This is the form of a material change report required under Section 85(1) of the British Columbia *Securities Act* and Section 146(1) of the Alberta *Securities Act*.

FORM 53-901F
(formerly Form 27)

Securities Act (British Columbia) Material Change Report Under Section 85(1) of the Act and Similar Provisions of Other Applicable Legislation

1. Reporting Issuer

Bancorp Financial Group Inc.
Suite 488, 1090 West Georgia Street
Vancouver, British Columbia
V6E 3V7

2. Date of Material Changes

June 17, 2003

3. Press Release

Attached as Schedule A is a copy of a press release which is relevant to this material change report and which was issued from Vancouver, British Columbia on June 17, 2003.

4. Summary of Material Changes

On June 17, 2003, Bancorp Financial Group Inc. (the "Company") announced that it approved, subject to regulatory, shareholder and court approval, a going private transaction by way of amalgamation with a company owned by Messrs. Frederick H. Mowatt, Arnold Miles-Pickup, John Laughlin McKinnon, Kenneth C. Tabor, Douglas Bentley, Richard Nicholson, Ronald Paton and Richard Peterson (the "Majority Shareholder Group"). The proposed amalgamation would have the effect of redeeming all of the shares held by the shareholders of the Company, other than those held by the Majority Shareholder Group, for $0.12 per share and the Company ceasing to be a public company. The proposed amalgamation will be submitted for approval by the shareholders of the Company at a meeting to be held on July 24, 2003 with a view to effecting the proposed amalgamation in August 2003 with the redemption of the shares occurring immediately thereafter. The Board of Directors of the Company recommended that shareholders vote in favour of the amalgamation as it represents an opportunity to realize the value of their shares at a price in excess of the recent trading of the shares and above the higher end of the range set out in an independent valuation report obtained by the Company in connection with the proposed transaction, among other reasons.

5. Full Description of Material Changes

On June 17, 2003, the Company announced that it approved, subject to regulatory, shareholder and court approval, a going private transaction by way of amalgamation with a company owned by the Majority Shareholder Group. The proposed amalgamation would have the effect of redeeming all of the shares held by shareholders of the Company, other than those held by the Majority Shareholder Group, for $0.12 per share and the Company ceasing to be a public company.

The proposed amalgamation will be submitted for approval by the shareholders of the Company at a meting to be held on July 24, 2003 with a view to effecting the proposed amalgamation in August 2003 with the redemption of the shares occurring immediately thereafter.

The proposed amalgamation must be approved by the affirmative vote of not less than 75% of the votes cast at the meeting. The members of the Majority Shareholder Group, which in aggregate holds approximately 81.93% of the outstanding shares, intend to vote in favour of the amalgamation. The amalgamation must also be approved by the majority of votes cast at the meeting by shareholders other than the Majority Shareholder Group.

An independent committee of directors of the Company (the "Special Committee") was constituted to review the proposed transaction. The Special Committee retained Blair Crosson Voyer ("BCV") and its partner , Mr. Richard Crosson, a chartered business valuator, to prepare a formal independent valuation of the Common Shares of the Company and to provide advice to the Special Committee. BCV concluded in its valuation that the fair market value of the Common Shares is in the range of $0.086 to $0.118 per share.

Completion of the transaction is subject to customary conditions including but not limited to receipt of Company's shareholder approvals including the approval, by a majority of the votes cast by minority shareholders of the proposed transaction, there not being in force any order or decree restraining or enjoining the consummation of the proposed transaction and all necessary approvals, rulings or orders of any regulatory body having jurisdiction over the Company having been obtained on terms satisfactory to the Company.

The Board of Directors of the Company (with members of the Majority Shareholder Group abstaining) recommended that shareholders vote in favour of the amalgamation as it represents an opportunity to realize the value of their shares at a price in excess of the recent trading of the shares and above the high end of the range set out in an independent valuation report obtained by the Company in connection with the proposed transaction, among other reasons.

6. Reliance on Section 67(2) of the Act

Not applicable

7. Omitted Information

Not applicable

8. Senior Officer

The following Senior Officer of the Company is available to answer questions regarding this report:

Douglas Bentley
Chief Operating Officer and Corporate Secretary
(604) 608-2717

9. Statement of Senior Officer

The undersigned hereby certifies that the statements made in this report are true and correct.

DATED at Vancouver, British Columbia, this 30th day of June, 2003.

BANCORP FINANCIAL GROUP INC.
(Name of Issuer)
Per:

"Douglas Bentley"
(Signature of authorized signatory)

Douglas Bentley
Chief Operating Officer and Corporate Secretary
(Name and office of authorized signatory)

Schedule "A"

Press Release dated June 17, 2003

(attached)

BANCORP FINANCIAL GROUP INC.

NEWS RELEASE

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

June 17, 2003 FOR IMMEDIATE RELEASE

Bancorp Announces Proposed Going Private Transaction

Vancouver, B.C. – Bancorp Financial Group Inc. (BFI-TSXV) announces that it has approved, subject to regulatory, shareholder and court approval, a going private transaction by way of amalgamation with a company which is wholly-owned by a group of the Company's shareholders holding approximately 82% of the Company's outstanding shares ("Majority Shareholder Group"). The proposed amalgamation would have the effect of redeeming all of the shares held by shareholders of the Company, other than those held by the Majority Shareholder Group, for $0.12 per share.

The proposed amalgamation will be submitted for approval by the shareholders of the Company at a special meeting to be held on July 24, 2003 with a view to effecting the proposed amalgamation in early August 2003 with the redemption of the shares occurring immediately thereafter.

The proposed amalgamation must be approved by the affirmative vote of not less than 75% of the votes case at the meeting. The Majority Shareholder Group intends to vote in favour of the amalgamation. The amalgamation must also be approved by the majority of votes cast at the meeting by shareholders other than the Majority Shareholder Group.

The Board of Directors of the Company recommends that shareholders vote in favour of the amalgamation as it represents an opportunity to realize the value of their shares above recent trading prices and the higher end of the $0.086 to$0.118 value range set out in an independent valuation report obtained by an independent committee of the Board, among other reasons.

Complete details regarding the proposed transaction will be set out in an Information Circular to be disseminated by the Company shortly in connection with the upcoming shareholders meeting.

For further information, please contact:

Douglas Bentley
Corporate Secretary
Bancorp Financial Services Inc.
Tel: 604-609-7109
Fax: 604-609-7107