



BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

SCOTT BEACHAM

President and Chief Executive Officer
BCS Financial Corporation

**TOM BOWSER,
BCS VICE CHAIRMAN**

President and Chief Executive Officer
Blue Cross and Blue Shield of Kansas City

PATRICIA HEMINGWAY HALL

President and Chief Executive Officer
Health Care Service Corporation

WILLIS T. KING, JR.

Chairman
First Protective Insurance Company

DANIEL J. LOEPP

President and Chief Executive Officer
Blue Cross and Blue Shield of Michigan

STEVEN S. MARTIN

President and Chief Executive Officer
Blue Cross and Blue Shield of Nebraska

WILLIAM R. MILNES, JR.

Retired President and Chief Executive Officer
Blue Cross and Blue Shield of Vermont

ROBERT F. ORLICH

Chairman, President and Chief Executive Officer
Transatlantic Reinsurance Company

**G. PHILLIP POPE,
BCS CHAIRMAN**

President and Chief Executive Officer
Blue Cross and Blue Shield of Alabama

JAMES E. PURCELL

President and Chief Executive Officer
Blue Cross & Blue Shield of Rhode Island

SCOTT P. SEROTA

President and Chief Executive Officer
Blue Cross and Blue Shield Association

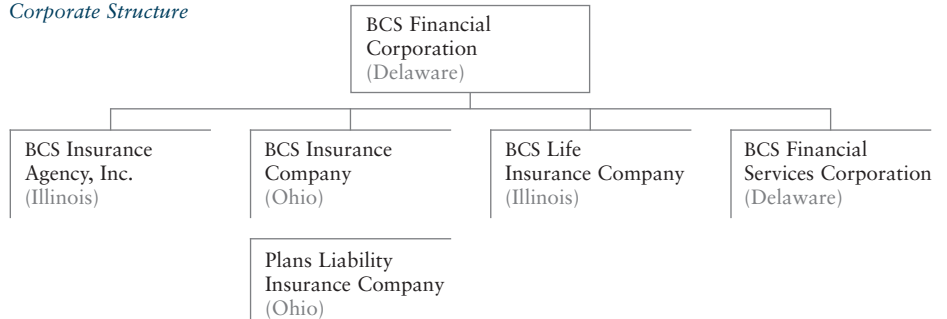
MARK L. WAGER

President
Empire BlueCross BlueShield

P. MARK WHITE

President and Chief Executive Officer
Arkansas Blue Cross and Blue Shield

Corporate Structure



BCS FINANCIAL CORPORATION
& SUBSIDIARIES

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (\$000)

DECEMBER 31,	2008	2007	2006*
Assets			
Total Investments	\$ 335,881	\$ 357,052	\$ 334,061
Other Assets	232,346	267,060	277,090
Total Assets	\$ 568,227	\$ 624,112	\$ 611,151
Liabilities	350,310	398,708	403,598
Shareholders' Equity	217,917	225,404	207,553
Total Liabilities and Shareholders' Equity	\$ 568,227	\$ 624,112	\$ 611,151

CONSOLIDATED STATEMENTS OF INCOME (\$000)

DECEMBER 31,	2008	2007	2006*
Gross Written Premium	\$ 451,358	\$ 498,364	\$ 484,366
Revenues			
Premium Earned	\$ 312,904	\$ 305,977	\$ 288,252
Net Investment Income	5,517	15,320	16,058
Total Revenue	\$ 318,421	\$ 321,297	\$ 304,310
Expenses			
Underwriting Expenses	311,518	301,068	279,865
Other Expenses (Income)	2,283	(1,827)	2,514
Total Expenses	\$ 313,801	\$ 299,241	\$ 282,379
Income Before Income Taxes	4,620	22,056	21,931
Provision for Income Taxes	986	7,414	7,478
Net Income	\$ 3,634	\$ 14,642	\$ 14,453
Per Common Share:			
Net Income	\$ 1.55	\$ 6.26	\$ 6.18

* The 2006 financial information has been restated to present comparative information relating to the merger between BCS Financial Corporation and BCSI Holdings during 2007.