

Cigna Corporation

Quarterly Financial Supplement June 30, 2016

This document is dated July 29, 2016. 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, 2016 Quarterly Financial Supplement
Table of Contents

Financial Highlights	1
Reconciliation of Adjusted Income (Loss) from Operations to Shareholders' Net Income.....	2
Consolidated Income Statements	3
Business Segment Analysis:	
Global Health Care	4
Global Supplemental Benefits	8
Group Disability and Life	10
Corporate and Other	11
Consolidated Balance Sheets.....	12
Investment Summaries:	
Summary of Fixed Maturities – Asset Quality / Type – Fair Value	13
Summary of Fixed Maturities – Analysis of Amortized Cost vs. Fair Value.....	14
Summary of Commercial Mortgage Loans.....	15
Condensed Consolidated Statements of Cash Flows	16

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 on a consolidated basis and operating revenues 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,		
	2016	2015	% Change	2016	2015	% Change
REVENUES						
Operating Revenues						
Global Health Care	\$ 7,840	\$ 7,507	4 %	\$ 15,724	\$ 14,953	5 %
Global Supplemental Benefits	835	782	7	1,641	1,551	6
Group Disability and Life	1,098	1,063	3	2,207	2,122	4
Corporate and Other	120	119	1	237	239	(1)
Consolidated operating revenues	9,893	9,471	4	19,809	18,865	5
Net realized investment gains	67	21	219	35	94	(63)
Total revenues	\$ 9,960	\$ 9,492	5 %	\$ 19,844	\$ 18,959	5 %
SHAREHOLDERS' NET INCOME						
Adjusted Income (Loss) From Operations						
Global Health Care	\$ 486	\$ 528	(8) %	\$ 1,030	\$ 972	6 %
Global Supplemental Benefits	83	77	8	150	146	3
Group Disability and Life	(12)	106	(111)	3	157	(98)
Ongoing operations	557	711	(22)	1,183	1,275	(7)
Corporate and Other	(42)	(47)	11	(67)	(98)	32
Total	515	664	(22)	1,116	1,177	(5)
After-tax adjustments to reconcile to shareholders' net income:						
Realized investment gains	44	13		23	61	
Amortization of other acquired intangible assets, net	(23)	(24)		(48)	(52)	
Special Items (see details on page 2)	(26)	(65)		(62)	(65)	
Shareholders' net income	\$ 510	\$ 588	(13) %	\$ 1,029	\$ 1,121	(8) %
Diluted earnings per share:						
Adjusted income from operations	\$ 1.98	\$ 2.55	(22) %	\$ 4.30	\$ 4.52	(5) %
Shareholders' net income	\$ 1.97	\$ 2.26	(13) %	\$ 3.97	\$ 4.30	(8) %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization	\$ 1,001	\$ 1,232	(19) %	\$ 2,118	\$ 2,232	(5) %

CUSTOMER RELATIONSHIPS

(Relationships, lives and policies in thousands)

	As of June 30,			As of December 31,		
	2016	2015	% Change	2015	% Change	
Global Health Care Medical Customers (see page 7)	15,141	14,771	3 %	14,999	1	%
Other Customer Relationships: (see page 7)						
Behavioral care	25,776	24,164	7	24,674	4	
Dental	14,880	13,818	8	13,869	7	
Pharmacy	8,302	7,905	5	8,068	3	
Medicare Part D	1,037	1,458	(29)	1,476	(30)	
Global Supplemental Benefit Policies (see page 9)	11,965	12,762	(6)	12,888	(7)	
Group Disability and Life covered lives (estimated)	15,600	14,200	10	15,600	-	
Total customer relationships	92,701	89,078	4 %	91,574	1	%

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

(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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Three Months Ended June 30,												
Adjusted income (loss) from operations	\$ 1.98	\$ 2.55	\$ 515	\$ 664	\$ 486	\$ 528	\$ 83	\$ 77	\$ (12)	\$ 106	\$ (42)	\$ (47)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.18	0.05	44	13	19	4	-	(3)	15	5	10	7
Amortization of other acquired intangible assets, net	(0.09)	(0.09)	(23)	(24)	(18)	(20)	(5)	(4)	-	-	-	-
Special items:												
Debt extinguishment costs	-	(0.25)	-	(65)	-	-	-	-	-	-	-	(65)
Merger-related transaction costs	(0.10)	-	(26)	-	-	-	-	-	-	-	(26)	-
Shareholders' net income	\$ 1.97	\$ 2.26	\$ 510	\$ 588	\$ 487	\$ 512	\$ 78	\$ 70	\$ 3	\$ 111	\$ (58)	\$ (105)
Weighted average shares (in thousands)	259,500	260,097										
Special Items, pre-tax:												
Debt extinguishment costs			\$ -	\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)
Merger-related transaction costs			(34)	-	-	-	-	-	-	-	(34)	-
Total			\$ (34)	\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34)	\$ (100)

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Six Months Ended June 30,												
Adjusted income (loss) from operations	\$ 4.30	\$ 4.52	\$ 1,116	\$ 1,177	\$ 1,030	\$ 972	\$ 150	\$ 146	\$ 3	\$ 157	\$ (67)	\$ (98)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.09	0.23	23	61	7	36	(1)	-	13	19	4	6
Amortization of other acquired intangible assets, net	(0.18)	(0.20)	(48)	(52)	(36)	(43)	(12)	(9)	-	-	-	-
Special items:												
Debt extinguishment costs	-	(0.25)	-	(65)	-	-	-	-	-	-	-	(65)
Merger-related transaction costs	(0.24)	-	(62)	-	-	-	-	-	-	-	(62)	-
Shareholders' net income	\$ 3.97	\$ 4.30	\$ 1,029	\$ 1,121	\$ 1,001	\$ 965	\$ 137	\$ 137	\$ 16	\$ 176	\$ (125)	\$ (157)
Weighted average shares (in thousands)	259,473	260,668										
Common shares outstanding as of June 30, (in thousands)	256,558	257,451										
Special Items, pre-tax:												
Debt extinguishment costs			\$ -	\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)
Merger-related transaction costs			(74)	-	-	-	-	-	-	-	(74)	-
Total			\$ (74)	\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (74)	\$ (100)

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Revenues:						
Premiums	\$ 7,654	\$ 7,432	3 %	\$ 15,400	\$ 14,834	4 %
Fees	1,127	1,057	7	2,260	2,123	6
Net investment income	294	297	(1)	566	573	(1)
Mail order pharmacy revenues	748	625	20	1,445	1,203	20
Other revenues	70	60	17	138	132	5
Consolidated operating revenues	9,893	9,471	4	19,809	18,865	5
Net realized investment gains	67	21	219	35	94	(63)
Total revenues	9,960	9,492	5	19,844	18,959	5
Benefits and Expenses:						
Global Health Care medical costs	4,777	4,577	4	9,538	9,181	4
Other benefit expenses	1,414	1,199	18	2,782	2,468	13
Mail order pharmacy costs	630	529	19	1,204	1,021	18
Operating expenses excluding special items	2,078	1,938	7	4,179	3,969	5
Depreciation and amortization:						
Amortization of other acquired intangible assets, net	37	39	(5)	78	83	(6)
Depreciation and other amortization	115	112	3	232	219	6
Total depreciation and amortization	152	151	1	310	302	3
Interest expense	62	62	-	125	128	(2)
Special items (see details on page 2)	34	100	(66)	74	100	(26)
Total benefits and expenses	9,147	8,556	7	18,212	17,169	6
Income before income taxes	813	936	(13)	1,632	1,790	(9)
Income taxes:						
Current	338	375	(10)	632	683	(7)
Deferred	(28)	(23)	(22)	(17)	(8)	(113)
Total taxes	310	352	(12)	615	675	(9)
Net income	503	584	(14)	1,017	1,115	(9)
Less: net (loss) attributable to noncontrolling interests	(7)	(4)	(75)	(12)	(6)	(100)
Shareholders' net income	\$ 510	\$ 588	(13) %	\$ 1,029	\$ 1,121	(8) %

Cigna Corporation
Global Health Care
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Revenues:						
Premiums	\$ 5,845	\$ 5,706	2 %	\$ 11,796	\$ 11,397	4 %
Fees	1,098	1,028	7	2,203	2,066	7
Net investment income	81	91	(11)	153	166	(8)
Mail order pharmacy revenues	748	625	20	1,445	1,203	20
Other revenues	68	57	19	127	121	5
Operating revenues	7,840	7,507	4	15,724	14,953	5
Net realized investment gains	28	8	250	11	57	(81)
Total revenues	7,868	7,515	5	15,735	15,010	5
Benefits and Expenses:						
Global Health Care medical costs	4,777	4,577	4	9,538	9,181	4
Mail order pharmacy costs	630	529	19	1,204	1,021	18
Operating expenses	1,642	1,529	7	3,297	3,144	5
Amortization of other acquired intangible assets, net	29	33	(12)	59	69	(14)
Benefits and expenses	7,078	6,668	6	14,098	13,415	5
Income before income taxes	790	847	(7)	1,637	1,595	3
Income taxes	304	336	(10)	638	631	1
Income (loss) attributable to noncontrolling interest	(1)	(1)	-	(2)	(1)	N/M
Shareholders' net income from Global Health Care	487	512	(5)	1,001	965	4
After-tax adjustments required to reconcile to adjusted income from operations:						
Realized investment (gains)	(19)	(4)		(7)	(36)	
Amortization of other acquired intangible assets, net	18	20		36	43	
Adjusted income from operations	\$ 486	\$ 528	(8) %	\$ 1,030	\$ 972	6 %

Cigna Corporation
Global Health Care
Revenue Analysis (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Premiums:						
Guaranteed cost	\$ 1,163	\$ 1,215	(4) %	\$ 2,295	\$ 2,373	(3) %
Experience-rated ⁽¹⁾	583	566	3	1,169	1,130	3
Stop loss	760	662	15	1,512	1,316	15
International health care	464	455	2	931	925	1
Dental	391	343	14	779	683	14
Medicare	1,684	1,535	10	3,467	3,096	12
Medicaid	288	289	-	577	535	8
Medicare Part D	292	416	(30)	626	899	(30)
Other	220	225	(2)	440	440	-
Total Premiums	5,845	5,706	2	11,796	11,397	4
Fees, including international health care	1,098	1,028	7	2,203	2,066	7
Premiums and Fees	6,943	6,734	3	13,999	13,463	4
Net investment income	81	91	(11)	153	166	(8)
Mail order pharmacy revenues ⁽²⁾	748	625	20	1,445	1,203	20
Other revenues ⁽³⁾	68	57	19	127	121	5
Operating revenues	\$ 7,840	\$ 7,507	4 %	\$ 15,724	\$ 14,953	5 %

(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,		
	2016	2015			2016	2015	
<u>Medical Care Ratios:</u>							
Commercial	78.8 %	77.5 %	(1.3)	77.3 %	76.3 %	(1.0)	
Government	86.4 %	84.4 %	(2.0)	86.3 %	86.9 %	0.6	
Consolidated Global Health Care	81.7 %	80.2 %	(1.5)	80.9 %	80.6 %	(0.3)	
Operating Expense ratio ⁽¹⁾	20.9 %	20.4 %	(0.5)	21.0 %	21.0 %	-	

(1) Excludes amortization of other acquired intangible assets.

PPACA – Related Taxes and Fees (unaudited)⁽²⁾

(Dollars in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
Health insurance industry tax	\$	75	\$	77	\$	153	\$	156
Reinsurance fee		11		18		23		35
Other fees		3		4		5		8
Total PPACA-related taxes and fees	\$	89	\$	99	\$	181	\$	199

(2) These taxes and fees are primarily reported in operating expenses.

Cigna Corporation
Global Health Care
Estimated Covered Lives (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of June 30,			As of December 31,		
	2016	2015	% Change	2015	% Change	
<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾						
Commercial risk:						
U.S. Guaranteed cost	847	869	(3) %	853	(1) %	
U.S. Experience-rated ⁽²⁾	835	839	-	848	(2)	
International health care - risk	820	787	4	801	2	
Total commercial risk ⁽²⁾	2,502	2,495	-	2,502	-	
Medicare	533	491	9	502	6	
Medicaid	65	65	-	65	-	
Total risk	3,100	3,051	2	3,069	1	
Total service, including international health care	12,041	11,720	3	11,930	1	
Total medical customers	15,141	14,771	3 %	14,999	1 %	
Other Customer Relationships:						
Behavioral care ⁽³⁾	25,776	24,164	7 %	24,674	4 %	
Dental ⁽³⁾	14,880	13,818	8 %	13,869	7 %	
Pharmacy ⁽³⁾	8,302	7,905	5 %	8,068	3 %	
Medicare Part D ⁽⁴⁾	1,037	1,458	(29) %	1,476	(30) %	

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Reflects customer relationships with Cigna's dental, managed pharmacy, or behavioral care programs. These customers may also be medical customers, or they may have stand-alone dental, managed pharmacy, or behavioral care coverage. Behavioral customer relationships exclude certain wellness programs. Prior year dental membership has been revised to conform to current presentation.

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

COVERED LIVES BY MARKET SEGMENT: ⁽⁵⁾	As of June 30,			As of December 31,		
	2016	2015 ⁽⁶⁾	% Change	2015 ⁽⁶⁾	% Change	
<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾						
U.S. Commercial:						
National Accounts	3,608	3,722	(3) %	3,726	(3) %	
Middle Market	7,970	7,698	4	7,844	2	
Select	1,298	1,159	12	1,235	5	
Individual	185	223	(17)	204	(9)	
Small	2	2	-	2	-	
Total U.S. Commercial	13,063	12,804	2	13,011	-	
International	1,480	1,411	5	1,421	4	
Total Commercial	14,543	14,215	2	14,432	1	
Medicare	533	491	9	502	6	
Medicaid	65	65	-	65	-	
Total Government	598	556	8	567	5	
Total medical customers	15,141	14,771	3 %	14,999	1 %	

⁽⁵⁾ 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 twelve states as of December 31, 2015: Arizona, California, Colorado, Connecticut, Florida, Georgia, Maryland, Missouri, North Carolina, South Carolina, Tennessee and Texas.
- ~ 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.

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

Cigna Corporation
Global Supplemental Benefits
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Revenues:						
Premiums	\$ 795	\$ 744	7 %	\$ 1,562	\$ 1,473	6 %
Fees	5	5	-	10	11	(9)
Net investment income	27	26	4	53	52	2
Other revenues	8	7	14	16	15	7
Operating revenues	835	782	7	1,641	1,551	6
Net realized investment gains (losses)	-	(2)	100	(2)	1	(300)
Total revenues	835	780	7	1,639	1,552	6
Benefits and Expenses:						
Benefit expenses	440	411	7	871	820	6
Operating expenses ⁽¹⁾	296	281	5	591	556	6
Amortization of other acquired intangible assets, net	8	6	33	19	14	36
Benefits and expenses	744	698	7	1,481	1,390	7
Income before income taxes	91	82	11	158	162	(2)
Income taxes	19	15	27	31	30	3
Loss attributable to noncontrolling interests	(6)	(3)	(100)	(10)	(5)	(100)
Shareholders' net income from Global Supplemental Benefits	78	70	11	137	137	-
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment losses	-	3		1	-	
Amortization of other acquired intangible assets, net	5	4		12	9	
Adjusted income from operations	\$ 83	\$ 77	8 %	\$ 150	\$ 146	3 %

(1) Operating expenses include policy acquisition expenses of \$152 million for the three months and \$300 million for the six months ended June 30, 2016 and \$144 million for the three months and \$288 million for the six months ended June 30, 2015.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2015 amounts are presented using 2016 actual exchange rates:

Excluding the Effect of Foreign Currency Movements:	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
(Dollars in millions)						
Premiums and fees	\$ 800	\$ 716	12 %	\$ 1,572	\$ 1,405	12 %
Adjusted income from operations	\$ 83	\$ 72	15 %	\$ 150	\$ 135	11 %

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,		
	2016	2015	% Change	2016	2015	% Change
Korea	\$ 408	\$ 388	5 %	\$ 792	\$ 765	4 %
U.S.	155	120	29	309	238	30
Taiwan	66	71	(7)	130	139	(6)
UK	42	53	(21)	85	104	(18)
Turkey	23	22	5	45	44	2
Other	106	95	12	211	194	9
Total ⁽¹⁾	\$ 800	\$ 749	7 %	\$ 1,572	\$ 1,484	6 %
China Joint Venture ⁽¹⁾	\$ 202	\$ 145	39 %	\$ 381	\$ 283	35 %

NUMBER OF POLICIES:	As of June 30,			As of December 31,		
	2016	2015	% Change	2015	% Change	
Global Supplemental Benefits Policies	11,965	12,762	(6) %	12,888	(7) %	
China Joint Venture ⁽¹⁾	1,553	1,321	18 %	1,438	8 %	

(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,		
	2016	2015	% Change	2016	2015	% Change
Revenues:						
Premiums:						
Life	\$ 442	\$ 441	- %	\$ 888	\$ 885	- %
Disability	477	446	7	969	894	8
Other	69	67	3	135	129	5
Total premiums	988	954	4	1,992	1,908	4
Fees	24	24	-	47	46	2
Net investment income	88	85	4	168	168	-
Other revenues	(2)	-	N/M	-	-	N/M
Operating revenues	1,098	1,063	3	2,207	2,122	4
Net realized investment gains	24	8	200	21	30	(30)
Total revenues	1,122	1,071	5	2,228	2,152	4
Benefits and Expenses:						
Benefit expenses	889	699	27	1,746	1,471	19
Operating expenses	227	209	9	457	422	8
Benefits and expenses	1,116	908	23	2,203	1,893	16
Income before income taxes	6	163	(96)	25	259	(90)
Income taxes	3	52	(94)	9	83	(89)
Shareholders' net income from Group Disability and Life	3	111	(97)	16	176	(91)
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment (gains)	(15)	(5)		(13)	(19)	
Adjusted income (loss) from operations	\$ (12)	\$ 106	(111) %	\$ 3	\$ 157	(98) %

Cigna Corporation
Corporate and Other ⁽¹⁾
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Revenues:						
Premiums	\$ 26	\$ 28	(7) %	\$ 50	\$ 56	(11) %
Net investment income	98	95	3	192	187	3
Other revenues	(4)	(4)	-	(5)	(4)	(25)
Operating revenues	120	119	1	237	239	(1)
Net realized investment gains	15	7	114	5	6	(17)
Total revenues	135	126	7	242	245	(1)
Benefits and Expenses:						
Benefit expenses	85	89	(4)	165	177	(7)
Operating expenses excluding special items ⁽²⁾	90	93	(3)	191	194	(2)
Special items (see details on page 2)	34	100	(66)	74	100	(26)
Benefits and expenses	209	282	(26)	430	471	(9)
Loss before income taxes	(74)	(156)	53	(188)	(226)	17
Income taxes	(16)	(51)	69	(63)	(69)	9
Shareholders' net loss from Corporate and Other Operations	(58)	(105)	45	(125)	(157)	20
Adjustments to reconcile to adjusted loss from operations:						
Realized investment (gains)	(10)	(7)		(4)	(6)	
Special items (see details on page 2)	26	65		62	65	
Adjusted loss from operations	\$ (42)	\$ (47)	11 %	\$ (67)	\$ (98)	32 %

(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.

Cigna Corporation
Consolidated Balance Sheets

(Dollars in millions)

	As of June 30, 2016 (Unaudited)	As of December 31, 2015		As of June 30, 2016 (Unaudited)	As of December 31, 2015
Assets			Liabilities		
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$18,745 and \$18,456)	\$ 20,538	\$ 19,455	Contractholder deposit funds	\$ 8,464	\$ 8,443
Equity securities, at fair value (cost, \$184 and \$190)	181	190	Future policy benefits	9,953	9,479
Commercial mortgage loans (see page 15)	1,814	1,864	Unpaid claims and claim expenses	4,831	4,574
Policy loans	1,442	1,419	Global Health Care medical costs payable	2,577	2,355
Other long-term investments	1,419	1,404	Unearned premiums	618	629
Short-term investments	469	381	Total insurance and contractholder liabilities	26,443	25,480
Total investments	25,863	24,713	Accounts payable, accrued expenses and other liabilities	6,569	6,493
Cash and cash equivalents	2,454	1,968	Short-term debt	300	149
Premiums, accounts and notes receivable, net	4,329	3,694	Long-term debt	4,789	5,020
Reinsurance recoverables ⁽¹⁾	6,705	6,813	Separate account liabilities	7,970	7,833
Deferred policy acquisition costs	1,785	1,659	Total liabilities	46,071	44,975
Property and equipment	1,556	1,534	Redeemable noncontrolling interests	71	69
Deferred tax assets, net	210	379	Shareholders' Equity		
Goodwill	6,017	6,019	Common stock	74	74
Other assets, including other intangibles ⁽²⁾	2,617	2,476	Additional paid-in capital	2,879	2,859
Separate account assets	7,970	7,833	Accumulated other comprehensive loss	(844)	(1,250)
			Retained earnings	13,046	12,121
			Less treasury stock, at cost	(1,799)	(1,769)
			Total shareholders' equity	13,356	12,035
			Noncontrolling interests	8	9
			Total equity	13,364	12,044
Total assets	\$ 59,506	\$ 57,088	Total liabilities and equity	\$ 59,506	\$ 57,088

(1) Includes \$5.7 billion as of June 30, 2016 and \$5.8 billion as of December 31, 2015 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 \$1.0 billion as of June 30, 2016 and \$0.9 billion as of December 31, 2015 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, 2016				As of December 31, 2015			
	Public	Private	Total ⁽¹⁾	% of Fixed Maturities	Public	Private	Total ⁽¹⁾	% of Fixed Maturities
United States Government	\$ 751	\$ -	\$ 751	4%	\$ 779	\$ -	\$ 779	4%
States and Local Government	1,576	-	1,576	8%	1,641	-	1,641	9%
Foreign Government	2,191	79	2,270	11%	1,948	66	2,014	10%
Government	4,518	79	4,597	23%	4,368	66	4,434	23%
Basic Industry	1,581	1,025	2,606	13%	1,425	1,008	2,433	12%
Capital Goods	775	1,022	1,797	9%	713	1,057	1,770	9%
Communications	896	20	916	4%	849	24	873	5%
Consumer	2,371	936	3,307	16%	2,149	1,002	3,151	16%
Electric and Utility	906	1,101	2,007	10%	845	898	1,743	9%
Energy and Natural Gas	1,021	624	1,645	8%	857	611	1,468	8%
Financial	2,396	599	2,995	14%	2,182	565	2,747	14%
Other	68	71	139	1%	188	75	263	1%
Corporate	10,014	5,398	15,412	75%	9,208	5,240	14,448	74%
Mortgage-Backed	38	-	38	0%	49	-	49	0%
Foreign Bank Obligations ⁽²⁾	-	156	156	0%	-	237	237	1%
Other Asset-Backed	54	281	335	2%	51	236	287	2%
Mortgage and other asset-backed	92	437	529	2%	100	473	573	3%
Total Fixed Maturities ⁽³⁾	\$ 14,624	\$ 5,914	\$ 20,538	100%	\$ 13,676	\$ 5,779	\$ 19,455	100%
% of Fixed Maturities	71%	29%	100%		70%	30%	100%	

- (1) 89% of fixed maturities were investment grade as of June 30, 2016 and December 31, 2015. The remaining fixed maturities were below investment grade holdings and invested mainly in corporate debt, split relatively evenly between public and private placements.
- (2) Approximately 90% of foreign bank obligations for the period ended June 30, 2016 and 60% for the period ended December 31, 2015, were collateralized by US government sponsored securities.
- (3) Problem and potential problem bonds at amortized cost, net of impairments, were \$16 million as of June 30, 2016 and \$34 million as of December 31, 2015. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2016 expected to be filed on July 29, 2016.

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

(Dollars in millions)

Sector	As of June 30, 2016			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 448	\$ 303	\$ -	\$ 751
State and Local Government	1,411	165	-	1,576
Foreign Government	2,062	209	1	2,270
Government	3,921	677	1	4,597
Basic Industry	2,441	195	30	2,606
Capital Goods	1,655	145	3	1,797
Communications	846	71	1	916
Consumer	3,063	248	4	3,307
Electric and Utility	1,794	217	4	2,007
Energy and Natural Gas	1,555	108	18	1,645
Financial	2,841	155	1	2,995
Other	133	6	-	139
Corporate	14,328	1,145	61	15,412
Mortgage-Backed	37	1	-	38
Foreign Bank Obligations	135	23	2	156
Other Asset-Backed	324	14	3	335
Mortgage and other asset-backed	496	38	5	529
Total Fixed Maturities	\$ 18,745	\$ 1,860	\$ 67	\$ 20,538

Sector	As of December 31, 2015			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 528	\$ 251	\$ -	\$ 779
State and Local Government	1,496	147	2	1,641
Foreign Government	1,870	147	3	2,014
Government	3,894	545	5	4,434
Basic Industry	2,403	101	71	2,433
Capital Goods	1,695	93	18	1,770
Communications	836	43	6	873
Consumer	3,042	130	21	3,151
Electric and Utility	1,648	113	18	1,743
Energy and Natural Gas	1,478	49	59	1,468
Financial	2,660	97	10	2,747
Other	260	6	3	263
Corporate	14,022	632	206	14,448
Mortgage-Backed	48	2	1	49
Foreign Bank Obligations	210	30	3	237
Other Asset-Backed	282	9	4	287
Mortgage and other asset-backed	540	41	8	573
Total Fixed Maturities	\$ 18,456	\$ 1,218	\$ 219	\$ 19,455

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of June 30, 2016

(Dollars in millions)

Geographic Region	Property Type						Total ⁽¹⁾	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other		
Massachusetts	\$ 100	\$ 56	\$ 7	\$ 89	\$ -	\$ -	\$ 252	14%
Other ⁽²⁾	-	-	-	-	15	-	15	1%
New England	100	56	7	89	15	-	267	15%
New York	76	55	-	-	-	-	131	7%
New Jersey	40	-	56	-	-	-	96	5%
Middle Atlantic	116	55	56	-	-	-	227	12%
Virginia	133	-	-	51	-	-	184	10%
North Carolina	-	45	30	-	-	-	75	4%
Maryland	36	-	-	20	-	8	64	4%
Other ⁽²⁾	-	20	9	-	14	-	43	2%
South Atlantic	169	65	39	71	14	8	366	20%
Texas	33	19	2	-	-	-	54	3%
Illinois	46	-	-	-	-	-	46	3%
Other ⁽²⁾	-	3	78	-	-	-	81	4%
Central	79	22	80	-	-	-	181	10%
Arizona	-	20	-	32	-	-	52	3%
Mountain	-	20	-	32	-	-	52	3%
California	195	118	119	65	127	-	624	34%
Oregon	33	28	4	-	18	-	83	5%
Other ⁽²⁾	-	14	-	-	-	-	14	1%
Pacific	228	160	123	65	145	-	721	40%
Totals	\$ 692	\$ 378	\$ 305	\$ 257	\$ 174	\$ 8	\$ 1,814	100%
% of Mortgage Loans	38%	21%	17%	14%	10%	0%	100%	
Loan to Value Ratio ⁽³⁾	53%	58%	60%	66%	53%	56%	57%	

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$112 million and \$139 million as of June 30, 2016 and December 31, 2015, 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, 2016, expected to be filed on July 29, 2016.

(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 2016. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2016, expected to be filed on July 29, 2016.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Six Months Ended June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,017	\$ 1,115
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	310	302
Realized investment gains	(35)	(94)
Deferred income taxes	(17)	(8)
Net changes in assets and liabilities, net of non-operating effects:		
Premiums, accounts and notes receivable	(520)	(1,007)
Reinsurance recoverables	(4)	(53)
Deferred policy acquisition costs	(123)	(112)
Other assets	(83)	41
Insurance liabilities	607	542
Accounts payable, accrued expenses and other liabilities ⁽¹⁾	(58)	216
Current income taxes	54	117
Loss on extinguishment of debt	-	100
Other, net ⁽²⁾	48	24
Net cash provided by operating activities ⁽²⁾	1,196	1,183
Net cash used in investing activities	(501)	(96)
Net cash provided by (used in) financing activities ⁽²⁾	(223)	(520)
Effect of foreign currency rate changes on cash and cash equivalents	14	(18)
Net increase (decrease) in cash and cash equivalents	486	549
Cash and cash equivalents, beginning of year	1,968	1,420
Cash and cash equivalents, end of period	\$ 2,454	\$ 1,969

(1) There were no pre-tax domestic qualified pension plan contributions made for the periods ended June 30, 2016 and less than \$1 million for the period ended June 30, 2015.

(2) As required by the adoption of ASU 2016-09, the Company retrospectively reclassified \$74 million of cash payments from operating to financing activities for the six months ended June 30, 2015. These payments were related to employee tax obligations associated with stock compensation. The comparable amount reported in financing activities for the six months ended June 30, 2016 was \$68 million.