Joint Venture premiums and fees and policy counts are presented above as if Cigna consolidated the joint venture.

**Cigna Corporation**  
**Group Disability and Life**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums:						
Life	\$ 441	\$ 442	- %	\$ 878	\$ 888	(1) %
Disability	491	477	3	992	969	2
Other	65	69	(6)	131	135	(3)
Total premiums	997	988	1	2,001	1,992	-
Fees	25	24	4	52	47	11
Net investment income	89	88	1	178	168	6
Other revenues	1	(2)	150	2	-	N/M
Operating revenues	1,112	1,098	1	2,233	2,207	1
Net realized investment gains	22	24	(8)	30	21	43
Total revenues	1,134	1,122	1	2,263	2,228	2
<b>Benefits and Expenses:</b>						
Benefit expenses	761	889	(14)	1,546	1,746	(11)
Operating expenses	230	227	1	464	457	2
Special items (see details on page 2)	-	-	N/M	23	-	N/M
Benefits and expenses	991	1,116	(11)	2,033	2,203	(8)
Income before income taxes	143	6	N/M	230	25	N/M
Income taxes	46	3	N/M	74	9	N/M
Shareholders' net income from Group Disability and Life	97	3	N/M	156	16	N/M
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(14)	(15)		(20)	(13)	
Special items (see details on page 2)	-	-		15	-	
<b>Adjusted income (loss) from operations</b>	<b>\$ 83</b>	<b>\$ (12)</b>	<b>N/M %</b>	<b>\$ 151</b>	<b>\$ 3</b>	<b>N/M %</b>

**Cigna Corporation**  
**Corporate and Other <sup>(1)</sup>**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums <sup>(2)</sup>	\$ 25	\$ 26	(4) %	\$ 49	\$ 50	(2) %
Fees <sup>(2)</sup>	(6)	-	N/M	(10)	-	N/M
Net investment income	96	98	(2)	190	192	(1)
Other revenues <sup>(2)</sup>	<u>-</u>	<u>(4)</u>	100	<u>(3)</u>	<u>(5)</u>	40
Operating revenues	115	120	(4)	226	237	(5)
Net realized investment gains (losses)	<u>(2)</u>	<u>15</u>	(113)	<u>(3)</u>	<u>5</u>	(160)
Total revenues	<u>113</u>	<u>135</u>	(16)	<u>223</u>	<u>242</u>	(8)
<b>Benefits and Expenses:</b>						
Benefit expenses	82	85	(4)	159	165	(4)
Operating expenses excluding special items <sup>(2)</sup>	87	90	(3)	197	191	3
Special items (see details on page 2) <sup>(3)</sup>	<u>16</u>	<u>34</u>	(53)	<u>79</u>	<u>74</u>	7
Benefits and expenses	<u>185</u>	<u>209</u>	(11)	<u>435</u>	<u>430</u>	1
(Loss) before income taxes	(72)	(74)	3	(212)	(188)	(13)
Income tax (benefits) <sup>(3)</sup>	<u>(88)</u>	<u>(16)</u>	N/M	<u>(146)</u>	<u>(63)</u>	(132)
Shareholders' net income (loss) from Corporate and Other Operations	16	(58)	(128)	(66)	(125)	47
Adjustments to reconcile to adjusted loss from operations:						
Net realized investment (gains) losses	2	(10)		2	(4)	
Special items (see details on page 2) <sup>(3)</sup>	<u>(47)</u>	<u>26</u>		<u>2</u>	<u>62</u>	
<b>Adjusted (loss) from operations</b>	<b>\$ (29)</b>	<b>\$ (42)</b>	<b>31 %</b>	<b>\$ (62)</b>	<b>\$ (67)</b>	<b>7 %</b>

(1) In this Quarterly Financial Supplement, Other Operations and Corporate are combined under the heading "Corporate and Other."

(2) Includes amounts for elimination of intercompany revenues and expenses.

(3) For additional information related to a one-time tax benefit of approximately \$60 million recorded in the second quarter of 2017, please refer to Note 3 to the Consolidated Financial Statements in Cigna's Form 10-Q for the period ended June 30, 2017 expected to be filed on August 4, 2017.

**Cigna Corporation**  
**Consolidated Balance Sheets**

(Dollars in millions)

	As of June 30, 2017 (Unaudited)	As of December 31, 2016		As of June 30, 2017 (Unaudited)	As of December 31, 2016
<b>Assets</b>			<b>Liabilities</b>		
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$21,222 and \$19,942)	\$ 22,513	\$ 20,961	Contractholder deposit funds	\$ 8,350	\$ 8,458
Equity securities, at fair value (cost, \$636 and \$583)	635	583	Future policy benefits	9,883	9,648
Commercial mortgage loans (see page 15)	1,741	1,666	Unpaid claims and claim expenses	5,039	4,917
Policy loans	1,442	1,452	Global Health Care medical costs payable	2,848	2,532
Other long-term investments	1,463	1,462	Unearned premiums	1,181	634
Short-term investments	138	691	Total insurance and contractholder liabilities	27,301	26,189
Total investments	27,932	26,815	Accounts payable, accrued expenses and other liabilities	6,601	6,414
Cash and cash equivalents	3,611	3,185	Short-term debt	141	276
Premiums, accounts and notes receivable, net	3,419	3,077	Long-term debt	4,622	4,756
Reinsurance recoverables <sup>(1)</sup>	6,302	6,478	Separate account liabilities	8,468	7,940
Deferred policy acquisition costs	2,011	1,818	Total liabilities	47,133	45,575
Property and equipment	1,509	1,536	Redeemable noncontrolling interests	58	58
Deferred tax assets, net	199	304	<b>Shareholders' Equity</b>		
Goodwill	6,000	5,980	Common stock	74	74
Other assets, including other intangibles <sup>(2)</sup>	2,287	2,227	Additional paid-in capital	2,922	2,892
Separate account assets	8,468	7,940	Accumulated other comprehensive loss	(1,146)	(1,382)
			Retained earnings	15,102	13,855
			Less treasury stock, at cost	(2,406)	(1,716)
			Total shareholders' equity	14,546	13,723
			Noncontrolling interests	1	4
			Total equity	14,547	13,727
Total assets	\$ 61,738	\$ 59,360	Total liabilities and equity	\$ 61,738	\$ 59,360

(1) Includes \$5.4 billion as of June 30, 2017 and \$5.6 billion as of December 31, 2016 related to: 1) the sale of Cigna's Individual Life & Annuity business in 1998 and Cigna's Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; and 2) the reinsurance transaction with Berkshire in 2013. Corresponding liabilities are primarily reported in Contractholder deposit funds and Future policy benefits.

(2) Includes recoverables of \$0.8 billion as of June 30, 2017 and December 31, 2016 related to the GMIB liability.

**Cigna Corporation**  
**Summary of Fixed Maturities (unaudited)**  
**Asset Quality / Type**  
**Fair Value**

(Dollars in millions)

Sector	As of June 30, 2017				As of December 31, 2016			
	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities
United States Government	\$ 900	\$ -	\$ 900	4%	\$ 877	\$ -	\$ 877	4%
States and Local Government	1,381	-	1,381	6%	1,435	-	1,435	7%
Foreign Government	2,236	77	2,313	10%	2,035	78	2,113	10%
Government	4,517	77	4,594	20%	4,347	78	4,425	21%
Basic Industry	1,846	1,201	3,047	13%	1,757	995	2,752	13%
Capital Goods	1,006	932	1,938	9%	894	999	1,893	9%
Communications	1,103	109	1,212	5%	985	58	1,043	5%
Consumer	2,913	879	3,792	17%	2,621	884	3,505	17%
Electric and Utility	1,099	1,121	2,220	10%	950	1,082	2,032	10%
Energy and Natural Gas	1,166	641	1,807	8%	1,072	652	1,724	8%
Financial	2,662	585	3,247	14%	2,406	573	2,979	14%
Other	88	85	173	1%	51	71	122	1%
Corporate	11,883	5,553	17,436	77%	10,736	5,314	16,050	77%
Mortgage and other asset-backed	92	391	483	3%	91	395	486	2%
<b>Total Fixed Maturities <sup>(2)</sup></b>	<b>\$ 16,492</b>	<b>\$ 6,021</b>	<b>\$ 22,513</b>	<b>100%</b>	<b>\$ 15,174</b>	<b>\$ 5,787</b>	<b>\$ 20,961</b>	<b>100%</b>
% of Fixed Maturities	73%	27%	100%		72%	28%	100%	

(1) 88% and 89% of fixed maturities were investment grade as of June 30, 2017 and December 31, 2016 respectively. The remaining fixed maturities were below investment grade holdings and invested mainly in corporate debt, including both public and private placed debt.

(2) Problem and potential problem bonds at amortized cost, net of impairments, were \$52 million as of June 30, 2017 and \$66 million as of December 31, 2016. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2017 expected to be filed on August 4, 2017.

**Cigna Corporation**  
**Summary of Fixed Maturities (unaudited)**  
**Analysis of Amortized Cost vs. Fair Value**

(Dollars in millions)

Sector	As of June 30, 2017			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 663	\$ 240	\$ 3	\$ 900
State and Local Government	1,277	106	2	1,381
Foreign Government	2,202	125	14	2,313
<b>Government</b>	<b>4,142</b>	<b>471</b>	<b>19</b>	<b>4,594</b>
Basic Industry	2,890	170	13	3,047
Capital Goods	1,834	111	7	1,938
Communications	1,156	60	4	1,212
Consumer	3,640	170	18	3,792
Electric and Utility	2,071	157	8	2,220
Energy and Natural Gas	1,728	90	11	1,807
Financial	3,139	115	7	3,247
Other	169	4	-	173
<b>Corporate</b>	<b>16,627</b>	<b>877</b>	<b>68</b>	<b>17,436</b>
Mortgage and other asset-backed	453	32	2	483
<b>Total Fixed Maturities</b>	<b>\$ 21,222</b>	<b>\$ 1,380</b>	<b>\$ 89</b>	<b>\$ 22,513</b>

As of December 31, 2016			
Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
\$ 658	\$ 223	\$ 4	\$ 877
1,342	99	6	1,435
1,998	129	14	2,113
<b>3,998</b>	<b>451</b>	<b>24</b>	<b>4,425</b>
2,658	129	35	2,752
1,811	98	16	1,893
1,004	48	9	1,043
3,405	131	31	3,505
1,927	129	24	2,032
1,654	88	18	1,724
2,904	90	15	2,979
120	3	1	122
<b>15,483</b>	<b>716</b>	<b>149</b>	<b>16,050</b>
461	29	4	486
<b>\$ 19,942</b>	<b>\$ 1,196</b>	<b>\$ 177</b>	<b>\$ 20,961</b>



**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of June 30, 2017**

(Dollars in millions)

Geographic Region	Property Type							Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 60	\$ 55	\$ 2	\$ 89	\$	\$	\$	206	12%
Other <sup>(2)</sup>					15			15	1%
<b>New England</b>	<b>60</b>	<b>55</b>	<b>2</b>	<b>89</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>13%</b>
New York		42	56					98	5%
New Jersey	16	55						71	4%
<b>Middle Atlantic</b>	<b>16</b>	<b>97</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>9%</b>
Virginia	113							113	7%
North Carolina		45	14					59	3%
Maryland	36			20				56	3%
Other <sup>(2)</sup>		20			13			33	2%
<b>South Atlantic</b>	<b>149</b>	<b>65</b>	<b>14</b>	<b>20</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>15%</b>
Illinois	67	59						126	7%
Texas	33	65	2					100	6%
Other <sup>(2)</sup>			64					64	4%
<b>Central</b>	<b>100</b>	<b>124</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>17%</b>
Other <sup>(2)</sup>				31				31	2%
<b>Mountain</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>2%</b>
California	236	118	122	35	92	28		631	36%
Oregon	33	28	21		17			99	6%
Other <sup>(2)</sup>		39						39	2%
<b>Pacific</b>	<b>269</b>	<b>185</b>	<b>143</b>	<b>35</b>	<b>109</b>	<b>28</b>	<b>-</b>	<b>769</b>	<b>44%</b>
<b>Totals</b>	<b>\$ 594</b>	<b>\$ 526</b>	<b>\$ 281</b>	<b>\$ 175</b>	<b>\$ 137</b>	<b>\$ 28</b>	<b>\$</b>	<b>1,741</b>	<b>100%</b>
% of Mortgage Loans	<b>34%</b>	<b>30%</b>	<b>16%</b>	<b>10%</b>	<b>8%</b>	<b>2%</b>	<b>-</b>	<b>100%</b>	
Loan to Value Ratio <sup>(3)</sup>	<b>57%</b>	<b>59%</b>	<b>56%</b>	<b>55%</b>	<b>49%</b>	<b>57%</b>	<b>-</b>	<b>57%</b>	

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$5 million and \$21 million as of June 30, 2017 and December 31, 2016, respectively. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended June 30, 2017, expected to be filed on August 4, 2017.

(2) Represents states in a region with a concentration of less than 3%.

(3) The Loan to Value Ratios on the commercial mortgage loans that Cigna holds in its portfolio leverage internal valuations, which are estimates based on the most recent full year financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are primarily determined as part of an annual review process, which was completed in the second quarter of 2017. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2017, expected to be filed on August 4, 2017.

**Cigna Corporation**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**

(Dollars in millions)

Six Months Ended June 30,  
2017 2016

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$	1,403	\$	1,017
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:				
Depreciation and amortization		286		310
Realized investment (gains)		(97)		(35)
Deferred income taxes (benefits)		31		(17)
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(222)		(520)
Reinsurance recoverables		64		(4)
Deferred policy acquisition costs		(137)		(123)
Other assets		(71)		(83)
Insurance liabilities		973		607
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>		(159)		(58)
Current income taxes		83		54
Distributions from partnership investments <sup>(2)</sup>		74		71
Other, net		48		48
<b>Net cash provided by operating activities <sup>(2)</sup></b>		<b>2,276</b>		<b>1,267</b>
<b>Net cash used in investing activities <sup>(2)</sup></b>		<b>(732)</b>		<b>(572)</b>
<b>Net cash used in financing activities <sup>(3)</sup></b>		<b>(1,143)</b>		<b>(223)</b>
Effect of foreign currency rate changes on cash and cash equivalents		25		14
<b>Net increase in cash and cash equivalents</b>		<b>426</b>		<b>486</b>
Cash and cash equivalents, beginning of year		3,185		1,968
Cash and cash equivalents, end of period	\$	3,611	\$	2,454

(1) Includes pre-tax domestic qualified pension plan contributions of \$150 million for the six months ended June 30, 2017. There were no contributions in 2016.

(2) As required in early adopting ASU 2016-15, the Company retrospectively reclassified \$71 million of cash distributions of earnings from partnership investments from investing to operating activities for the six months ended June 30, 2016. The comparable amount reported in operating activities for the six months ended June 30, 2017 was \$74 million.

(3) Includes \$250 million for the repayment of long-term debt for the six months ended June 30, 2017. There were no debt repayments in 2016.