

BCS FINANCIAL CORPORATION

Board of Directors
and
Financial Statements

BCS FINANCIAL CORPORATION
BOARD OF DIRECTORS

MR. J. PAUL AUSTIN
Senior Vice President
Blue Cross and Blue Shield of Michigan

MR. MARK W. BANKS, M.D.
President and Chief Executive Officer
Blue Cross and Blue Shield of Minnesota

MR. TOM BOWSER
President and Chief Executive Officer
BlueCross BlueShield of Kansas City

MR. JOSEPH A. FRICK
President and Chief Executive Officer
Independence Blue Cross

MR. WILLIS T. KING, JR.
Retired

MR. RAYMOND F. McCASKEY
President and Chief Executive Officer
Health Care Service Corporation
Chairman of the Board
BCS Financial Corporation

MR. JAMES M. MEAD
Vice Chairman
Capital Blue Cross

MS. CYNTHIA S. MILLER
Vice President and Corporate Actuary
Wellpoint, Inc.

MR. WILLIAM R. MILNES, JR.
President and Chief Executive Officer
Blue Cross and Blue Shield of Vermont

MR. ROBERT F. ORLICH
President and Chief Executive Officer
Transatlantic Reinsurance Company

MR. G. PHILLIP POPE
President and Chief Executive Officer
Blue Cross and Blue Shield of Alabama

MR. JAMES E. PURCELL, ESQ
President and Chief Executive Officer
Blue Cross and Blue Shield of Rhode Island

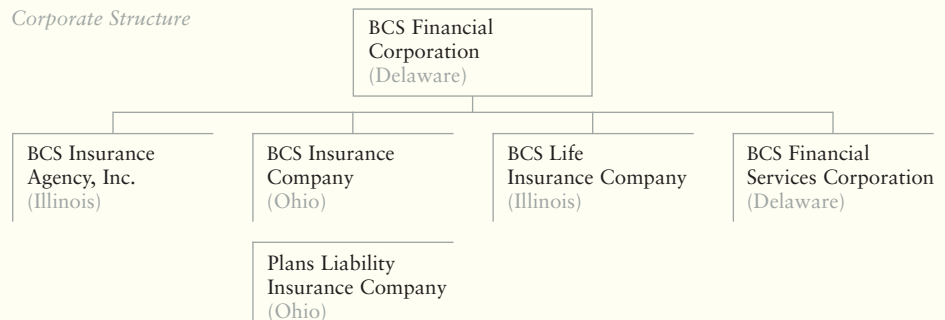
MR. DANIEL P. RYAN
President and Chief Executive Officer
BCS Financial Corporation

MR. SCOTT P. SEROTA
President and Chief Executive Officer
BlueCross BlueShield Association

MR. ROBERT SHOPTAW
Chief Executive Officer
Arkansas Blue Cross and Blue Shield

MR. DONALD J. ZUK
President and Chief Executive Officer
The SCPIE Companies

Corporate Structure



BCS FINANCIAL CORPORATION
& SUBSIDIARIES
FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (\$000)			
DECEMBER 31,	2006	2005	2004
Assets			
Total Investments	\$ 334,061	\$ 332,543	\$ 317,108
Other Assets	<u>291,623</u>	<u>261,382</u>	<u>243,458</u>
Total Assets	\$ 625,684	\$ 593,925	\$ 560,566
Liabilities, Including Minority Interest	448,519	426,082	398,234
Shareholders' Equity	<u>177,165</u>	<u>167,843</u>	<u>162,332</u>
Total Liabilities and Shareholders' Equity	\$ 625,684	\$ 593,925	\$ 560,566
CONSOLIDATED STATEMENTS OF INCOME (\$000)			
DECEMBER 31,	2006	2005	2004
Gross Written Premium	\$ 485,054	\$ 454,153	\$ 392,907
Revenues			
Premium Earned	\$ 288,252	\$ 272,473	\$ 234,395
Net Investment Income	<u>16,058</u>	<u>12,712</u>	<u>12,658</u>
Total Revenue	\$ 304,310	\$ 285,185	\$ 247,053
Expenses			
Underwriting Expenses	279,865	264,446	229,163
Other Expense	<u>2,514</u>	<u>4,741</u>	<u>1,953</u>
Total Expenses	\$ 282,379	\$ 269,187	\$ 231,116
Income Before Income Taxes	21,931	15,998	15,937
Provision For Income Taxes	<u>7,478</u>	<u>4,123</u>	<u>5,324</u>
Income From Continuing Operations Before Minority Interest	\$ 14,453	\$ 11,875	\$ 10,613
Minority Interest	<u>(1,639)</u>	<u>(2,823)</u>	<u>(2,846)</u>
Net Income	\$ 12,814	\$ 9,052	\$ 7,767
Per Common Share:			
Net Income	\$ 11.53	\$ 8.15	\$ 6.99

BCS FINANCIAL CORPORATION

2 MID AMERICA PLAZA, SUITE 200

OAKBROOK TERRACE, IL 60181

TEL 630 472 7700

FAX 630 472 7817

WWW.BCSIGROUP.COM