

Cigna Corporation

Quarterly Financial Supplement
September 30, 2020

This document is dated November 5, 2020. 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, 2020 Quarterly Financial Supplement
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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.

As of the third quarter 2020, the segment previously reported as Health Services is reported as Evernorth and the segment previously reported as Integrated Medical is reported as U.S. Medical. There are no changes to the underlying businesses reported in either segment.

As of December 31, 2019, the transition of customers was substantially complete; therefore, beginning in 2020, we no longer exclude results of transitioning clients from adjusted revenues and adjusted income from operations.

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 September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Total revenues	\$ 40,955	\$ 38,556	6 %	\$ 118,689	\$ 115,321	3 %
Revenue contributions from transitioning clients	—	(2,718)	N/M	—	(11,657)	N/M
Net realized investment results from certain equity method investments	(37)	(5)	N/M	(87)	(27)	(222)
Special item related to contractual adjustment for a former client	(117)	—	N/M	(204)	—	N/M
Adjusted revenues⁽¹⁾	\$ 40,801	\$ 35,833	14 %	\$ 118,398	\$ 103,637	14 %
Shareholders' net income	\$ 1,388	\$ 1,351	3 %	\$ 4,323	\$ 4,127	5 %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth	\$ 1,443	\$ 1,399	3 %	\$ 3,774	\$ 3,555	6 %
U.S. Medical	757	953	(21)	3,479	3,113	12
International Markets	208	194	7	809	607	33
Group Disability and Other	70	143	(51)	279	376	(26)
Corporate	(366)	(442)	17	(1,171)	(1,385)	15
Consolidated pre-tax adjusted income from operations	\$ 2,112	\$ 2,247	(6) %	\$ 7,170	\$ 6,266	14 %
Adjusted income tax expense	494	529	(7)	1,642	1,410	16
Consolidated after-tax adjusted income from operations	\$ 1,618	\$ 1,718	(6) %	\$ 5,528	\$ 4,856	14 %
Diluted earnings per share						
Shareholders' net income	\$ 3.78	\$ 3.57	6 %	\$ 11.66	\$ 10.83	8 %
After-tax adjustments to reconcile to adjusted income from operations						
Adjustment for transitioning clients	—	(0.55)		—	(3.19)	
Net realized investment (gains) losses	(0.17)	(0.13)		(0.20)	(0.26)	
Amortization of acquired intangible assets	1.02	1.47		2.86	4.43	
Special items						
Integration and transaction-related costs	0.23	0.24		0.69	0.82	
Debt extinguishment costs	—	—		0.41	—	
Charge for organizational efficiency plan	—	—		0.06	—	
(Benefits) charges associated with litigation matters	—	(0.06)		0.05	0.11	
Risk corridors recovery	(0.21)	—		(0.20)	—	
Contractual adjustment for a former client	(0.24)	—		(0.42)	—	
Total special items	(0.22)	0.18		0.59	0.93	
Adjusted income from operations	\$ 4.41	\$ 4.54	(3) %	\$ 14.91	\$ 12.74	17 %
Weighted average shares (in thousands)	367,190	378,321		370,831	381,091	
Adjusted EBITDA⁽²⁾	\$ 2,657	\$ 2,838	(6) %	\$ 8,876	\$ 8,071	10 %
Operating cash flow (see page 13)	895	2,461	(64) %	6,056	6,692	(10) %
SG&A expense ratio⁽³⁾	8.1 %	9.2 %	110 bps	8.3 %	9.2 %	90 bps

CUSTOMER RELATIONSHIPS

(Relationships, lives and policies in thousands)

	As of September 30,			As of December 31,	
	2020	2019	% Change	2019	% Change
Pharmacy excluding transitioning clients	86,604	75,663	14 %	75,903	14 %
Total Medical Customers (see page 7)	16,982	17,071	(1)	17,145	(1)
Behavioral care	37,236	28,744	30	30,361	23
Dental	17,671	17,079	3	17,231	3
Medicare Part D	3,296	3,269	1	3,276	1
International Markets policies	12,013	12,486	(4)	12,444	(3)
Group Disability and Life covered lives (estimated)	15,900	15,400	3	15,400	3
Total customer relationships	189,702	169,712	12 %	171,760	10 %

(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,		
	2020	2019	% Change	2020	2019	% Change
Revenues						
Pharmacy revenues	\$ 27,802	\$ 25,987	7 %	\$ 79,464	\$ 77,454	3 %
Premiums	10,682	9,935	8	31,928	29,709	7
Fees and other revenues	2,174	2,285	(5)	6,424	7,123	(10)
Net investment income	297	349	(15)	873	1,035	(16)
Total revenues	40,955	38,556	6	118,689	115,321	3
Benefits and expenses						
Pharmacy and other service costs	26,624	24,552	8	76,425	73,565	4
Medical costs and other benefit expenses	8,429	7,734	9	23,863	22,930	4
Selling, general and administrative expenses excluding special items	3,290	3,329	(1)	9,812	9,640	2
Amortization of acquired intangible assets	493	734	(33)	1,487	2,214	(33)
Special items	11	84	(87)	294	456	(36)
Total benefits and expenses	38,847	36,433	7	111,881	108,805	3
Income from operations						
	2,108	2,123	(1)	6,808	6,516	4
Interest expense and other	(336)	(411)	18	(1,101)	(1,291)	15
Debt extinguishment costs	—	—	N/M	(199)	—	N/M
Net realized investment gains (losses)	32	51	(37)	(18)	84	N/M
Income before income taxes	1,804	1,763	2	5,490	5,309	3
Total income taxes	406	409	(1)	1,143	1,173	(3)
Net income						
	1,398	1,354	3	4,347	4,136	5
Less: Net income attributable to noncontrolling interests	10	3	233	24	9	167
Shareholders' net income						
	1,388	1,351	3	4,323	4,127	5
After-tax adjustments to reconcile adjusted income from operations						
Adjustment for transitioning clients	—	(207)		—	(1,217)	
Net realized investment (gains) losses	(64)	(49)		(75)	(100)	
Amortization of acquired intangible assets	376	558		1,061	1,694	
Special items						
Integration and transaction-related costs	83	88		256	311	
Debt extinguishment costs	—	—		151	—	
Charge for organizational efficiency plan	—	—		24	—	
(Benefits) charges associated with litigation matters	—	(23)		19	41	
Risk corridors recovery	(76)	—		(76)	—	
Contractual adjustment for a former client	(89)	—		(155)	—	
Adjusted income from operations	\$ 1,618	\$ 1,718	(6) %	\$ 5,528	\$ 4,856	14 %

Cigna Corporation
Evernorth
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Revenues						
Pharmacy revenues	\$ 28,750	\$ 26,502	8 %	\$ 82,440	\$ 79,391	4 %
Fees and other revenues	1,192	1,081	10	3,331	3,096	8
Net investment income	2	15	(87)	30	47	(36)
Total revenues	29,944	27,598	9	85,801	82,534	4
Benefits and expenses						
Pharmacy and other service costs	27,837	25,406	10	80,212	75,903	6
Gross profit	2,107	2,192	(4)	5,589	6,631	(16)
Selling, general and administrative expenses	542	518	5	1,598	1,484	8
Amortization of acquired intangible assets	479	708	(32)	1,439	2,130	(32)
Income from operations	1,086	966	12	2,552	3,017	(15)
Interest expense and other	—	(1)	N/M	(1)	(2)	50
Income before income taxes	1,086	965	13	2,551	3,015	(15)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Adjustment for transitioning clients	—	(274)		—	(1,589)	
Pre-tax (income) attributable to noncontrolling interests	(5)	—		(12)	(1)	
Amortization of acquired intangible assets	479	708		1,439	2,130	
Special items	(117)	—		(204)	—	
Pre-tax adjusted income from operations	\$ 1,443	\$ 1,399	3 %	\$ 3,774	\$ 3,555	6 %
Pre-tax adjusted margin	4.8 %	5.6 %	(80) bps	4.4 %	5.0 %	(60) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 29,944	\$ 27,598	9 %	\$ 85,801	\$ 82,534	4 %
Revenue contributions from transitioning clients	—	(2,718)	N/M	—	(11,657)	N/M
Special item related to contractual adjustment for a former client	(117)	—	N/M	(204)	—	N/M
Adjusted revenues ⁽¹⁾	\$ 29,827	\$ 24,880	20 %	\$ 85,597	\$ 70,877	21 %

(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
Evernorth
Key Metrics (unaudited)

(Dollars and adjusted scripts in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Selected Financial Information ⁽¹⁾						
Adjusted EBITDA ⁽²⁾	\$ 1,522	\$ 1,457	4 %	\$ 4,007	\$ 3,699	8 %
Pharmacy revenue by distribution channel ⁽¹⁾						
Adjusted network revenues	\$ 14,522	\$ 10,911	33	\$ 41,179	\$ 29,937	38
Adjusted home delivery and specialty revenues	12,699	11,650	9	37,111	34,198	9
Other revenues	1,412	1,228	15	3,946	3,608	9
Total adjusted pharmacy revenues	\$ 28,633	\$ 23,789	20	\$ 82,236	\$ 67,743	21
Pharmacy script volume						
Adjusted network scripts ⁽³⁾	309	242	28	890	687	30
Adjusted home delivery and specialty scripts ⁽³⁾	72	70	3	215	211	2
Total adjusted scripts ⁽³⁾	381	312	22	1,105	898	23
Generic fill rate						
Network	87.0 %	87.1 %		87.9 %	87.5 %	
Home delivery	85.3 %	84.2 %		85.1 %	84.2 %	
Overall generic fill rate	86.9 %	86.7 %		87.6 %	87.1 %	

(1) Evernorth segment metrics on this page are presented excluding special items and, for 2019, 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
U.S. Medical
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Revenues						
Premiums	\$ 8,196	\$ 7,544	9 %	\$ 24,428	\$ 22,523	8 %
Fees and other revenues	1,329	1,480	(10)	4,019	4,430	(9)
Net investment income	104	124	(16)	279	358	(22)
Total revenues ⁽¹⁾	9,629	9,148	5	28,726	27,311	5
Benefits and expenses						
Medical costs	6,769	6,072	11	18,863	18,095	4
Selling, general and administrative expenses	2,103	2,123	(1)	6,384	6,103	5
Amortization of acquired intangible assets	6	15	(60)	23	51	(55)
Special items	(101)	(30)	(237)	(101)	(30)	(237)
Total benefits and expenses	8,777	8,180	7	25,169	24,219	4
Income from operations	852	968	(12)	3,557	3,092	15
Net realized investment gains (losses)	(6)	43	N/M	(28)	65	N/M
Income before income taxes	846	1,011	(16)	3,529	3,157	12
Pre-tax adjustments required to reconcile to adjusted income from operations						
Net realized investment (gains) losses	6	(43)		28	(65)	
Amortization of acquired intangible assets	6	15		23	51	
Special items	(101)	(30)		(101)	(30)	
Pre-tax adjusted income from operations	\$ 757	\$ 953	(21) %	\$ 3,479	\$ 3,113	12 %
Pre-tax adjusted margin	7.9 %	10.4 %	(250) bps	12.1 %	11.4 %	70 bps

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

Cigna Corporation

U.S. Medical

Revenue and Medical Care Ratio (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Premiums:						
U.S. Commercial Premiums						
Risk	\$ 3,397	\$ 3,174	7 %	\$ 9,948	\$ 9,278	7 %
Stop loss	1,146	1,085	6	3,459	3,221	7
Other	281	260	8	853	779	9
Total U.S. Commercial premiums	<u>4,824</u>	<u>4,519</u>	7	<u>14,260</u>	<u>13,278</u>	7
U.S. Government Premiums						
Medicare Advantage	1,895	1,562	21	5,680	4,779	19
Medicare Part D	360	404	(11)	1,242	1,329	(7)
Other	1,117	1,059	5	3,246	3,137	3
Total U.S. Government premiums	<u>3,372</u>	<u>3,025</u>	11	<u>10,168</u>	<u>9,245</u>	10
Total premiums	8,196	7,544	9	24,428	22,523	8
Fees and other revenues	1,329	1,480	(10)	4,019	4,430	(9)
Net investment income	104	124	(16)	279	358	(22)
Total revenues	\$ 9,629	\$ 9,148	5 %	\$ 28,726	\$ 27,311	5 %
Medical Care Ratio	82.6 %	80.5 %	(210) bps	77.2 %	80.3 %	310 bps

Cigna Corporation
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of September 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: ⁽⁴⁾	As of September 30,			As of December 31,		
	2020	2019	% Change	2019	% Change	2020		2019 ⁽⁵⁾	% Change	2019 ⁽⁵⁾	% Change		
<i>(Lives in thousands)</i>							<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾							Medical customers: ⁽¹⁾						
U.S. Commercial risk	2,120	2,078	2 %	2,114	— %		National Accounts	3,394	3,626	(6) %	3,609	(6) %	
U.S. Government risk							Middle Market	8,059	8,177	(1)	8,202	(2)	
Medicare Advantage	523	442	18	444	18		Select	2,447	2,317	6	2,375	3	
Other ⁽²⁾	890	932	(5)	917	(3)		Small	1	1	—	1	—	
Total U.S. Government risk	1,413	1,374	3	1,361	4		Total U.S. Commercial	13,901	14,121	(2)	14,187	(2)	
Services only customers - U.S. Medical	11,781	12,043	(2)	12,073	(2)		Total U.S. Government	1,413	1,374	3	1,361	4	
Total U.S. Medical	15,314	15,495	(1)	15,548	(2)		Total U.S. Medical	15,314	15,495	(1)	15,548	(2)	
International Markets ⁽³⁾	1,668	1,576	6	1,597	4		International Markets	1,668	1,576	6	1,597	4	
Total medical customers	16,982	17,071	(1) %	17,145	(1) %		Total medical customers	16,982	17,071	(1) %	17,145	(1) %	

- (1) Includes individuals in our U.S. 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, 2020, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (242,000 customers), off-exchange ACA business (9,000 customers) and off-exchange non ACA business (26,000 customers).
- (3) International Markets medical customers excludes medical customers served by less than 100% owned subsidiaries.
- (4) 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.
~ the U.S. 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.
- (5) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 4.

Cigna Corporation
U.S. Medical
Unpaid Claims Liability (unaudited)

(Dollars in millions)

	Nine Months Ended		Year Ended
	September 30, 2020	September 30, 2019	December 31, 2019
Beginning balance	\$ 2,892	\$ 2,697	\$ 2,697
Less: Reinsurance and other amounts recoverable	303	264	264
Beginning balance, net	2,589	2,433	2,433
Incurred costs related to:			
Current year	18,935	18,169	24,368
Prior years	(126)	(159)	(165)
Total incurred	18,809	18,010	24,203
Paid costs related to:			
Current year	16,061	15,555	21,851
Prior years	2,363	2,160	2,196
Total paid	18,424	17,715	24,047
Ending balance, net	2,974	2,728	2,589
Add: Reinsurance and other amounts recoverable	226	333	303
Ending balance ⁽¹⁾	\$ 3,200	\$ 3,061	\$ 2,892

(1) The ending balance is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets. For additional information regarding this liability, see the Insurance and Contractholder Liabilities footnote in Cigna's Form 10-Q for the period ended September 30, 2020, expected to be filed on November 5, 2020.

Cigna Corporation
International Markets
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Revenues						
Premiums	\$ 1,360	\$ 1,309	4 %	\$ 4,079	\$ 3,914	4 %
Fees and other revenues	79	59	34	246	181	36
Net investment income	38	39	(3)	104	117	(11)
Total revenues	1,477	1,407	5	4,429	4,212	5
Benefits and expenses						
Medical costs and other benefit expenses	780	754	3	2,246	2,224	1
Selling, general and administrative expenses ⁽¹⁾	451	449	—	1,282	1,340	(4)
Amortization of acquired intangible assets	8	9	(11)	22	28	(21)
Total benefits and expenses	1,239	1,212	2	3,550	3,592	(1)
Income from operations	238	195	22	879	620	42
Interest expense and other	4	(1)	N/M	10	(2)	N/M
Net realized investment gains (losses)	11	(10)	N/M	(12)	(17)	29
Income before income taxes	253	184	38	877	601	46
Pre-tax adjustments required to reconcile adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(5)	(4)		(15)	(12)	
Net realized investment (gains) losses	(48)	5		(75)	(10)	
Amortization of acquired intangible assets	8	9		22	28	
Pre-tax adjusted income from operations	\$ 208	\$ 194	7 %	\$ 809	\$ 607	33 %
Pre-tax adjusted margin	14.4 %	13.8 %	60 bps	18.6 %	14.5 %	410 bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 1,477	\$ 1,407	5 %	\$ 4,429	\$ 4,212	5 %
Net realized investment results from certain equity method investments	(37)	(5)	N/M	(87)	(27)	(222)
Adjusted revenues ⁽²⁾	\$ 1,440	\$ 1,402	3 %	\$ 4,342	\$ 4,185	4 %

(1) Selling, general and administrative expenses include policy acquisition expenses of \$170 million for the three months ended and \$472 million for the nine months ended September 30, 2020 and \$182 million for the three months ended and \$543 million for the nine months ended September 30, 2019.

(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,		
	2020	2019	% Change	2020	2019	% Change
Revenues						
Premiums	\$ 1,136	\$ 1,085	5 %	\$ 3,442	\$ 3,282	5 %
Fees and other revenues	26	29	(10)	81	86	(6)
Net investment income	152	170	(11)	458	521	(12)
Total revenues ⁽¹⁾	1,314	1,284	2	3,981	3,889	2
Benefits and expenses						
Benefit expenses	983	884	11	2,952	2,713	9
Selling, general and administrative expenses	261	257	2	750	799	(6)
Amortization of acquired intangible assets	—	2	N/M	3	5	(40)
Total benefits and expenses	1,244	1,143	9	3,705	3,517	5
Income from operations						
	70	141	(50)	276	372	(26)
Interest expense and other	—	—	N/M	—	(1)	N/M
Net realized investment gains (losses)	27	18	50	22	36	(39)
Income before income taxes						
	97	159	(39)	298	407	(27)
Pre-tax adjustments required to reconcile adjusted income from operations						
Net realized investment (gains) losses	(27)	(18)		(22)	(36)	
Amortization of acquired intangible assets	—	2		3	5	
Pre-tax adjusted income from operations						
	\$ 70	\$ 143	(51) %	\$ 279	\$ 376	(26) %
Pre-tax adjusted margin						
	5.3 %	11.1 %	(580) bps	7.0 %	9.7 %	(270) bps

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

Cigna Corporation
Corporate
Earnings (unaudited)

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Total revenues and eliminations ⁽¹⁾	\$ (1,409)	\$ (881)	(60) %	\$ (4,248)	\$ (2,625)	(62) %
Total expenses and eliminations excluding special items ⁽¹⁾	(1,383)	(848)	(63)	(4,187)	(2,526)	(66)
Special items	112	114	(2)	395	486	(19)
Total expenses and eliminations	(1,271)	(734)	(73)	(3,792)	(2,040)	(86)
(Loss) from operations	(138)	(147)	6	(456)	(585)	22
Interest expense and other	(340)	(409)	17	(1,110)	(1,286)	14
Debt extinguishment costs	—	—	N/M	(199)	—	N/M
(Loss) before income taxes	(478)	(556)	14	(1,765)	(1,871)	6
Pre-tax adjustments required to reconcile adjusted income from operations						
Special items	112	114		594	486	
Pre-tax adjusted (loss) from operations	\$ (366)	\$ (442)	17 %	\$ (1,171)	\$ (1,385)	15 %

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

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Nine Months Ended September 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 4,347	\$ 4,136
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,089	2,724
Realized investment (gains) losses, net	18	(84)
Deferred income tax (benefit)	(340)	(400)
Debt extinguishment costs	199	—
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	(2,810)	(1,171)
Inventories	5	661
Deferred policy acquisition costs	(244)	(162)
Reinsurance recoverable and other assets	(468)	(92)
Insurance liabilities	740	590
Pharmacy costs and service costs payable	2,084	210
Accounts payable and accrued expenses and other liabilities	(32)	23
Other, net	468	257
Net cash provided by operating activities	6,056	6,692
Net cash (used in) investing activities	(1,444)	(463)
Net cash (used in) financing activities ⁽¹⁾	(3,812)	(5,480)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	(7)	(27)
Net increase in cash, cash equivalents, and restricted cash	793	722
Cash, cash equivalents, and restricted cash January 1 ⁽²⁾	5,411	3,855
Cash, cash equivalents, and restricted cash September 30	\$ 6,204	\$ 4,577
Cash reclassified to assets held for sale	(798)	—
Cash, cash equivalents, and restricted cash September 30, per Consolidated Balance Sheets ⁽³⁾	\$ 5,406	\$ 4,577

(1) Includes \$7.1 billion for the repayment and extinguishment of long term debt, offset by \$3.5 billion for the issuance of long term debt and \$2 billion change in short term debt and term loan issuance for the nine months ended September 30, 2020.

(2) Includes restricted cash of \$26 million reported in Other noncurrent assets and \$23 million reported in Long-term investments, and \$743 million cash reported in Assets held for sale as of January 1, 2020.

(3) Includes restricted cash of \$62 million reported in Long-term investments as of September 30, 2020.

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

(Dollars in millions)

Sector	As of September 30, 2020					As of December 31, 2019			
	Amortized Cost	Allowance for Credit Loss	Unrealized Appreciation	Unrealized Depreciation	Fair Value	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States government	\$ 411	\$ —	\$ 223	\$ —	\$ 634	\$ 498	\$ 235	\$ —	\$ 733
State and local government	628	—	85	—	713	729	81	—	810
Foreign government	2,091	—	317	(6)	2,402	2,027	230	(1)	2,256
Government	3,130	—	625	(6)	3,749	3,254	546	(1)	3,799
Basic industry	3,466	(3)	345	(37)	3,771	3,310	258	(4)	3,564
Capital goods	2,489	—	234	(5)	2,718	2,298	157	(3)	2,452
Communications	815	—	77	(1)	891	823	54	(1)	876
Consumer	3,895	(7)	392	(13)	4,267	3,845	254	(4)	4,095
Electric and utility	2,429	—	344	(4)	2,769	2,255	220	(1)	2,474
Energy and natural gas	1,619	(14)	139	(12)	1,732	1,761	114	(8)	1,867
Financial	3,712	(7)	346	(6)	4,045	3,638	233	(6)	3,865
Other	204	—	13	(1)	216	219	9	(1)	227
Corporate	18,629	(31)	1,890	(79)	20,409	18,149	1,299	(28)	19,420
Mortgage and other asset-backed	514	(9)	32	(22)	515	506	31	(1)	536
Total debt securities	\$ 22,273	\$ (40)	\$ 2,547	\$ (107)	\$ 24,673	\$ 21,909	\$ 1,876	\$ (30)	\$ 23,755

The table above includes debt securities that are associated with the Group Disability and Life business that is classified as held for sale. For additional information regarding the sale of the Group Disability and Life insurance business to New York Life, see the Assets and Liabilities of Business Held for Sale footnote in Cigna's Form 10-Q for the period ended September 30, 2020, expected to be filed on November 5, 2020.

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of September 30, 2020

(Dollars in millions)

Geographic Region	Property Type							Total	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 43	\$ 75	\$ —	\$ 96	\$ —	\$ —	\$ 214	11%	
Other ⁽¹⁾	—	—	—	—	12	—	12	1%	
New England	43	75	—	96	12	—	226	12%	
New York	50	54	—	—	—	—	104	5%	
New Jersey	—	42	—	—	—	—	42	2%	
Middle Atlantic	50	96	—	—	—	—	146	7%	
Virginia	53	48	—	—	—	—	101	5%	
Georgia	—	18	—	—	34	—	52	3%	
Other ⁽¹⁾	43	29	—	—	11	—	83	4%	
South Atlantic	96	95	—	—	45	—	236	12%	
Illinois	63	59	—	—	—	—	122	6%	
Texas	100	111	—	—	—	—	211	11%	
Central	163	170	—	—	—	—	333	17%	
Nevada	—	—	50	—	—	—	50	3%	
Other ⁽¹⁾	—	—	—	28	—	—	28	1%	
Mountain	—	—	50	28	—	—	78	4%	
California	239	220	149	—	99	27	734	36%	
Washington	20	182	—	—	—	—	202	10%	
Other ⁽¹⁾	—	—	17	—	16	—	33	2%	
Pacific	259	402	166	—	115	27	969	48%	
Totals, Gross	\$ 611	\$ 838	\$ 216	\$ 124	\$ 172	\$ 27	\$ 1,988	100%	
Allowance for Credit Losses							(9)		
Total, Net							1,979		
% of Mortgage Loans	31 %	42 %	11 %	6 %	9 %	1 %	100 %		
Loan to Value Ratio ⁽²⁾	60 %	62 %	50 %	75 %	54 %	49 %	60 %		

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

(2) 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 2020.