

First Quarter 2012

Financial Supplement

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This document is supplemental to our first quarter 2012 earnings press release issued on April 26, 2012 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 when filed with the U.S. Securities and Exchange Commission. Please direct questions with respect to this material to Tom Cowhey, Head of Investor Relations at 860-273-2402 or CowheyT@aetna.com.

Financial Highlights

(Millions, except per common share data)	Three Months Ended March 31,		
	2012	2011	Change
<u>Operating Earnings</u> ⁽¹⁾			
Business Segments:			
Health Care	\$ 468.9	\$ 555.3	(15.6) %
Group Insurance	40.9	42.9	(4.7) %
Large Case Pensions	5.8	5.8	- %
Total - Business Segments	515.6	604.0	(14.6) %
Corporate Financing ⁽²⁾	(38.2)	(43.8)	12.8 %
Aetna Inc.	\$ 477.4	\$ 560.2	(14.8) %
Aetna Inc. per common share	\$ 1.34	\$ 1.43	(6.3) %
<u>Net Income</u>			
Aetna Inc.	\$ 511.0	\$ 586.0	(12.8) %
Aetna Inc. per common share	\$ 1.43	\$ 1.50	(4.7) %
Weighted average common shares - diluted	356.8	391.2	(8.8) %
<u>Operating Margin</u>			
Pretax operating margin ⁽¹⁾	9.4 %	11.4 %	(2.0) pts.
After-tax net income margin (GAAP Measure)	5.7 %	7.0 %	(1.3) pts.
<u>Revenue by Segment</u> ⁽¹⁾			
Health Care	\$ 8,201.1	\$ 7,709.7	6.4 %
Group Insurance	532.0	504.4	5.5 %
Large Case Pensions	131.0	134.0	(2.2) %
Revenue, Excluding Net Realized Capital Gains	\$ 8,864.1	\$ 8,348.1	6.2 %
Business Segment Operating Expense Ratio ⁽¹⁾	18.8 %	18.7 %	.1 pts.

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Health Care and Group Insurance Statistics

(Millions)	Three Months Ended March 31,				
	2012	2011	Change		
Health Care					
Premiums					
Commercial	\$ 5,177.1	\$ 5,013.6	3.3 %		
Medicare	1,651.6	1,408.8	17.2 %		
Medicaid	358.7	328.2	9.3 %		
Health Care	\$ 7,187.4	\$ 6,750.6	6.5 %		
Health Care Costs					
Commercial	\$ 4,135.0	\$ 3,859.4	7.1 %		
Medicare	1,393.9	1,198.3	16.3 %		
Medicaid	328.6	290.3	13.2 %		
Health Care	\$ 5,857.5	\$ 5,348.0	9.5 %		
Medical Benefit Ratios ("MBR")					
Commercial	79.9 %	77.0 %	2.9 pts.		
Medicare	84.4 %	85.1 %	(.7) pts.		
Medicaid	91.6 %	88.5 %	3.1 pts.		
Health Care	81.5 %	79.2 %	2.3 pts.		
Group Insurance					
Benefit ratio	90.1 %	89.7 %	.4 pts.		
Operating Expense Ratio, Health Care - Insured Funding ⁽¹⁾	11.4 %	11.9 %	(.5) pts.		
	March 31,	December 31,	September 30,	June 30,	March 31,
	2012	2011	2011	2011	2011
Days Claims Payable	44.0	44.0	43.2	43.6	44.9

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Health Care Membership

(Thousands)	March 31, 2012			December 31, 2011			March 31, 2011		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
<u>Products</u>									
Medical:									
Commercial	4,718	11,418	16,136	4,758	11,868	16,626	4,822	11,353	16,175
Medicare Advantage	434	-	434	398	-	398	395	-	395
Medicaid	336	838	1,174	436	836	1,272	388	824	1,212
Medicare Supplement	171	-	171	163	-	163	12	-	12
Total Medical	5,659	12,256	17,915	5,755	12,704	18,459	5,617	12,177	17,794
Consumer-Directed Health Plans ⁽³⁾			2,560			2,387			2,412
Dental:									
Commercial	4,704	7,299	12,003	4,724	7,347	12,071	4,798	7,083	11,881
Medicare & Medicaid	185	452	637	194	458	652	163	463	626
Network Access ⁽⁴⁾	-	973	973	-	947	947	-	982	982
Total Dental	4,889	8,724	13,613	4,918	8,752	13,670	4,961	8,528	13,489
Pharmacy Benefit Management Services:									
Commercial			7,869			8,177			7,901
Medicare PDP (stand-alone)			469			427			447
Medicare Advantage PDP			198			189			190
Medicaid			107			27			27
Total Pharmacy Benefit Management Services			8,643			8,820			8,565
<u>Regions</u>									
Northeast	1,765	2,566	4,331	1,847	2,628	4,475	1,813	2,636	4,449
Southeast	1,121	2,729	3,850	1,119	2,854	3,973	1,090	2,832	3,922
Mid-America	1,311	4,019	5,330	1,322	4,230	5,552	1,241	4,286	5,527
West	1,176	2,194	3,370	1,190	2,263	3,453	1,212	2,269	3,481
Other	286	748	1,034	277	729	1,006	261	154	415
Total Medical	5,659	12,256	17,915	5,755	12,704	18,459	5,617	12,177	17,794
Percent of Total	31.6%	68.4%	100.0%	31.2%	68.8%	100.0%	31.6%	68.4%	100.0%

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Statements of Net Income (Loss) by Segment

(Millions)	Health Care	Group Insurance	Large Case Pensions	Total Business Segments	Corporate Financing ⁽²⁾	Consolidated
Three Months Ended March 31, 2012						
Revenue:						
Premiums	\$ 7,187.4	\$ 429.9	\$ 46.5	\$ 7,663.8	\$ -	\$ 7,663.8
Fees and other revenue	932.1	24.7	2.9	959.7	-	959.7
Net investment income	81.6	77.4	81.6	240.6	-	240.6
Total revenue, excluding net realized capital gains (losses) ⁽¹⁾	8,201.1	532.0	131.0	8,864.1	-	8,864.1
Benefits and expenses:						
Health care costs	5,857.5	-	-	5,857.5	-	5,857.5
Current and future benefits	-	387.2	123.7	510.9	-	510.9
Operating expenses:						
Selling expenses	265.3	20.5	-	285.8	-	285.8
General and administrative expenses (benefits)	1,308.5	69.0	3.3	1,380.8	(.6)	1,380.2
Total operating expenses (benefits)	1,573.8	89.5	3.3	1,666.6	(.6)	1,666.0
Interest expense	-	-	-	-	59.3	59.3
Amortization of other acquired intangible assets	36.7	1.1	-	37.8	-	37.8
Total benefits and expenses	7,468.0	477.8	127.0	8,072.8	58.7	8,131.5
Operating earnings (loss) before income taxes (benefits)	733.1	54.2	4.0	791.3	(58.7)	732.6
Income taxes (benefits)	264.2	13.3	(1.8)	275.7	(20.5)	255.2
Operating earnings (loss) ⁽¹⁾	468.9	40.9	5.8	515.6	(38.2)	477.4
Net realized capital gains (losses), net of tax	27.0	7.9	(1.3)	33.6	-	33.6
Net income (loss)	\$ 495.9	\$ 48.8	\$ 4.5	\$ 549.2	\$ (38.2)	\$ 511.0
Three Months Ended March 31, 2011						
Revenue:						
Premiums	\$ 6,750.6	\$ 403.5	\$ 41.8	\$ 7,195.9	\$ -	\$ 7,195.9
Fees and other revenue	870.0	26.8	2.8	899.6	-	899.6
Net investment income	89.1	74.1	89.4	252.6	-	252.6
Total revenue, excluding net realized capital gains (losses) ⁽¹⁾	7,709.7	504.4	134.0	8,348.1	-	8,348.1
Benefits and expenses:						
Health care costs	5,348.0	-	-	5,348.0	-	5,348.0
Current and future benefits	-	361.8	123.7	485.5	-	485.5
Operating expenses:						
Selling expenses	271.5	19.2	-	290.7	-	290.7
General and administrative expenses	1,204.5	63.4	3.7	1,271.6	1.2	1,272.8
Total operating expenses	1,476.0	82.6	3.7	1,562.3	1.2	1,563.5
Interest expense	-	-	-	-	66.1	66.1
Amortization of other acquired intangible assets	24.6	1.7	-	26.3	-	26.3
Total benefits and expenses	6,848.6	446.1	127.4	7,422.1	67.3	7,489.4
Operating earnings (loss) before income taxes (benefits)	861.1	58.3	6.6	926.0	(67.3)	858.7
Income taxes (benefits)	305.8	15.4	.8	322.0	(23.5)	298.5
Operating earnings (loss) ⁽¹⁾	555.3	42.9	5.8	604.0	(43.8)	560.2
Net realized capital gains (losses), net of tax	21.9	4.2	(.3)	25.8	-	25.8
Net income (loss)	\$ 577.2	\$ 47.1	\$ 5.5	\$ 629.8	\$ (43.8)	\$ 586.0

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Balance Sheets

(Millions)	March 31, 2012			December 31, 2011		
	Health Care and Group Insurance	Large Case Pensions	Consolidated	Health Care and Group Insurance	Large Case Pensions	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$ 705.4	\$ 103.7	\$ 809.1	\$ 571.6	\$ 108.1	\$ 679.7
Investments	2,043.3	482.5	2,525.8	1,816.6	395.2	2,211.8
Premiums receivable, net	853.3	-	853.3	761.4	-	761.4
Other receivables, net	666.5	29.8	696.3	649.6	51.9	701.5
Accrued investment income	135.5	58.0	193.5	136.7	59.1	195.8
Income taxes receivable	-	-	-	152.4	9.5	161.9
Deferred income taxes	339.0	57.5	396.5	329.7	57.5	387.2
Other current assets	864.6	4.6	869.2	762.3	28.4	790.7
Total current assets	5,607.6	736.1	6,343.7	5,180.3	709.7	5,890.0
Long-term investments	12,723.3	5,556.4	18,279.7	12,533.9	5,549.3	18,083.2
Reinsurance recoverables	903.5	9.3	912.8	912.8	8.9	921.7
Goodwill	6,201.9	-	6,201.9	6,203.9	-	6,203.9
Other acquired intangible assets, net	922.3	-	922.3	958.6	-	958.6
Property and equipment, net	534.0	16.8	550.8	539.9	17.0	556.9
Other long-term assets	761.8	-	761.8	760.6	-	760.6
Separate Accounts assets	-	5,363.1	5,363.1	-	5,218.2	5,218.2
Total assets	\$ 27,654.4	\$ 11,681.7	\$ 39,336.1	\$ 27,090.0	\$ 11,503.1	\$ 38,593.1
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 2,829.1	\$ -	\$ 2,829.1	\$ 2,675.5	\$ -	\$ 2,675.5
Future policy benefits	112.6	554.4	667.0	109.4	558.6	668.0
Unpaid claims	601.8	.9	602.7	580.4	.8	581.2
Unearned premiums	874.5	5.8	880.3	366.6	3.1	369.7
Policyholders' funds	1,259.9	52.1	1,312.0	1,219.4	62.2	1,281.6
Short-term debt	150.0	-	150.0	425.9	-	425.9
Income taxes payable	74.7	4.4	79.1	-	-	-
Accrued expenses and other current liabilities	2,313.6	134.1	2,447.7	2,446.5	73.8	2,520.3
Total current liabilities	8,216.2	751.7	8,967.9	7,823.7	698.5	8,522.2
Future policy benefits	1,731.3	4,361.3	6,092.6	1,730.7	4,362.1	6,092.8
Unpaid claims	1,523.0	-	1,523.0	1,505.8	-	1,505.8
Policyholders' funds	565.9	765.6	1,331.5	568.2	783.4	1,351.6
Long-term debt	3,978.3	-	3,978.3	3,977.7	-	3,977.7
Deferred income taxes	249.8	(8.8)	241.0	204.9	3.9	208.8
Other long-term liabilities	1,311.8	227.9	1,539.7	1,369.2	226.6	1,595.8
Separate Accounts liabilities	-	5,363.1	5,363.1	-	5,218.2	5,218.2
Total liabilities	17,576.3	11,460.8	29,037.1	17,180.2	11,292.7	28,472.9
Shareholders' equity	10,078.1	220.9	10,299.0	9,909.8	210.4	10,120.2
Total liabilities and shareholders' equity	\$ 27,654.4	\$ 11,681.7	\$ 39,336.1	\$ 27,090.0	\$ 11,503.1	\$ 38,593.1

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows

(Millions)	Three Months Ended					
	March 31, 2012			March 31, 2011		
	Health Care and Group Insurance	Large Case Pensions	Consolidated	Health Care and Group Insurance	Large Case Pensions	Consolidated
Cash flows from operating activities:						
Net income	\$ 506.5	\$ 4.5	\$ 511.0	\$ 580.5	\$ 5.5	\$ 586.0
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital (gains) losses	(53.8)	2.1	(51.7)	(40.2)	.5	(39.7)
Depreciation and amortization	115.0	-	115.0	106.6	-	106.6
Equity in losses (earnings) of affiliates, net	3.5	(3.2)	0.3	(6.1)	(12.8)	(18.9)
Stock-based compensation expense	33.0	-	33.0	36.8	-	36.8
Amortization (accretion) of net investment premium (discount)	4.5	(.8)	3.7	.4	(1.9)	(1.5)
Changes in assets and liabilities:						
Accrued investment income	1.2	1.1	2.3	2.5	(1.7)	.8
Premiums due and other receivables	(82.8)	(.7)	(83.5)	(286.4)	.2	(286.2)
Income taxes	244.9	(2.7)	242.2	296.9	.6	297.5
Other assets and other liabilities	(397.0)	1.1	(395.9)	(205.6)	(13.7)	(219.3)
Health care and insurance liabilities	683.6	(42.5)	641.1	160.1	(45.9)	114.2
Other, net	6.2	(4.0)	2.2	(3.5)	(.6)	(4.1)
Net cash provided by (used for) operating activities	1,064.8	(45.1)	1,019.7	642.0	(69.8)	572.2
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	2,271.9	732.6	3,004.5	1,940.7	664.5	2,605.2
Cost of investments purchased	(2,458.8)	(687.9)	(3,146.7)	(1,885.9)	(570.3)	(2,456.2)
Additions to property, equipment and software	(68.0)	-	(68.0)	(62.5)	-	(62.5)
Cash used for acquisition, net of cash acquired	-	-	-	(493.7)	-	(493.7)
Net cash (used for) provided by investing activities	(254.9)	44.7	(210.2)	(501.4)	94.2	(407.2)
Cash flows from financing activities:						
Net repayment of long-term debt	-	-	-	(450.0)	-	(450.0)
Net (repayment) issuance of short-term debt	(275.9)	-	(275.9)	85.0	-	85.0
Deposits and interest credited for investment contracts	-	1.3	1.3	-	1.2	1.2
Withdrawals of investment contracts	-	(5.3)	(5.3)	-	(2.1)	(2.1)
Common shares under benefit plans, net	(26.8)	-	(26.8)	14.6	-	14.6
Stock-based compensation tax benefits	29.6	-	29.6	8.1	-	8.1
Common shares repurchased	(343.7)	-	(343.7)	(245.0)	-	(245.0)
Dividends paid to shareholders	(61.3)	-	(61.3)	-	-	-
Collateral on interest rate swaps	2.0	-	2.0	-	-	-
Other, net	-	-	-	(1.2)	1.2	-
Net cash (used for) provided by financing activities	(676.1)	(4.0)	(680.1)	(588.5)	.3	(588.2)
Net increase (decrease) in cash and cash equivalents	133.8	(4.4)	129.4	(447.9)	24.7	(423.2)
Cash and cash equivalents, beginning of period	571.6	108.1	679.7	1,762.4	105.2	1,867.6
Cash and cash equivalents, end of period	\$ 705.4	\$ 103.7	\$ 809.1	\$ 1,314.5	\$ 129.9	\$ 1,444.4

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Investment Portfolio
At March 31, 2012

(Millions)	Supporting Non-Experience-Rated Products				Supporting Experience-Rated and Discontinued Products in Large Case Pensions		Total Portfolio	
	Health Care and Group Insurance	Large Case Pensions	Total	Percent	Total	Percent	Total	Percent
Debt and equity securities:								
Debt securities:								
U.S. government securities	\$ 1,451.4	\$ 90.4	\$ 1,541.8	9.5%	\$ 232.5	4.3%	\$ 1,774.3	8.2%
States, municipalities and political subdivisions	2,754.9	11.2	2,766.1	17.1%	181.8	3.4%	2,947.9	13.6%
U.S. corporate securities	4,609.2	226.7	4,835.9	29.9%	2,123.9	39.3%	6,959.8	32.2%
Foreign securities	1,994.2	102.2	2,096.4	12.9%	902.7	16.7%	2,999.1	13.9%
Residential mortgage-backed securities	839.3	98.7	938.0	5.8%	77.2	1.4%	1,015.2	4.7%
Commercial mortgage-backed securities	961.4	110.8	1,072.2	6.6%	301.8	5.6%	1,374.0	6.3%
Other asset-backed securities	367.2	49.8	417.0	2.6%	83.3	1.5%	500.3	2.3%
Redeemable preferred securities	75.6	10.5	86.1	.5%	76.7	1.4%	162.8	.8%
Total debt securities	13,053.2	700.3	13,753.5	84.9%	3,979.9	73.6%	17,733.4	82.0%
Equity securities	5.8	.1	5.9	-	42.9	.8%	48.8	.3%
Total debt and equity securities	13,059.0	700.4	13,759.4	84.9%	4,022.8	74.4%	17,782.2	82.3%
Mortgage loans	1,024.8	10.1	1,034.9	6.4%	608.4	11.2%	1,643.3	7.6%
Other investments:								
Real estate	150.5	1.6	152.1	.9%	69.6	1.3%	221.7	1.0%
Hedge funds	217.7	-	217.7	1.4%	336.9	6.2%	554.6	2.6%
Private equity	129.0	4.7	133.7	.8%	284.4	5.3%	418.1	1.9%
Other	185.6	-	185.6	1.1%	-	-	185.6	.9%
Total other investments	682.8	6.3	689.1	4.2%	690.9	12.8%	1,380.0	6.4%
Total investments	14,766.6	716.8	15,483.4	95.5%	5,322.1	98.4%	20,805.5	96.3%
Cash and cash equivalents	705.4	17.7	723.1	4.5%	86.0	1.6%	809.1	3.7%
Total investments, cash and cash equivalents	\$ 15,472.0	\$ 734.5	\$ 16,206.5		\$ 5,408.1		\$ 21,614.6	
Average credit quality	A+	A+	A+		A		A+	
Average duration (years) ⁽⁵⁾	4.6	4.8	4.6		6.9		5.2	

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure

(Millions, except per common share data)	Three Months Ended	
	March 31, 2012	March 31, 2011
Summary of Results		
Operating earnings, excluding prior-years development ⁽⁶⁾	\$	448.3
Favorable development of prior-years health care cost estimates, net of tax		111.9
Operating earnings	\$	477.4
Net realized capital gains, net of tax		33.6
Net income (GAAP measure)	\$	511.0
	\$	586.0
Weighted average common shares - diluted		356.8
		391.2
Summary of Results Per Common Share		
Operating earnings per share, excluding prior-years development ⁽⁶⁾	\$	1.14
Favorable development of prior-years health care cost estimates, net of tax		.29
Operating earnings	\$	1.34
Net realized capital gains, net of tax		.09
Net income (GAAP measure)	\$	1.43
	\$	1.50
<u>Health Care and Group Insurance Operating Cash Flows as a Percentage of Operating Earnings</u>		
Net cash provided by operating activities: Health Care, Group Insurance and Corporate Financing	(A) \$	1,064.8
CMS Medicare premium payment relating to April 2012 ⁽⁷⁾		455.1
Net cash provided by operating activities: Health Care, Group Insurance and Corporate Financing excluding the CMS Medicare premium payment relating to April 2012 ⁽⁷⁾	(B)	609.7
		642.0
Operating earnings: Health Care, Group Insurance and Corporate Financing	(C)	471.6
Net realized capital gains, net of tax		34.9
Net income: Health Care, Group Insurance and Corporate Financing	(D) \$	506.5
	\$	580.5
Operating cash flow excluding the April CMS Medicare premium payment as a percentage of operating earnings	(B)/(C)	129.3%
		115.8%
Operating cash flow as a percentage of operating earnings	(A)/(C)	225.8%
		115.8%
Operating cash flow as a percentage of net income	(A)/(D)	210.2%
		110.6%

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (continued)

(Millions)	Three Months Ended		
	March 31, 2012	March 31, 2011	
Health Care			
Reconciliation of Revenue			
Revenue, excluding net realized capital gains (Insured funding)	(Refer to reconciliation on page 10) (Y) \$	7,265.7	\$ 6,834.2
Revenue, excluding net realized capital gains (ASC funding)		935.4	875.5
Revenue, excluding net realized capital gains		8,201.1	7,709.7
Net realized capital gains		41.6	33.7
Total revenue (GAAP measure)	\$	8,242.7	\$ 7,743.4
Commercial Medical Benefit Ratio, Excluding Prior-Years Reserve Development ⁽⁶⁾			
Premiums	(A) \$	5,177.1	\$ 5,013.6
Health care costs (GAAP measure)	(B) \$	4,135.0	\$ 3,859.4
Favorable development of prior-years health care cost estimates			142.7
Health care costs, excluding prior-years development ⁽⁶⁾	(C)		\$ 4,002.1
Commercial MBR (GAAP measure)	(B)/(A)	79.9%	77.0%
Commercial MBR, excluding prior-years reserve development ⁽⁶⁾	(C)/(A)		79.8%
Medicare Medical Benefit Ratio, Excluding Prior-Years Reserve Development ⁽⁶⁾			
Premiums	(D) \$	1,651.6	\$ 1,408.8
Health care costs (GAAP measure)	(E) \$	1,393.9	\$ 1,198.3
Favorable development of prior-years health care cost estimates			24.5
Health care costs, excluding prior-years development ⁽⁶⁾	(F)		\$ 1,222.8
Medicare MBR (GAAP measure)	(E)/(D)	84.4%	85.1%
Medicare MBR, excluding prior-years reserve development ⁽⁶⁾	(F)/(D)		86.8%
Medicaid Medical Benefit Ratio, Excluding Prior-Years Reserve Development ⁽⁶⁾			
Premiums	(G) \$	358.7	\$ 328.2
Health care costs (GAAP measure)	(H) \$	328.6	\$ 290.3
Favorable development of prior-years health care cost estimates			6.3
Health care costs, excluding prior-years development ⁽⁶⁾	(I)		\$ 296.6
Medicaid MBR (GAAP measure)	(H)/(G)	91.6%	88.5%
Medicaid MBR, excluding prior-years reserve development ⁽⁶⁾	(I)/(G)		90.4%

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (continued)

(Millions)	Three Months Ended		
	March 31, 2012	March 31, 2011	
Group Insurance			
Reconciliation of Revenue			
Revenue, excluding net realized capital gains	\$ 532.0	\$ 504.4	
Net realized capital gains	12.2	6.5	
Total revenue (GAAP measure)	\$ 544.2	\$ 510.9	
Large Case Pensions			
Reconciliation of Revenue			
Revenue, excluding net realized capital losses	\$ 131.0	\$ 134.0	
Net realized capital losses	(2.1)	(.5)	
Total revenue (GAAP measure)	\$ 128.9	\$ 133.5	
Total Company			
Reconciliation of Revenue			
Revenue, excluding net realized capital gains	(A) \$ 8,864.1	\$ 8,348.1	
Net realized capital gains	51.7	39.7	
Total revenue (GAAP measure)	(B) \$ 8,915.8	\$ 8,387.8	
Reconciliation of Operating Expenses			
Operating expenses, Health Care - Insured funding	(C) \$ 829.6	\$ 814.6	
Operating expenses, Health Care - ASC funding, Group Insurance and Large Case Pensions	837.0	747.7	
Business segment operating expenses	(D) 1,666.6	1,562.3	
Corporate Financing segment operating (benefit) expense	(.6)	1.2	
Total Operating expenses (GAAP measure)	(E) \$ 1,666.0	\$ 1,563.5	
Operating Expense Ratios:			
Operating expense ratio, Health Care - Insured funding ⁽¹⁾	(C)/(Page 9-Y)	11.4 %	11.9 %
Business segment operating expense ratio ⁽¹⁾	(D)/(A)	18.8 %	18.7 %
Total operating expense ratio (GAAP measure)	(E)/(B)	18.7 %	18.6 %

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (continued)

(Millions)	Three Months Ended			
		March 31,		March 31,
		2012		2011
Reconciliation to Income Before Income Taxes				
Operating earnings before income taxes, excluding interest expense and amortization				
of other acquired intangible assets	(A)	\$ 829.7	\$	951.1
Interest expense		(59.3)		(66.1)
Amortization of other acquired intangible assets		(37.8)		(26.3)
Net realized capital gains		51.7		39.7
Income before income taxes (GAAP measure)		\$ 784.3	\$	898.4
Reconciliation to Net Income				
Operating earnings, excluding interest expense and amortization				
of other acquired intangible assets		\$ 540.5	\$	620.3
Interest expense, net of tax		(38.5)		(43.0)
Amortization of other acquired intangible assets, net of tax		(24.6)		(17.1)
Net realized capital gains, net of tax		33.6		25.8
Net income (GAAP measure)	(B)	\$ 511.0	\$	586.0
Reconciliation of Revenue				
Revenue, excluding net realized capital gains	(C)	\$ 8,864.1	\$	8,348.1
Net realized capital gains		51.7		39.7
Total revenue (GAAP measure)	(D)	\$ 8,915.8	\$	8,387.8
Operating Margin				
Pretax operating margin ⁽¹⁾	(A)/(C)	9.4 %		11.4 %
After-tax net income margin (GAAP measure)	(B)/(D)	5.7 %		7.0 %

Refer to page 12 for an explanation of footnotes and definitions of terms used.

Footnotes

- ⁽¹⁾ In order to provide a comparison that we believe provides useful information regarding our underlying performance, from period to period, all operating earnings, operating earnings per share and business segment operating expense metrics exclude from net income net realized capital gains and losses and Other Items, if any. In addition, pretax operating margins exclude interest expense and amortization of other acquired intangible assets. Also, revenue excludes net realized capital gains and losses and general and administrative expenses exclude Other Items. Management uses these measures to assess business performance and to make decisions regarding Aetna's operations and allocation of resources among Aetna's businesses. For a reconciliation to financial measures calculated under U.S. generally accepted accounting principles ("GAAP"), refer to pages 8 - 11.
- ⁽²⁾ The Corporate Financing segment includes interest expense on our outstanding debt and the financing components of our pension and other postretirement benefit plan expenses (herein referred to as "pension expense"). We continue to allocate the operating component of our pension expense (i.e., the service cost and prior service cost) to our business segments. The following table depicts the components of our pension expense for the three months ended March 31, 2012 and 2011.

(Millions)	Three Months Ended	
	March 31, 2012	March 31, 2011
<u>Pretax - Pension Expense</u>		
Operating component (allocated to business segments)	\$ (1.0)	\$ (1.0)
Financing component (allocated to Corporate Financing segment)	(.6)	1.2
Total pension expense - pretax	\$ (1.6)	\$.2
<u>After tax - Pension Expense</u>		
Operating component (allocated to business segments)	\$ (.6)	\$ (.7)
Financing component (allocated to Corporate Financing segment)	(.4)	.8
Total pension expense - after tax	\$ (1.0)	\$.1

- ⁽³⁾ Represents members in consumer-directed health plans included in Aetna's Commercial medical membership.
- ⁽⁴⁾ Represents members in products that allow these members access to Aetna's dental provider network for a nominal fee.
- ⁽⁵⁾ Represents the average duration of our debt securities, mortgage loans and cash and cash equivalents at March 31, 2012, excluding equity and equity-like investments that have no duration.
- ⁽⁶⁾ Operating earnings, excluding prior-years development; operating earnings per share, excluding prior-years development; health care costs, excluding prior-years development; and medical benefit ratios, excluding prior-years reserve development, each exclude the items identified in note (1) above, if applicable, and any significant development of prior-years health care cost estimates.
- ⁽⁷⁾ During the three months ended March 31, 2012, we received a premium payment from the Centers for Medicare & Medicaid Services relating to April 2012.

Definitions

Administrative Services Contracts ("ASC") include all medical and dental products offered on an employer-funded basis. Under employer-funded plans, the plan sponsor assumes all or a majority of health care cost, utilization or other risk.

Benefit Ratios are calculated by dividing benefit costs by premiums. Various product level versions of this metric are provided and are calculated using this base formula. For example, the Total Medical Benefit Ratio is calculated by dividing health care costs by health care premiums.

Commercial includes all medical, dental and other health care products except Medicare, Medicaid and Medicare Supplement.

Days Claims Payable is calculated by dividing the health care costs payable at each quarter end by the health care costs per day in each respective quarter.

Insured includes all medical, dental and other health care products for which we assume all or a majority of health care cost, utilization or other risk.

Operating Earnings exclude net realized capital gains and losses and Other Items, if any, from net income.

Operating Expense Ratios are calculated by dividing operating expenses, excluding Other Items, if any, by revenue, excluding net realized capital gains and losses.

Other Items neither relate to the ordinary course of our business nor reflect our underlying business performance.

Pretax Operating Margins are calculated by dividing pretax operating earnings, excluding interest expense and amortization of other acquired intangible asset by revenue, excluding net realized capital gains and losses.

Insured Funding is the portion of our business where we assume all or a majority of the risk for medical and dental costs.

Selling Expenses are comprised of broker commissions, the variable component of our internal sales force compensation and premium taxes.

Balance Sheet Terms

Future Policy Benefits consist primarily of reserves for limited payment pension and annuity contracts in the Large Case Pension business and long-duration group paid-up life and long-term care insurance contracts in the Group Insurance business.

Health Care Costs Payable consist principally of unpaid fee-for-service claims, capitation costs and other amounts due to health care providers pursuant to insured arrangements.

Policyholders' Funds consist primarily of reserves for pension and annuity investment contracts in the Large Case Pension business and customer funds associated with group life and health contracts in the Health Care and Group Insurance business.

Separate Accounts assets and liabilities generally represent funds maintained to meet specific objectives of contract holders who bear the investment risk.

Unpaid Claims consist primarily of reserves associated with certain short-duration group disability and term life insurance contracts in the Group Insurance business.