

# **Cigna Corporation**

## **Quarterly Financial Supplement September 30, 2019**

*This document is dated October 31, 2019. 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**  
**September 30, 2019 Quarterly Financial Supplement**  
**Table of Contents**

<b>Financial Highlights .....</b>	<b>1</b>
<b>Consolidated Income Statements .....</b>	<b>2</b>
<b>Health Services Segment Analysis .....</b>	<b>3</b>
<b>Integrated Medical Segment Analysis.....</b>	<b>5</b>
<b>Medical Customers.....</b>	<b>7</b>
<b>International Markets Segment Analysis .....</b>	<b>8</b>
<b>Group Disability and Other Analysis.....</b>	<b>9</b>
<b>Corporate Analysis.....</b>	<b>10</b>
<b>Consolidated Balance Sheets.....</b>	<b>11</b>
<b>Condensed Consolidated Statements of Cash Flows .....</b>	<b>12</b>
<b>Summary of Debt Securities by Sector .....</b>	<b>13</b>

**BASIS OF PRESENTATION:**

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

*Cigna measures its financial results on a consolidated basis using adjusted income from operations and adjusted revenues. Adjusted income from operations and adjusted 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 a substitute for the most directly comparable GAAP measures which are shareholders’ net income and total revenues. Cigna also uses adjusted income from operations to measure the results of its segments, however the segment metric is determined before income taxes.*

*Adjusted income from operations is defined as shareholders’ net income (or income before income taxes for the segment metric) excluding the following adjustments: net realized investment results, amortization of acquired intangible assets, special items and earnings contributions from transitioning pharmacy benefit manager clients, Anthem Inc. and Coventry Health Care, Inc. (the “transitioning clients”). Adjusted income from operations is used as our principal financial measure of operating performance because management believes it best presents the underlying results of operations of Cigna’s businesses and permits analysis of trends in underlying revenue, expenses and profitability.*

*Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna’s share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.*

*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)**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Total revenues</b>	\$ 38,556	\$ 11,457	237 %	\$ 115,321	\$ 34,350	236 %
Revenue contributions from transitioning clients	(2,718)	-	N/M	(11,657)	-	N/M
Net realized investment results from certain equity method investments	(5)	1	N/M	(27)	23	(217)
Special item included in transaction-related costs	-	(13)	N/M	-	(13)	N/M
Adjusted revenues <sup>(1)</sup>	\$ 35,833	\$ 11,445	213 %	\$ 103,637	\$ 34,360	202 %
<b>Shareholders' net income</b>	\$ 1,351	\$ 772	75 %	\$ 4,127	\$ 2,493	66 %
<b>Pre-Tax Adjusted Income (Loss) From Operations by Segment</b>						
Health Services	\$ 1,399	\$ 67	N/M	\$ 3,555	\$ 227	N/M
Integrated Medical	953	932	2 %	3,113	2,859	9 %
International Markets	194	195	(1)	607	615	(1)
Group Disability and Other	143	143	-	376	420	(10)
Corporate	(442)	(83)	N/M	(1,385)	(255)	N/M
Consolidated pre-tax adjusted income from operations	\$ 2,247	\$ 1,254	79 %	\$ 6,266	\$ 3,866	62 %
Income tax expense	529	309	71	1,410	956	47
Consolidated after-tax adjusted income from operations	\$ 1,718	\$ 945	82 %	\$ 4,856	\$ 2,910	67 %
<b>Diluted earnings per share</b>						
<b>Shareholders' net income</b>	\$ 3.57	\$ 3.14	14 %	\$ 10.83	\$ 10.14	7 %
After-tax adjustments to reconcile to adjusted income from operations						
Adjustment for transitioning clients	(0.55)	-		(3.19)	-	
Net realized investment (gains) losses	(0.13)	-		(0.26)	0.19	
Amortization of acquired intangible assets	1.47	0.15		4.43	0.30	
<b>Special items</b>						
Integration and transaction-related costs	0.24	0.43		0.82	1.09	
Charges associated with litigation matters	(0.06)	0.14		0.11	0.14	
U.S. tax reform	-	(0.02)		-	(0.02)	
Adjusted income from operations	\$ 4.54	\$ 3.84	18 %	\$ 12.74	\$ 11.84	8 %
Weighted average shares (in thousands)	378,321	246,112		381,091	245,747	
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$ 2,838	\$ 1,454	95 %	\$ 8,071	\$ 4,353	85 %
<b>Operating cash flow (see page 12)</b>	\$ 2,461	\$ 624	294 %	\$ 6,692	\$ 3,644	84 %
<b>SG&amp;A expense ratio <sup>(3)</sup></b>	9.2 %	23.8 %	1,460 bps	9.2 %	23.6 %	1,440 bps
<b>CUSTOMER RELATIONSHIPS</b>						
	As of September 30,			As of December 31,		
<i>(Relationships, lives and policies in thousands)</i>	2019	2018	% Change	2018	% Change	
Total Medical Customers (see page 7)	17,071	16,859	1 %	16,961	1 %	
Pharmacy excluding transitioning clients	75,663	8,819	N/M	73,230	3	
Behavioral care	28,744	27,113	6	27,215	6	
Dental	17,079	16,518	3	16,544	3	
Medicare Part D	3,269	767	N/M	3,295	(1)	
International Markets policies	12,486	12,281	2	12,569	(1)	
Group Disability and Life covered lives (estimated)	15,400	15,300	1	14,800	4	
Total customer relationships	169,712	97,657	N/M %	164,614	3 %	

(1) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

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

(3) SG&A expense ratio is calculated as follows: Cigna's total selling, general and administrative expenses excluding special items and expenses from transitioning clients divided by Cigna's consolidated adjusted revenues.

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Revenues</b>						
Pharmacy revenues	\$ 25,987	\$ 747	N/M	\$ 77,454	\$ 2,222	N/M
Premiums	9,935	8,994	10 %	29,709	27,005	10 %
Fees and other revenues	2,285	1,361	68	7,123	4,087	74
Net investment income	349	355	(2)	1,035	1,036	-
Total revenues	38,556	11,457	237	115,321	34,350	236
<b>Benefits and expenses</b>						
Pharmacy and other service costs	24,552	602	N/M	73,565	1,776	N/M
Medical costs and other benefit expenses	7,734	6,803	14	22,930	20,420	12
Selling, general and administrative expenses excluding special items	3,329	2,727	22	9,640	8,119	19
Amortization of acquired intangible assets	734	48	N/M	2,214	99	N/M
Special items	84	145	(42)	456	335	36
Total benefits and expenses	36,433	10,325	253	108,805	30,749	254
<b>Income from operations</b>	<b>2,123</b>	<b>1,132</b>	<b>88</b>	<b>6,516</b>	<b>3,601</b>	<b>81</b>
Interest expense and other	(411)	(56)	N/M	(1,291)	(169)	N/M
Interest special item	-	(43)	100	-	(43)	100
Net realized investment gains (losses)	51	-	N/M	84	(36)	N/M
<b>Income before income taxes</b>	<b>1,763</b>	<b>1,033</b>	<b>71</b>	<b>5,309</b>	<b>3,353</b>	<b>58</b>
Total income taxes	409	259	58	1,173	854	37
<b>Net income</b>	<b>1,354</b>	<b>774</b>	<b>75</b>	<b>4,136</b>	<b>2,499</b>	<b>66</b>
Less: Net income attributable to noncontrolling interests	3	2	50	9	6	50
<b>Shareholders' net income</b>	<b>1,351</b>	<b>772</b>	<b>75</b>	<b>4,127</b>	<b>2,493</b>	<b>66</b>
<b>After-tax adjustments to reconcile adjusted income from operations</b>						
Adjustment for transitioning clients	(207)	-		(1,217)	-	
Net realized investment (gains) losses	(49)	(1)		(100)	46	
Amortization of acquired intangible assets	558	36		1,694	74	
<b>Special items</b>						
Integration and transaction-related costs	88	108		311	267	
Charges (benefits) associated with litigation matters	(23)	35		41	35	
U.S. tax reform	-	(5)		-	(5)	
Adjusted income from operations	\$ 1,718	\$ 945	82 %	\$ 4,856	\$ 2,910	67 %

**Cigna Corporation**  
**Health Services**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Revenues</b>				
Pharmacy revenues	\$ 26,502	\$ 1,107	\$ 79,391	\$ 3,288
Fees and other revenues	1,081	-	3,096	-
Net investment income	15	2	47	5
Total revenues	27,598	1,109	82,534	3,293
<b>Benefits and expenses</b>				
Pharmacy and other service costs	25,406	1,019	75,903	3,002
Gross profit	2,192	90	6,631	291
Selling, general and administrative expenses	518	23	1,484	64
Amortization of acquired intangible assets	708	-	2,130	-
<b>Income from operations</b>	<b>966</b>	<b>67</b>	<b>3,017</b>	<b>227</b>
Interest expense and other	(1)	-	(2)	-
<b>Income before income taxes</b>	<b>965</b>	<b>67</b>	<b>3,015</b>	<b>227</b>
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>				
Adjustment for transitioning clients	(274)	-	(1,589)	-
Pre-tax (income) attributable to noncontrolling interests	-	-	(1)	-
Amortization of acquired intangible assets	708	-	2,130	-
<b>Pre-tax adjusted income from operations</b>	<b>\$ 1,399</b>	<b>\$ 67</b>	<b>\$ 3,555</b>	<b>\$ 227</b>
<b>Pre-tax adjusted margin</b>	<b>5.6 %</b>	<b>6.0 %</b>	<b>5.0 %</b>	<b>6.9 %</b>
<b>Reconciliation of total revenues to adjusted revenues</b>				
Total revenues	\$ 27,598	1,109	\$ 82,534	\$ 3,293
Revenue contributions from transitioning clients	(2,718)	-	(11,657)	-
Adjusted revenues <sup>(1)</sup>	\$ 24,880	1,109	\$ 70,877	\$ 3,293

Third quarter and year-to-date 2019 segment results include contributions from the acquired Express Scripts business.

(1) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

**Cigna Corporation**  
**Health Services**  
**Key Metrics (unaudited)**

*(Dollars and adjusted scripts in millions)*

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
<b>Selected Financial Information</b> <sup>(1)</sup>		
Adjusted EBITDA <sup>(2)</sup>	\$ 1,457	\$ 3,699
<b>Pharmacy revenue by distribution channel</b> <sup>(1)</sup>		
Network revenues	\$ 10,911	\$ 29,937
Home delivery and specialty revenues	11,650	34,198
Other revenues	1,228	3,608
Total pharmacy revenues	\$ 23,789	\$ 67,743
<b>Pharmacy script volume</b>		
Adjusted network scripts <sup>(3)</sup>	242	687
Adjusted home delivery and specialty scripts <sup>(3)</sup>	70	211
Total adjusted scripts <sup>(3)</sup>	312	898
<b>Generic fill rate</b>		
Network	87.1%	87.5%
Home delivery	84.2%	84.2%
Overall generic fill rate	86.7%	87.1%

(1) Health Services segment metrics on this page are presented excluding contributions from transitioning clients.

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

(3) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

**Cigna Corporation**  
**Integrated Medical**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Revenues</b>						
Premiums	\$ 7,544	\$ 6,693	13 %	\$ 22,523	\$ 20,054	12 %
Fees and other revenues	1,480	1,364	9	4,430	4,092	8
Net investment income	124	117	6	358	348	3
Total revenues <sup>(1)</sup>	9,148	8,174	12	27,311	24,494	12
<b>Benefits and expenses</b>						
Medical costs	6,072	5,239	16	18,095	15,696	15
Selling, general and administrative expenses	2,123	2,003	6	6,103	5,939	3
Special items	(30)	45	(167)	(30)	45	(167)
Amortization of acquired intangible assets	15	42	(64)	51	82	(38)
Total benefits and expenses	8,180	7,329	12	24,219	21,762	11
<b>Income from operations</b>	<b>968</b>	<b>845</b>	<b>15</b>	<b>3,092</b>	<b>2,732</b>	<b>13</b>
Net realized investment gains (losses)	43	3	N/M	65	(12)	N/M
<b>Income before income taxes</b>	<b>1,011</b>	<b>848</b>	<b>19</b>	<b>3,157</b>	<b>2,720</b>	<b>16</b>
<b>Pre-tax adjustments required to reconcile to adjusted income from operations</b>						
Net realized investment (gains) losses	(43)	(3)		(65)	12	
Amortization of acquired intangible assets	15	42		51	82	
Special items	(30)	45		(30)	45	
<b>Pre-tax adjusted income from operations</b>	<b>\$ 953</b>	<b>\$ 932</b>	<b>2 %</b>	<b>\$ 3,113</b>	<b>\$ 2,859</b>	<b>9 %</b>
<b>Pre-tax adjusted margin</b>	<b>10.4 %</b>	<b>11.4 %</b>	<b>(100) bps</b>	<b>11.4 %</b>	<b>11.7 %</b>	<b>(30) bps</b>

(1) Total revenues were equal to adjusted revenues in the Integrated Medical segment for the periods presented.

**Cigna Corporation**  
**Integrated Medical**  
**Revenue and Medical Care Ratio (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Premiums:</b>						
<b>Commercial Premiums</b>						
Risk	\$ 3,174	\$ 2,697	18 %	\$ 9,278	\$ 7,951	17 %
Stop loss	1,085	1,010	7	3,221	2,983	8
Other	260	260	-	779	777	-
Total Commercial premiums	4,519	3,967	14	13,278	11,711	13
<b>Government Premiums</b>						
Medicare Advantage	1,562	1,455	7	4,779	4,414	8
Medicare Part D	404	157	157	1,329	574	132
Other	1,059	1,114	(5)	3,137	3,355	(6)
Total Government premiums	3,025	2,726	11	9,245	8,343	11
Total premiums	7,544	6,693	13	22,523	20,054	12
Fees and other revenues	1,480	1,364	9	4,430	4,092	8
Net investment income	124	117	6	358	348	3
<b>Total revenues</b>	<b>\$ 9,148</b>	<b>\$ 8,174</b>	<b>12 %</b>	<b>\$ 27,311</b>	<b>\$ 24,494</b>	<b>12 %</b>
<b>Medical Care Ratio</b>	<b>80.5 %</b>	<b>78.3 %</b>	<b>(220) bps</b>	<b>80.3 %</b>	<b>78.3 %</b>	<b>(200) bps</b>



**Cigna Corporation**  
**Total Medical Customers (unaudited)**

COVERED LIVES BY FUNDING TYPE:	As of September 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: <sup>(3)</sup>	As of September 30,			As of December 31,	
	2019	2018	% Change	2018	% Change	2019		2018 <sup>(4)</sup>	% Change	2018 <sup>(4)</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	2,078	1,880	11 %	1,911	9 %	National Accounts	3,581	3,747	(4) %	3,738	(4) %	
Government risk						Middle Market	8,200	8,060	2	8,108	1	
Medicare Advantage	442	434	2	436	1	Select	2,339	2,091	12	2,135	10	
Other <sup>(2)</sup>	932	968	(4)	971	(4)	Small	1	1	-	1	-	
Total government risk	1,374	1,402	(2)	1,407	(2)	Total Commercial	14,121	13,899	2	13,982	1	
Services only customers - Integrated Medical	12,043	12,019	-	12,071	-	Total Government	1,374	1,402	(2)	1,407	(2)	
Total Integrated Medical	15,495	15,301	1	15,389	1	Total Integrated Medical	15,495	15,301	1	15,389	1	
International Markets	1,576	1,558	1	1,572	-	International Markets	1,576	1,558	1	1,572	-	
<b>Total medical customers</b>	<b>17,071</b>	<b>16,859</b>	<b>1 %</b>	<b>16,961</b>	<b>1 %</b>	<b>Total medical customers</b>	<b>17,071</b>	<b>16,859</b>	<b>1 %</b>	<b>16,961</b>	<b>1 %</b>	

*(1) Includes individuals in our Integrated Medical and International Markets segments 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 Medicaid, Medicare Supplement and Individual customers. As of September 30, 2019, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (237,000 customers), off-exchange ACA business (8,000 customers) and off-exchange non ACA business (32,000 customers).*

*(3) 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 500 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 500 eligible employees;*
- ~ the Small market segment includes employers with 2-50 employees. Cigna has made a strategic business decision to exit this Market Segment.*
- ~ 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, Medicare Supplement and Medicaid products as managed care alternatives to publicly funded healthcare programs. The segment also offers individual health insurance coverage both on and off the public exchanges.*
- ~ the International Markets segment is focused on health care and supplemental products and services to meet the needs of local and multinational individuals and organizations and their local and globally mobile employees and dependents.*

*(4) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 3. Additionally, prior year lives for Middle Market and Select market segments have been updated to reflect those definitions.*

**Cigna Corporation**  
**International Markets**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Revenues</b>						
Premiums	\$ 1,309	\$ 1,245	5 %	\$ 3,914	\$ 3,767	4 %
Fees and other revenues	59	40	48	181	108	68
Net investment income	39	40	(3)	117	113	4
Total revenues	1,407	1,325	6	4,212	3,988	6
<b>Benefits and expenses</b>						
Medical costs and other benefit expenses	754	711	6	2,224	2,136	4
Selling, general and administrative expenses <sup>(1)</sup>	449	417	8	1,340	1,250	7
Amortization of acquired intangible assets	9	5	80	28	13	115
Total benefits and expenses	1,212	1,133	7	3,592	3,399	6
<b>Income from operations</b>						
Interest expense and other	(1)	-	N/M	(2)	-	N/M
Net realized investment gains (losses)	(10)	2	N/M	(17)	(9)	(89)
<b>Income before income taxes</b>						
	184	194	(5)	601	580	4
<b>Pre-tax adjustments required to reconcile adjusted income from operations</b>						
Pre-tax (income) attributable to noncontrolling interests	(4)	(3)		(12)	(10)	
Net realized investment (gains) losses	5	(1)		(10)	32	
Amortization of acquired intangible assets	9	5		28	13	
<b>Pre-tax adjusted income from operations</b>						
	\$ 194	\$ 195	(1) %	\$ 607	\$ 615	(1) %
<b>Pre-tax adjusted margin</b>						
	13.8 %	14.7 %	(90) bps	14.5 %	15.3 %	(80) bps
<b>Reconciliation of total revenues to adjusted revenues</b>						
Total revenues	\$ 1,407	\$ 1,325	6 %	\$ 4,212	\$ 3,988	6 %
Net realized investment results from certain equity method investments	(5)	1	N/M	(27)	23	N/M
Adjusted revenues <sup>(2)</sup>	\$ 1,402	\$ 1,326	6 %	\$ 4,185	\$ 4,011	4 %

(1) Selling, general and administrative expenses include policy acquisition expenses of \$182 million for the three months ended and \$543 for the nine months ended September 30, 2019 and \$169 million for the three months ended and \$514 for the nine months ended September 30, 2018.

(2) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Revenues</b>						
Premiums	\$ 1,085	\$ 1,060	2 %	\$ 3,282	\$ 3,194	3 %
Fees and other revenues	29	26	12	86	83	4
Net investment income	170	176	(3)	521	538	(3)
Total revenues <sup>(1)</sup>	1,284	1,262	2	3,889	3,815	2
<b>Benefits and expenses</b>						
Benefit expenses	884	857	3	2,713	2,598	4
Selling, general and administrative expenses	257	262	(2)	799	797	-
Special items	-	2	(100)	-	2	(100)
Amortization of acquired intangible assets	2	1	100	5	4	25
Total benefits and expenses	1,143	1,122	2	3,517	3,401	3
<b>Income from operations</b>	<b>141</b>	<b>140</b>	<b>1</b>	<b>372</b>	<b>414</b>	<b>(10)</b>
Interest expense and other	-	-	N/M	(1)	-	N/M
Net realized investment gains (losses)	18	(5)	N/M	36	(14)	N/M
<b>Income before income taxes</b>	<b>159</b>	<b>135</b>	<b>18</b>	<b>407</b>	<b>400</b>	<b>2</b>
<b>Pre-tax adjustments required to reconcile adjusted income from operations</b>						
Net realized investment (gains) losses	(18)	5		(36)	14	
Amortization of acquired intangible assets	2	1		5	4	
Special items	-	2		-	2	
<b>Pre-tax adjusted income from operations</b>	<b>\$ 143</b>	<b>\$ 143</b>	<b>- %</b>	<b>\$ 376</b>	<b>\$ 420</b>	<b>(10) %</b>
<b>Pre-tax adjusted margin</b>	<b>11.1 %</b>	<b>11.3 %</b>	<b>(20) bps</b>	<b>9.7 %</b>	<b>11.0 %</b>	<b>(130) bps</b>

(1) Total revenues were equal to adjusted revenues in Group Disability and Other for the periods presented.

**Cigna Corporation**  
**Corporate**  
**Earnings (unaudited)**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Total revenues and eliminations <sup>(1)</sup>	\$ (881)	\$ (413)	(113) %	\$ (2,625)	\$ (1,240)	(112) %
Total expenses and eliminations excluding special items <sup>(1)</sup>	(848)	(399)	(113)	(2,526)	(1,167)	(116)
Special items	114	98	16	486	288	69
Total expenses and eliminations	(734)	(301)	(144)	(2,040)	(879)	(132)
<b>(Loss) from operations</b>	<b>(147)</b>	<b>(112)</b>	<b>(31)</b>	<b>(585)</b>	<b>(361)</b>	<b>(62)</b>
Interest expense and other	(409)	(56)	N/M	(1,286)	(169)	N/M
Interest special item	-	(43)	100	-	(43)	100
Net realized investment (losses)	-	-	N/M	-	(1)	100
<b>(Loss) before income taxes</b>	<b>(556)</b>	<b>(211)</b>	<b>(164)</b>	<b>(1,871)</b>	<b>(574)</b>	<b>(226)</b>
<b>Pre-tax adjustments required to reconcile adjusted income from operations</b>						
Net realized investment losses	-	-		-	1	
Special items	114	128		486	318	
<b>Pre-tax adjusted (loss) from operations</b>	<b>\$ (442)</b>	<b>\$ (83)</b>	<b>N/M %</b>	<b>\$ (1,385)</b>	<b>\$ (255)</b>	<b>N/M %</b>
<b>Reconciliation of total revenues to adjusted revenues</b>						
Total revenues and eliminations <sup>(1)</sup>	\$ (881)	\$ (413)	(113) %	\$ (2,625)	\$ (1,240)	(112) %
Special item reported in transaction-related costs	-	(13)	100	-	(13)	100
Adjusted revenues	(881)	(426)	(107)	(2,625)	(1,253)	(109)

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

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

(Dollars in millions)

	As of September 30, 2019 (Unaudited)	As of December 31, 2018 (Unaudited)		As of September 30, 2019 (Unaudited)	As of December 31, 2018 (Unaudited)
<b>Assets</b>			<b>Liabilities</b>		
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and cash equivalents	\$ 4,577	\$ 3,855	Insurance and contractholder liabilities <sup>(2)</sup>	\$ 7,180	\$ 6,801
Investments	1,371	2,045	Pharmacy and service costs payable	10,857	10,702
Accounts receivable, net	11,719	10,473	Accounts payable	4,502	4,366
Inventories	2,160	2,821	Accrued expenses	7,196	7,071
Other current assets	1,341	1,236	Short-term debt and current maturities of long-term debt	4,712	2,955
Total current assets	21,168	20,430	Total current liabilities	34,447	31,895
Long-term investments	28,904	26,929	Insurance and contractholder liabilities	20,090	19,974
Reinsurance recoverables <sup>(1)</sup>	5,274	5,507	Deferred tax liabilities, net	9,284	9,453
Deferred policy acquisition costs	2,795	2,821	Other non-current liabilities	3,919	3,470
Property and equipment	4,448	4,562	Long-term debt	34,041	39,523
Goodwill	44,462	44,505	Separate account liabilities	8,333	7,839
Other intangibles	37,084	39,003	Total liabilities	110,114	112,154
Other assets	2,379	1,630			
Separate account assets	8,333	7,839	Redeemable noncontrolling interests	34	37
			<b>Shareholders' Equity</b>		
			Common stock	4	4
			Additional paid-in capital	28,115	27,751
			Accumulated other comprehensive (loss)	(858)	(1,711)
			Retained earnings	19,185	15,088
			Less treasury stock, at cost	(1,750)	(104)
			Total shareholders' equity	44,696	41,028
			Noncontrolling interests	3	7
			Total equity	44,699	41,035
<b>Total assets</b>	<b>\$ 154,847</b>	<b>\$ 153,226</b>	<b>Total liabilities and equity</b>	<b>\$ 154,847</b>	<b>\$ 153,226</b>

(1) Includes \$4.74 billion as of September 30, 2019 and \$4.99 billion as of December 31, 2018 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 Insurance and contractholder liabilities.

(2) Insurance and contractholder liabilities includes \$3.06 billion as of September 30, 2019 and \$2.70 billion as of December 31, 2018 for medical costs payable in the Integrated Medical Segment. For additional details about this balance, see the Unpaid Claims and Claim Expenses rollforward in the Insurance and Contractholder Liabilities footnote in Cigna's Form 10-Q for the period ended September 30, 2019, filed on October 31, 2019.

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

(Dollars in millions)

Nine Months Ended September 30,  
2019 2018

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$	4,136	\$	2,499
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		2,724		438
Realized investment (gains) losses		(84)		36
Deferred income taxes (benefits)		(400)		17
<b>Net changes in assets and liabilities, net of non-operating effects:</b>				
Accounts receivable		(1,171)		(243)
Inventories		661		84
Deferred policy acquisition costs		(162)		(195)
Reinsurance recoverable and other assets		(92)		355
Insurance liabilities		590		408
Pharmacy costs and service costs payable		210		9
Accounts payable and accrued expenses and other liabilities		23		177
Other, net		257		59
<b>Net cash provided by operating activities</b>		<u>6,692</u>		<u>3,644</u>
<b>Net cash (used in) investing activities</b>		(463)		(1,674)
<b>Net cash (used in) provided by financing activities <sup>(1)</sup></b>		(5,480)		19,115
Effect of foreign currency rate changes on cash and cash equivalents		(27)		(25)
<b>Net increase in cash and cash equivalents</b>		722		21,060
Cash and cash equivalents, January 1		3,855		2,972
Cash and cash equivalents, September 30	\$	4,577	\$	24,032

(1) Includes \$3.3 billion for the repayment of long term debt and Term Loan and \$360 million for the repayment of commercial paper for the nine months ended September 30, 2019.

**Cigna Corporation**  
**Summary of Debt Securities by Sector (unaudited)**  
**Fair Value**

(Dollars in millions)

Sector	As of September 30, 2019				As of December 31, 2018			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States government	\$ 497	\$ 260	\$ -	\$ 757	\$ 507	\$ 204	\$ 1	\$ 710
State and local government	777	87	-	864	920	66	1	985
Foreign government	1,961	238	2	2,197	2,214	155	7	2,362
Government	3,235	585	2	3,818	3,641	425	9	4,057
Basic industry	3,334	270	3	3,601	3,309	82	80	3,311
Capital goods	2,326	159	2	2,483	2,295	56	64	2,287
Communications	892	64	-	956	964	23	20	967
Consumer	3,942	272	9	4,205	3,948	73	122	3,899
Electric and utility	2,306	243	1	2,548	2,264	91	50	2,305
Energy and natural gas	1,755	111	9	1,857	1,651	37	42	1,646
Financial	3,693	241	9	3,925	3,794	48	68	3,774
Other	226	10	2	234	178	1	7	172
Corporate	18,474	1,370	35	19,809	18,403	411	453	18,361
Mortgage and other asset-backed	507	29	2	534	506	16	12	510
<b>Total debt securities</b>	<b>\$ 22,216</b>	<b>\$ 1,984</b>	<b>\$ 39</b>	<b>\$ 24,161</b>	<b>\$ 22,550</b>	<b>\$ 852</b>	<b>\$ 474</b>	<b>\$ 22,928</b>