

# Financial Supplement

## Table of Contents

<b>Financial Highlights</b>	<b>1</b>
<b>Health Care and Group Insurance Statistics</b>	<b>2</b>
<b>Health Care Membership</b>	<b>3</b>
<b>Statements of Net Income (Loss) by Segment</b>	<b>4-5</b>
<b>Balance Sheets</b>	<b>6</b>
<b>Condensed Statements of Cash Flows</b>	<b>7-8</b>
<b>Investment Portfolio at June 30, 2012</b>	<b>9</b>
<b>Roll Forward of Health Care Costs Payable</b>	<b>10</b>
<b>Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure</b>	<b>11-14</b>
<b>Footnotes, Definitions and Balance Sheet Terms</b>	<b>15</b>

This document is supplemental to our second quarter 2012 earnings press release issued on July 31, 2012 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended June 30, 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 June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
<b><u>Operating Earnings</u></b> <sup>(1)</sup>						
Business Segments:						
Health Care	\$ 443.5	\$ 512.9	(13.5) %	\$ 912.4	\$ 1,068.2	(14.6) %
Group Insurance	46.0	44.4	3.6 %	86.9	87.3	(.5) %
Large Case Pensions	3.9	6.2	(37.1) %	9.7	12.0	(19.2) %
Total - Business Segments	493.4	563.5	(12.4) %	1,009.0	1,167.5	(13.6) %
Corporate Financing <sup>(2)</sup>	(41.4)	(40.7)	(1.7) %	(79.6)	(84.5)	5.8 %
<b>Aetna Inc.</b>	<b>\$ 452.0</b>	<b>\$ 522.8</b>	<b>(13.5) %</b>	<b>\$ 929.4</b>	<b>\$ 1,083.0</b>	<b>(14.2) %</b>
<b>Aetna Inc. per common share</b>	<b>\$ 1.31</b>	<b>\$ 1.35</b>	<b>(3.0) %</b>	<b>\$ 2.64</b>	<b>\$ 2.78</b>	<b>(5.0) %</b>
<b><u>Net Income</u></b>						
Aetna Inc.	\$ 457.6	\$ 536.7	(14.7) %	\$ 968.6	\$ 1,122.7	(13.7) %
Aetna Inc. per common share	\$ 1.32	\$ 1.39	(5.0) %	\$ 2.76	\$ 2.88	(4.2) %
Weighted average common shares - diluted	346.2	387.3	(10.6) %	351.5	389.2	(9.7) %
<b><u>Operating Margin</u></b>						
Pretax operating margin <sup>(1)</sup>	8.9 %	10.7 %	(1.8) pts.	9.1 %	11.0 %	(1.9) pts.
After-tax net income margin (GAAP Measure)	5.2 %	6.4 %	(1.2) pts.	5.5 %	6.7 %	(1.3) pts.
<b><u>Revenue by Segment</u></b> <sup>(1)</sup>						
Health Care	\$ 8,183.1	\$ 7,691.4	6.4 %	\$ 16,384.2	\$ 15,401.1	6.4 %
Group Insurance	525.7	499.5	5.2 %	1,057.7	1,003.9	5.4 %
Large Case Pensions	117.7	132.1	(10.9) %	248.7	266.1	(6.5) %
Revenue, excluding net realized capital gains	\$ 8,826.5	\$ 8,323.0	6.0 %	\$ 17,690.6	\$ 16,671.1	6.1 %
<b>Business Segment Operating Expense Ratio</b> <sup>(1)</sup>	<b>18.7 %</b>	<b>19.1 %</b>	<b>(.4) pts.</b>	<b>18.7 %</b>	<b>18.9 %</b>	<b>(.2) pts.</b>

Refer to page 15 for an explanation of footnotes and definitions of terms used.

## Health Care and Group Insurance Statistics

(Millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	Change	2012	2011	Change
<b>Health Care</b>						
<b>Premiums</b>						
Commercial	\$ 5,202.6	\$ 5,031.4	3.4 %	\$ 10,379.7	\$ 10,045.0	3.3 %
Medicare	1,554.3	1,358.3	14.4 %	3,205.9	2,767.1	15.9 %
Medicaid	411.0	343.7	19.6 %	769.7	671.9	14.6 %
<b>Health Care</b>	<b>\$ 7,167.9</b>	<b>\$ 6,733.4</b>	<b>6.5 %</b>	<b>\$ 14,355.3</b>	<b>\$ 13,484.0</b>	<b>6.5 %</b>
<b>Health Care Costs</b>						
Commercial	\$ 4,249.9	\$ 3,917.9	8.5 %	\$ 8,384.9	\$ 7,777.3	7.8 %
Medicare	1,288.0	1,149.2	12.1 %	2,681.9	2,347.5	14.2 %
Medicaid	370.4	299.7	23.6 %	699.0	590.0	18.5 %
<b>Health Care</b>	<b>\$ 5,908.3</b>	<b>\$ 5,366.8</b>	<b>10.1 %</b>	<b>\$ 11,765.8</b>	<b>\$ 10,714.8</b>	<b>9.8 %</b>
<b>Medical Benefit Ratios ("MBR")</b>						
Commercial	81.7 %	77.9 %	3.8 pts.	80.8 %	77.4 %	3.4 pts.
Medicare	82.9 %	84.6 %	(1.7) pts.	83.7 %	84.8 %	(1.1) pts.
Medicaid	90.1 %	87.2 %	2.9 pts.	90.8 %	87.8 %	3.0 pts.
<b>Health Care</b>	<b>82.4 %</b>	<b>79.7 %</b>	<b>2.7 pts.</b>	<b>82.0 %</b>	<b>79.5 %</b>	<b>2.5 pts.</b>
<b>Group Insurance</b>						
Benefit ratio	86.2 %	87.5 %	(1.3) pts.	88.1 %	88.6 %	(.5) pts.
<b>Operating Expense Ratio, Health Care - Insured Funding <sup>(1)</sup></b>	<b>11.2 %</b>	<b>12.1 %</b>	<b>(.9) pts.</b>	<b>11.3 %</b>	<b>12.0 %</b>	<b>(.7) pts.</b>
	<b>June 30,</b>	<b>March 31,</b>	<b>December 31,</b>	<b>September 30,</b>	<b>June 30,</b>	
	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	
<b>Days Claims Payable</b>	44.4	44.0	44.0	43.2	43.6	

Refer to page 15 for an explanation of footnotes and definitions of terms used.

## Health Care Membership

(Thousands)	June 30, 2012			March 31, 2012			December 31, 2011			June 30, 2011		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
<b>Products</b>												
Medical:												
Commercial	4,745	11,476	16,221	4,718	11,418	16,136	4,758	11,868	16,626	4,784	11,810	16,594
Medicare Advantage	437	-	437	434	-	434	398	-	398	393	-	393
Medicaid	345	843	1,188	336	838	1,174	436	836	1,272	403	839	1,242
Medicare Supplement	183	-	183	171	-	171	163	-	163	12	-	12
Total Medical	5,710	12,319	18,029	5,659	12,256	17,915	5,755	12,704	18,459	5,592	12,649	18,241
Consumer-Directed Health Plans <sup>(3)</sup>			2,552			2,560			2,387			2,405
Dental:												
Commercial	4,688	7,286	11,974	4,704	7,299	12,003	4,724	7,347	12,071	4,744	7,437	12,181
Medicare & Medicaid	186	451	637	185	452	637	194	458	652	167	468	635
Network Access <sup>(4)</sup>	-	979	979	-	973	973	-	947	947	-	970	970
Total Dental	4,874	8,716	13,590	4,889	8,724	13,613	4,918	8,752	13,670	4,911	8,875	13,786
Pharmacy Benefit Management Services:												
Commercial			7,882			7,869			8,177			8,131
Medicare PDP (stand-alone)			471			469			427			432
Medicare Advantage PDP			200			198			189			188
Medicaid			108			107			27			27
Total Pharmacy Benefit Management Services			8,661			8,643			8,820			8,778
<b>Regions</b>												
Northeast	1,787	2,563	4,350	1,765	2,566	4,331	1,847	2,628	4,475	1,821	2,637	4,458
Southeast	1,135	2,745	3,880	1,121	2,729	3,850	1,119	2,854	3,973	1,076	2,821	3,897
Mid-America	1,313	4,050	5,363	1,311	4,019	5,330	1,322	4,230	5,552	1,238	4,244	5,482
West	1,181	2,208	3,389	1,176	2,194	3,370	1,190	2,263	3,453	1,189	2,264	3,453
Other	294	753	1,047	286	748	1,034	277	729	1,006	268	683	951
Total Medical	5,710	12,319	18,029	5,659	12,256	17,915	5,755	12,704	18,459	5,592	12,649	18,241
Percent of Total	31.7%	68.3%	100.0%	31.6%	68.4%	100.0%	31.2%	68.8%	100.0%	30.7%	69.3%	100.0%

Refer to page 15 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 <sup>(2)</sup>	Consolidated
<b>Three Months Ended June 30, 2012</b>						
Revenue:						
Premiums	\$ 7,167.9	\$ 431.5	\$ 37.2	\$ 7,636.6	\$ -	\$ 7,636.6
Fees and other revenue	938.3	26.2	2.6	967.1	-	967.1
Net investment income	76.9	68.0	77.9	222.8	-	222.8
Revenue, excluding net realized capital (losses) gains <sup>(1)</sup>	8,183.1	525.7	117.7	8,826.5	-	8,826.5
Benefits and expenses:						
Health care costs	5,908.3	-	-	5,908.3	-	5,908.3
Current and future benefits	-	371.8	111.5	483.3	-	483.3
Operating expenses:						
Selling expenses	250.2	21.2	-	271.4	-	271.4
General and administrative expenses (benefits)	1,302.1	70.6	3.0	1,375.7	(.7)	1,375.0
Total operating expenses (benefits)	1,552.3	91.8	3.0	1,647.1	(.7)	1,646.4
Interest expense	-	-	-	-	64.4	64.4
Amortization of other acquired intangible assets	35.9	1.1	-	37.0	-	37.0
Total benefits and expenses	7,496.5	464.7	114.5	8,075.7	63.7	8,139.4
Operating earnings (loss) before income taxes (benefits)	686.6	61.0	3.2	750.8	(63.7)	687.1
Income taxes (benefits)	243.1	15.0	(.7)	257.4	(22.3)	235.1
Operating earnings (loss) <sup>(1)</sup>	443.5	46.0	3.9	493.4	(41.4)	452.0
Net realized capital (losses) gains, net of tax	3.8	(1.3)	3.1	5.6	-	5.6
Net income (loss)	\$ 447.3	\$ 44.7	\$ 7.0	\$ 499.0	\$ (41.4)	\$ 457.6
<b>Three Months Ended June 30, 2011</b>						
Revenue:						
Premiums	\$ 6,733.4	\$ 406.4	\$ 45.4	\$ 7,185.2	\$ -	\$ 7,185.2
Fees and other revenue	869.2	24.8	2.5	896.5	-	896.5
Net investment income	88.8	68.3	84.2	241.3	-	241.3
Revenue, excluding net realized capital gains <sup>(1)</sup>	7,691.4	499.5	132.1	8,323.0	-	8,323.0
Benefits and expenses:						
Health care costs	5,366.8	-	-	5,366.8	-	5,366.8
Current and future benefits	-	355.6	122.1	477.7	-	477.7
Operating expenses:						
Selling expenses	250.9	16.3	-	267.2	-	267.2
General and administrative expenses	1,253.8	65.9	3.6	1,323.3	1.2	1,324.5
Total operating expenses	1,504.7	82.2	3.6	1,590.5	1.2	1,591.7
Interest expense	-	-	-	-	61.5	61.5
Amortization of other acquired intangible assets	24.5	1.1	-	25.6	-	25.6
Total benefits and expenses	6,896.0	438.9	125.7	7,460.6	62.7	7,523.3
Operating earnings (loss) before income taxes (benefits)	795.4	60.6	6.4	862.4	(62.7)	799.7
Income taxes (benefits)	282.5	16.2	.2	298.9	(22.0)	276.9
Operating earnings (loss) <sup>(1)</sup>	512.9	44.4	6.2	563.5	(40.7)	522.8
Net realized capital gains, net of tax	9.7	2.9	1.3	13.9	-	13.9
Net income (loss)	\$ 522.6	\$ 47.3	\$ 7.5	\$ 577.4	\$ (40.7)	\$ 536.7

Refer to page 15 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 <sup>(2)</sup>	Consolidated
<b>Six Months Ended June 30, 2012</b>						
Revenue:						
Premiums	\$ 14,355.3	\$ 861.4	\$ 83.7	\$ 15,300.4	\$ -	\$ 15,300.4
Fees and other revenue	1,870.4	50.9	5.5	1,926.8	-	1,926.8
Net investment income	158.5	145.4	159.5	463.4	-	463.4
Revenue, excluding net realized capital gains <sup>(1)</sup>	16,384.2	1,057.7	248.7	17,690.6	-	17,690.6
Benefits and expenses:						
Health care costs	11,765.8	-	-	11,765.8	-	11,765.8
Current and future benefits	-	759.0	235.2	994.2	-	994.2
Operating expenses:						
Selling expenses	506.0	41.7	-	547.7	-	547.7
General and administrative expenses (benefits)	2,620.1	139.6	6.3	2,766.0	(1.3)	2,764.7
Total operating expenses (benefits)	3,126.1	181.3	6.3	3,313.7	(1.3)	3,312.4
Interest expense	-	-	-	-	123.7	123.7
Amortization of other acquired intangible assets	72.6	2.2	-	74.8	-	74.8
Total benefits and expenses	14,964.5	942.5	241.5	16,148.5	122.4	16,270.9
Operating earnings (loss) before income taxes (benefits)	1,419.7	115.2	7.2	1,542.1	(122.4)	1,419.7
Income taxes (benefits)	507.3	28.3	(2.5)	533.1	(42.8)	490.3
Operating earnings (loss) <sup>(1)</sup>	912.4	86.9	9.7	1,009.0	(79.6)	929.4
Net realized capital gains, net of tax	30.8	6.6	1.8	39.2	-	39.2
Net income (loss)	\$ 943.2	\$ 93.5	\$ 11.5	\$ 1,048.2	\$ (79.6)	\$ 968.6
<b>Six Months Ended June 30, 2011</b>						
Revenue:						
Premiums	\$ 13,484.0	\$ 809.9	\$ 87.2	\$ 14,381.1	\$ -	\$ 14,381.1
Fees and other revenue	1,739.2	51.6	5.3	1,796.1	-	1,796.1
Net investment income	177.9	142.4	173.6	493.9	-	493.9
Revenue, excluding net realized capital gains <sup>(1)</sup>	15,401.1	1,003.9	266.1	16,671.1	-	16,671.1
Benefits and expenses:						
Health care costs	10,714.8	-	-	10,714.8	-	10,714.8
Current and future benefits	-	717.4	245.8	963.2	-	963.2
Operating expenses:						
Selling expenses	522.4	35.5	-	557.9	-	557.9
General and administrative expenses	2,458.3	129.3	7.3	2,594.9	2.4	2,597.3
Total operating expenses	2,980.7	164.8	7.3	3,152.8	2.4	3,155.2
Interest expense	-	-	-	-	127.6	127.6
Amortization of other acquired intangible assets	49.1	2.8	-	51.9	-	51.9
Total benefits and expenses	13,744.6	885.0	253.1	14,882.7	130.0	15,012.7
Operating earnings (loss) before income taxes (benefits)	1,656.5	118.9	13.0	1,788.4	(130.0)	1,658.4
Income taxes (benefits)	588.3	31.6	1.0	620.9	(45.5)	575.4
Operating earnings (loss) <sup>(1)</sup>	1,068.2	87.3	12.0	1,167.5	(84.5)	1,083.0
Net realized capital gains, net of tax	31.6	7.1	1.0	39.7	-	39.7
Net income (loss)	\$ 1,099.8	\$ 94.4	\$ 13.0	\$ 1,207.2	\$ (84.5)	\$ 1,122.7

Refer to page 15 for an explanation of footnotes and definitions of terms used.

## Balance Sheets

(Millions)	June 30, 2012			December 31, 2011		
	Health Care and Group Insurance	Large Case Pensions	Consolidated	Health Care and Group Insurance	Large Case Pensions	Consolidated
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 824.4	\$ 97.7	\$ 922.1	\$ 571.6	\$ 108.1	\$ 679.7
Investments	1,906.9	440.1	2,347.0	1,816.6	395.2	2,211.8
Premiums receivable, net	866.8	-	866.8	761.4	-	761.4
Other receivables, net	685.8	73.3	759.1	649.6	51.9	701.5
Accrued investment income	133.2	55.0	188.2	136.7	59.1	195.8
Income taxes receivable	57.9	21.7	79.6	152.4	9.5	161.9
Deferred income taxes	316.2	54.5	370.7	329.7	57.5	387.2
Other current assets	938.3	2.9	941.2	762.3	28.4	790.7
<b>Total current assets</b>	<b>5,729.5</b>	<b>745.2</b>	<b>6,474.7</b>	<b>5,180.3</b>	<b>709.7</b>	<b>5,890.0</b>
Long-term investments	12,784.6	5,546.4	18,331.0	12,533.9	5,549.3	18,083.2
Reinsurance recoverables	894.6	8.8	903.4	912.8	8.9	921.7
Goodwill	6,202.2	-	6,202.2	6,203.9	-	6,203.9
Other acquired intangible assets, net	885.3	-	885.3	958.6	-	958.6
Property and equipment, net	525.7	16.5	542.2	539.9	17.0	556.9
Other long-term assets	792.8	-	792.8	760.6	-	760.6
Separate Accounts assets	-	5,321.1	5,321.1	-	5,218.2	5,218.2
<b>Total assets</b>	<b>\$ 27,814.7</b>	<b>\$ 11,638.0</b>	<b>\$ 39,452.7</b>	<b>\$ 27,090.0</b>	<b>\$ 11,503.1</b>	<b>\$ 38,593.1</b>
<b>Liabilities and shareholders' equity</b>						
Current liabilities:						
Health care costs payable	\$ 2,883.5	\$ -	\$ 2,883.5	\$ 2,675.5	\$ -	\$ 2,675.5
Future policy benefits	112.8	548.7	661.5	109.4	558.6	668.0
Unpaid claims	610.3	.9	611.2	580.4	.8	581.2
Unearned premiums	836.6	3.0	839.6	366.6	3.1	369.7
Policyholders' funds	1,223.8	44.3	1,268.1	1,219.4	62.2	1,281.6
Short-term debt	-	-	-	425.9	-	425.9
Accrued expenses and other current liabilities	2,075.6	95.6	2,171.2	2,446.5	73.8	2,520.3
<b>Total current liabilities</b>	<b>7,742.6</b>	<b>692.5</b>	<b>8,435.1</b>	<b>7,823.7</b>	<b>698.5</b>	<b>8,522.2</b>
Future policy benefits	1,727.9	4,323.3	6,051.2	1,730.7	4,362.1	6,092.8
Unpaid claims	1,529.9	-	1,529.9	1,505.8	-	1,505.8
Policyholders' funds	499.6	795.8	1,295.4	568.2	783.4	1,351.6
Long-term debt	4,706.3	-	4,706.3	3,977.7	-	3,977.7
Deferred income taxes	328.4	12.6	341.0	204.9	3.9	208.8
Other long-term liabilities	1,255.2	261.7	1,516.9	1,369.2	226.6	1,595.8
Separate Accounts liabilities	-	5,321.1	5,321.1	-	5,218.2	5,218.2
<b>Total liabilities</b>	<b>17,789.9</b>	<b>11,407.0</b>	<b>29,196.9</b>	<b>17,180.2</b>	<b>11,292.7</b>	<b>28,472.9</b>
Shareholders' equity	10,024.8	231.0	10,255.8	9,909.8	210.4	10,120.2
<b>Total liabilities and shareholders' equity</b>	<b>\$ 27,814.7</b>	<b>\$ 11,638.0</b>	<b>\$ 39,452.7</b>	<b>\$ 27,090.0</b>	<b>\$ 11,503.1</b>	<b>\$ 38,593.1</b>

Refer to page 15 for an explanation of footnotes and definitions of terms used.



## Condensed Statements of Cash Flows

(Millions)	Three Months Ended					
	June 30, 2012			June 30, 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	\$ 450.6	\$ 7.0	\$ 457.6	\$ 529.2	\$ 7.5	\$ 536.7
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital gains	(3.7)	(4.9)	(8.6)	(19.4)	(2.0)	(21.4)
Depreciation and amortization	111.7	-	111.7	108.3	-	108.3
Equity in losses (earnings) of affiliates, net	2.9	(14.5)	(11.6)	1.9	(7.5)	(5.6)
Stock-based compensation expense	31.5	-	31.5	37.9	-	37.9
Amortization (accretion) of net investment premium (discount)	5.5	(.3)	5.2	.7	(1.8)	(1.1)
Changes in assets and liabilities:						
Accrued investment income	2.3	3.0	5.3	(4.3)	2.3	(2.0)
Premiums due and other receivables	(56.9)	.6	(56.3)	(27.5)	.7	(26.8)
Income taxes	(112.2)	(21.4)	(133.6)	(112.9)	(15.9)	(128.8)
Other assets and other liabilities	(165.6)	2.4	(163.2)	27.5	2.8	30.3
Health care and insurance liabilities	(93.8)	(54.4)	(148.2)	(161.7)	(55.9)	(217.6)
Other, net	1.1	(.6)	.5	14.2	.2	14.4
<b>Net cash provided by (used for) operating activities</b>	<b>173.4</b>	<b>(83.1)</b>	<b>90.3</b>	<b>393.9</b>	<b>(69.6)</b>	<b>324.3</b>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	1,922.7	692.8	2,615.5	1,788.6	553.3	2,341.9
Cost of investments purchased	(1,825.9)	(610.1)	(2,436.0)	(2,078.4)	(511.9)	(2,590.3)
Additions to property, equipment and software	(82.8)	-	(82.8)	(74.6)	-	(74.6)
Cash used for acquisition, net of cash acquired	-	-	-	(604.5)	-	(604.5)
<b>Net cash provided by (used for) investing activities</b>	<b>14.0</b>	<b>82.7</b>	<b>96.7</b>	<b>(968.9)</b>	<b>41.4</b>	<b>(927.5)</b>
Cash flows from financing activities:						
Net repayment of long-term debt	-	-	-	(450.0)	-	(450.0)
Net issuance of long-term debt	712.9	-	712.9	480.1	-	480.1
Net (repayment) issuance of short-term debt	(150.0)	-	(150.0)	464.8	-	464.8
Deposits and interest credited for investment contracts	-	1.4	1.4	-	1.4	1.4
Withdrawals of investment contracts	-	(7.5)	(7.5)	-	(3.2)	(3.2)
Common shares under benefit plans, net	8.3	-	8.3	82.0	-	82.0
Stock-based compensation tax benefits	.7	-	.7	7.2	-	7.2
Common shares repurchased	(580.8)	-	(580.8)	(456.0)	-	(456.0)
Dividends paid to shareholders	(60.8)	-	(60.8)	(57.0)	-	(57.0)
Collateral on interest rate swaps	1.8	-	1.8	-	-	-
Other, net	(.5)	.5	-	(.8)	.8	-
<b>Net cash provided by (used for) financing activities</b>	<b>(68.4)</b>	<b>(5.6)</b>	<b>(74.0)</b>	<b>70.3</b>	<b>(1.0)</b>	<b>69.3</b>
Net increase (decrease) in cash and cash equivalents	119.0	(6.0)	113.0	(504.7)	(29.2)	(533.9)
Cash and cash equivalents, beginning of period	705.4	103.7	809.1	1,314.5	129.9	1,444.4
<b>Cash and cash equivalents, end of period</b>	<b>\$ 824.4</b>	<b>\$ 97.7</b>	<b>\$ 922.1</b>	<b>\$ 809.8</b>	<b>\$ 100.7</b>	<b>\$ 910.5</b>

Refer to page 15 for an explanation of footnotes and definitions of terms used.

## Condensed Statements of Cash Flows

(Millions)	Six Months Ended					
	June 30, 2012			June 30, 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	\$ 957.1	\$ 11.5	\$ 968.6	\$ 1,109.7	\$ 13.0	\$ 1,122.7
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital gains	(57.5)	(2.8)	(60.3)	(59.6)	(1.5)	(61.1)
Depreciation and amortization	226.7	-	226.7	214.9	-	214.9
Equity in losses (earnings) of affiliates, net	6.4	(17.7)	(11.3)	(4.2)	(20.3)	(24.5)
Stock-based compensation expense	64.5	-	64.5	74.7	-	74.7
Amortization (accretion) of net investment premium (discount)	10.0	(1.1)	8.9	1.1	(3.7)	(2.6)
Changes in assets and liabilities:						
Accrued investment income	3.5	4.1	7.6	(1.8)	.6	(1.2)
Premiums due and other receivables	(139.7)	(.1)	(139.8)	(313.9)	.9	(313.0)
Income taxes	132.7	(24.1)	108.6	184.0	(15.3)	168.7
Other assets and other liabilities	(562.6)	3.5	(559.1)	(178.1)	(10.9)	(189.0)
Health care and insurance liabilities	589.8	(96.9)	492.9	(1.6)	(101.8)	(103.4)
Other, net	7.3	(4.6)	2.7	10.7	(.4)	10.3
<b>Net cash provided by (used for) operating activities</b>	<b>1,238.2</b>	<b>(128.2)</b>	<b>1,110.0</b>	<b>1,035.9</b>	<b>(139.4)</b>	<b>896.5</b>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	4,194.6	1,425.4	5,620.0	3,729.3	1,217.8	4,947.1
Cost of investments purchased	(4,284.7)	(1,298.0)	(5,582.7)	(3,964.3)	(1,082.2)	(5,046.5)
Additions to property, equipment and software	(150.8)	-	(150.8)	(137.1)	-	(137.1)
Cash used for acquisition, net of cash acquired	-	-	-	(1,098.2)	-	(1,098.2)
<b>Net cash (used for) provided by investing activities</b>	<b>(240.9)</b>	<b>127.4</b>	<b>(113.5)</b>	<b>(1,470.3)</b>	<b>135.6</b>	<b>(1,334.7)</b>
Cash flows from financing activities:						
Net repayment of long-term debt	-	-	-	(900.0)	-	(900.0)
Net issuance of long-term debt	712.9	-	712.9	480.1	-	480.1
Net (repayment) issuance of short-term debt	(425.9)	-	(425.9)	549.8	-	549.8
Deposits and interest credited for investment contracts	-	2.7	2.7	-	2.6	2.6
Withdrawals of investment contracts	-	(12.8)	(12.8)	-	(5.3)	(5.3)
Common shares under benefit plans, net	(18.5)	-	(18.5)	96.6	-	96.6
Stock-based compensation tax benefits	30.3	-	30.3	15.3	-	15.3
Common shares repurchased	(924.5)	-	(924.5)	(701.0)	-	(701.0)
Dividends paid to shareholders	(122.1)	-	(122.1)	(57.0)	-	(57.0)
Intersegment dividend	-	-	-	-	-	-
Collateral on interest rate swaps	3.8	-	3.8	-	-	-
Other, net	(.5)	.5	-	(2.0)	2.0	-
<b>Net cash used for financing activities</b>	<b>(744.5)</b>	<b>(9.6)</b>	<b>(754.1)</b>	<b>(518.2)</b>	<b>(.7)</b>	<b>(518.9)</b>
Net increase (decrease) in cash and cash equivalents	252.8	(10.4)	242.4	(952.6)	(4.5)	(957.1)
Cash and cash equivalents, beginning of period	571.6	108.1	679.7	1,762.4	105.2	1,867.6
<b>Cash and cash equivalents, end of period</b>	<b>\$ 824.4</b>	<b>\$ 97.7</b>	<b>\$ 922.1</b>	<b>\$ 809.8</b>	<b>\$ 100.7</b>	<b>\$ 910.5</b>

Refer to page 15 for an explanation of footnotes and definitions of terms used.

**Investment Portfolio**  
**At June 30, 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
<b>Debt and equity securities:</b>								
Debt securities:								
U.S. government securities	\$ 1,435.0	\$ 69.6	\$ 1,504.6	9.3%	\$ 205.7	3.8%	\$ 1,710.3	7.9%
States, municipalities and political subdivisions	2,719.8	14.5	2,734.3	16.8%	168.6	3.2%	2,902.9	13.4%
U.S. corporate securities	4,615.6	222.7	4,838.3	29.8%	2,189.6	40.8%	7,027.9	32.6%
Foreign securities	1,998.8	102.7	2,101.5	12.9%	885.5	16.5%	2,987.0	13.8%
Residential mortgage-backed securities	827.7	101.0	928.7	5.7%	70.2	1.3%	998.9	4.6%
Commercial mortgage-backed securities	966.0	111.8	1,077.8	6.6%	299.9	5.6%	1,377.7	6.4%
Other asset-backed securities	355.1	64.0	419.1	2.6%	83.4	1.6%	502.5	2.3%
Redeemable preferred securities	52.3	6.8	59.1	.4%	68.7	1.3%	127.8	.6%
<b>Total debt securities</b>	<b>12,970.3</b>	<b>693.1</b>	<b>13,663.4</b>	<b>84.1%</b>	<b>3,971.6</b>	<b>74.1%</b>	<b>17,635.0</b>	<b>81.6%</b>
Equity securities	5.6	-	5.6	.1%	46.1	.9%	51.7	.3%
<b>Total debt and equity securities</b>	<b>12,975.9</b>	<b>693.1</b>	<b>13,669.0</b>	<b>84.2%</b>	<b>4,017.7</b>	<b>75.0%</b>	<b>17,686.7</b>	<b>81.9%</b>
<b>Mortgage loans</b>	<b>1,024.8</b>	<b>9.7</b>	<b>1,034.5</b>	<b>6.4%</b>	<b>589.4</b>	<b>11.0%</b>	<b>1,623.9</b>	<b>7.5%</b>
<b>Other investments:</b>								
Real estate	162.7	1.6	164.3	1.0%	82.0	1.5%	246.3	1.1%
Hedge funds	207.8	-	207.8	1.3%	298.8	5.6%	506.6	2.3%
Private equity	134.3	4.6	138.9	.9%	285.7	5.3%	424.6	2.0%
Other	186.0	3.9	189.9	1.1%	-	-	189.9	.9%
<b>Total other investments</b>	<b>690.8</b>	<b>10.1</b>	<b>700.9</b>	<b>4.3%</b>	<b>666.5</b>	<b>12.4%</b>	<b>1,367.4</b>	<b>6.3%</b>
<b>Total investments</b>	<b>14,691.5</b>	<b>712.9</b>	<b>15,404.4</b>	<b>94.9%</b>	<b>5,273.6</b>	<b>98.4%</b>	<b>20,678.0</b>	<b>95.7%</b>
<b>Cash and cash equivalents</b>	<b>824.4</b>	<b>10.9</b>	<b>835.3</b>	<b>5.1%</b>	<b>86.8</b>	<b>1.6%</b>	<b>922.1</b>	<b>4.3%</b>
<b>Total investments, cash and cash equivalents</b>	<b>\$ 15,515.9</b>	<b>\$ 723.8</b>	<b>\$ 16,239.7</b>		<b>\$ 5,360.4</b>		<b>\$ 21,600.1</b>	
<b>Average credit quality</b>	<b>A+</b>	<b>A+</b>	<b>A+</b>		<b>A</b>		<b>A+</b>	
<b>Average duration (years) <sup>(5)</sup></b>	<b>4.6</b>	<b>4.8</b>	<b>4.6</b>		<b>7.1</b>		<b>5.2</b>	

Refer to page 15 for an explanation of footnotes and definitions of terms used.

### Roll Forward of Health Care Costs Payable

(Millions)	Six Months Ended June 30,		Year Ended December 31,		
	2012	2011	2010	2009	
Health care costs payable, beginning of period	\$ 2,675.5	\$ 2,630.9	\$ 2,895.3	\$ 2,393.2	
Less: reinsurance recoverables	3.3	1.7	1.9	2.0	
Health care costs payable, beginning of period, net	2,672.2	2,629.2	2,893.4	2,391.2	
Acquisition of businesses	-	89.4	-	1.1	
Add: Components of incurred health care costs:					
Current year	11,929.3	22,047.9	23,045.6	24,127.2	
Prior years *	(163.5)	(394.4)	(326.0)	(66.0)	
Total incurred health care costs	11,765.8	21,653.5	22,719.6	24,061.2	
Less: Claims paid					
Current year	9,326.1	19,642.9	20,588.5	21,401.1	
Prior years	2,231.5	2,057.0	2,395.3	2,159.0	
Total claims paid	11,557.6	21,699.9	22,983.8	23,560.1	
Health care costs payable, end of period, net	2,880.4	2,672.2	2,629.2	2,893.4	
Add: reinsurance recoverables	3.1	3.3	1.7	1.9	
Health care costs payable, end of period	\$ 2,883.5	\$ 2,675.5	\$ 2,630.9	\$ 2,895.3	
Health care costs payable:					
Incurred but not reported claims	\$ 2,624.0	\$ 2,420.4	\$ 2,355.3	\$ 2,556.8	
Other claims	259.5	255.1	275.6	338.5	
Total health care costs payable	\$ 2,883.5	\$ 2,675.5	\$ 2,630.9	\$ 2,895.3	

\* Negative amounts reported for incurred health care costs related to prior years result from claims being settled for less than originally estimated.

Refer to page 15 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		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
<b>Summary of Results</b>				
Operating earnings, excluding prior-period development <sup>(6)</sup>	\$ 427.9	\$ 401.5		
Favorable development of prior-period health care cost estimates, net of tax	24.1	121.3		
Operating earnings	452.0	522.8	\$ 929.4	\$ 1,083.0
Net realized capital gains, net of tax	5.6	13.9	39.2	39.7
Net income (GAAP measure)	\$ 457.6	\$ 536.7	\$ 968.6	\$ 1,122.7
Weighted average common shares - diluted	346.2	387.3	351.5	389.2
<b>Summary of Results Per Common Share</b>				
Operating earnings	\$ 1.31	\$ 1.35	\$ 2.64	\$ 2.78
Net realized capital gains, net of tax	.01	.04	.12	.10
Net income (GAAP measure)	\$ 1.32	\$ 1.39	\$ 2.76	\$ 2.88
<b>Health Care and Group Insurance Operating Cash Flows as a Percentage of Operating Earnings</b>				
Net cash provided by operating activities: Health Care, Group Insurance and Corporate Financing			(A) \$ 1,238.2	\$ 1,035.9
Operating earnings: Health Care, Group Insurance and Corporate Financing			(B) 919.7	1,071.0
Net realized capital gains, net of tax			37.4	38.7
Net income: Health Care, Group Insurance and Corporate Financing			(C) \$ 957.1	\$ 1,109.7
Operating cash flow as a percentage of operating earnings			(A)/(B) 134.6%	96.7%
Operating cash flow as a percentage of net income			(A)/(C) 129.4%	93.3%

Refer to page 15 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		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
<b>Health Care</b>				
<b>Reconciliation of Revenue</b>				
Revenue, excluding net realized capital gains (Insured Funding)	(Refer to reconciliation on page 13) (Y) \$ 7,241.0	\$ 6,816.9	\$ 14,506.7	\$ 13,651.1
Revenue, excluding net realized capital gains (ASC Funding)	942.1	874.5	1,877.5	1,750.0
Revenue, excluding net realized capital gains	8,183.1	7,691.4	16,384.2	15,401.1
Net realized capital gains	5.7	15.0	47.3	48.7
Total revenue (GAAP measure)	\$ 8,188.8	\$ 7,706.4	\$ 16,431.5	\$ 15,449.8

**Reconciliations of Certain Reported Amounts**

**Commercial Medical Benefit Ratio:**

Premiums	(A) \$ 5,202.6	\$ 5,031.4	\$ 10,379.7	\$ 10,045.0	
Health care costs (GAAP measure)	(B) \$ 4,249.9	\$ 3,917.9	\$ 8,384.9	\$ 7,777.3	
Commercial MBR (GAAP measure)	(B)/(A)	81.7%	77.9%	80.8%	77.4%

**Medicare Medical Benefit Ratio:**

Premiums	(C) \$ 1,554.3	\$ 1,358.3	\$ 3,205.9	\$ 2,767.1	
Health care costs (GAAP measure)	(D) \$ 1,288.0	\$ 1,149.2	\$ 2,681.9	\$ 2,347.5	
Medicare MBR (GAAP measure)	(D)/(C)	82.9%	84.6%	83.7%	84.8%

**Medicaid Medical Benefit Ratio:**

Premiums	(E) \$ 411.0	\$ 343.7	\$ 769.7	\$ 671.9	
Health care costs (GAAP measure)	(F) \$ 370.4	\$ 299.7	\$ 699.0	\$ 590.0	
Medicaid MBR (GAAP measure)	(F)/(E)	90.1%	87.2%	90.8%	87.8%

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

(Millions)	Three Months Ended		Six Months Ended		
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	
<b>Group Insurance</b>					
<b>Reconciliation of Revenue</b>					
Revenue, excluding net realized capital gains	\$ 525.7	\$ 499.5	\$ 1,057.7	\$ 1,003.9	
Net realized capital (losses) gains	(2.0)	4.4	10.2	10.9	
<b>Total revenue (GAAP measure)</b>	<b>\$ 523.7</b>	<b>\$ 503.9</b>	<b>\$ 1,067.9</b>	<b>\$ 1,014.8</b>	
<b>Large Case Pensions</b>					
<b>Reconciliation of Revenue</b>					
Revenue, excluding net realized capital losses	\$ 117.7	\$ 132.1	\$ 248.7	\$ 266.1	
Net realized capital gains	4.9	2.0	2.8	1.5	
<b>Total revenue (GAAP measure)</b>	<b>\$ 122.6</b>	<b>\$ 134.1</b>	<b>\$ 251.5</b>	<b>\$ 267.6</b>	
<b>Total Company</b>					
<b>Reconciliation of Revenue</b>					
Revenue, excluding net realized capital gains	(A) \$ 8,826.5	\$ 8,323.0	\$ 17,690.6	\$ 16,671.1	
Net realized capital gains	8.6	21.4	60.3	61.1	
<b>Total revenue (GAAP measure)</b>	<b>(B) \$ 8,835.1</b>	<b>\$ 8,344.4</b>	<b>\$ 17,750.9</b>	<b>\$ 16,732.2</b>	
<b>Reconciliation of Operating Expenses</b>					
Operating expenses, Health Care - Insured funding	(C) \$ 811.9	\$ 822.2	\$ 1,641.5	\$ 1,636.8	
Operating expenses, Health Care - ASC funding, Group Insurance and Large Case Pensions	835.2	768.3	1,672.2	1,516.0	
Business segment operating expenses	(D) 1,647.1	1,590.5	3,313.7	3,152.8	
Corporate Financing segment operating (benefit) expense	(.7)	1.2	(1.3)	2.4	
<b>Total operating expenses (GAAP measure)</b>	<b>(E) \$ 1,646.4</b>	<b>\$ 1,591.7</b>	<b>\$ 3,312.4</b>	<b>\$ 3,155.2</b>	
<b>Operating Expense Ratios:</b>					
Operating expense ratio, Health Care - Insured funding <sup>(1)</sup>	(C)/(Page 12-Y)	11.2 %	12.1 %	11.3 %	12.0 %
Business segment operating expense ratio <sup>(1)</sup>	(D)/(A)	18.7 %	19.1 %	18.7 %	18.9 %
Total operating expense ratio (GAAP measure)	(E)/(B)	18.6 %	19.1 %	18.7 %	18.9 %

Refer to page 15 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		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
<b>Reconciliation to Income Before Income Taxes</b>				
Operating earnings before income taxes, excluding interest expense and amortization				
of other acquired intangible assets (A)	\$ 788.5	\$ 886.8	\$ 1,618.2	\$ 1,837.9
Interest expense	(64.4)	(61.5)	(123.7)	(127.6)
Amortization of other acquired intangible assets	(37.0)	(25.6)	(74.8)	(51.9)
Net realized capital gains	8.6	21.4	60.3	61.1
Income before income taxes (GAAP measure)	\$ 695.7	\$ 821.1	\$ 1,480.0	\$ 1,719.5
<b>Reconciliation to Net Income</b>				
Operating earnings, excluding interest expense and amortization				
of other acquired intangible assets	\$ 517.9	\$ 579.3	\$ 1,058.4	\$ 1,199.6
Interest expense, net of tax	(41.9)	(39.9)	(80.4)	(82.9)
Amortization of other acquired intangible assets, net of tax	(24.0)	(16.6)	(48.6)	(33.7)
Net realized capital gains, net of tax	5.6	13.9	39.2	39.7
Net income (GAAP measure) (B)	\$ 457.6	\$ 536.7	\$ 968.6	\$ 1,122.7
<b>Reconciliation of Revenue</b>				
Revenue, excluding net realized capital gains (C)	\$ 8,826.5	\$ 8,323.0	\$ 17,690.6	\$ 16,671.1
Net realized capital gains	8.6	21.4	60.3	61.1
Total revenue (GAAP measure) (D)	\$ 8,835.1	\$ 8,344.4	\$ 17,750.9	\$ 16,732.2
<b>Operating Margin</b>				
Pretax operating margin <sup>(1)</sup> (A)/(C)	8.9 %	10.7 %	9.1 %	11.0 %
After-tax net income margin (GAAP measure) (B)/(D)	5.2 %	6.4 %	5.5 %	6.7 %

Refer to page 15 for an explanation of footnotes and definitions of terms used.



### Footnotes

- <sup>(1)</sup> 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 11 - 14.
- <sup>(2)</sup> 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 and six months ended June 30, 2012 and 2011.

(Millions)	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
<b><u>Pretax - Pension Expense</u></b>				
Operating component (allocated to business segments)	\$ (.9)	\$ (.9)	\$ (1.9)	\$ (1.9)
Financing component (allocated to Corporate Financing segment)	(.7)	1.2	(1.3)	2.4
Total pension expense - pretax	\$ (1.6)	\$ .3	\$ (3.2)	\$ .5
<b><u>After tax - Pension Expense</u></b>				
Operating component (allocated to business segments)	\$ (.6)	\$ (.6)	\$ (1.2)	\$ (1.3)
Financing component (allocated to Corporate Financing segment)	(.4)	.8	(.8)	1.6
Total pension expense - after tax	\$ (1.0)	\$ .2	\$ (2.0)	\$ .3

- <sup>(3)</sup> Represents members in consumer-directed health plans included in Aetna's Commercial medical membership.
- <sup>(4)</sup> Represents members in products that allow these members access to Aetna's dental provider network for a nominal fee.
- <sup>(5)</sup> Represents the average duration of our debt securities, mortgage loans and cash and cash equivalents at June 30, 2012, excluding equity and equity-like investments that have no duration.
- <sup>(6)</sup> Operating earnings, excluding prior-period development excludes the items identified in note (1) above, if applicable, and any significant development of prior-period health care cost estimates.

### 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.