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, BC V6E 3V7

2. Date of Material Change

   August 22, 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 August 22, 2003.

4. Summary of Material Change

   On August 22, 2003, Bancorp Financial Group Inc. (the "Company") announced that its previously announced going private transaction has been approved by the affirmative vote of over 94% of the total votes cast at the special meeting of its shareholders held on August 22, 2003 (adjourned from July 24, 2003) (the "Meeting"). The going private transaction was also approved by an affirmative vote of a majority of the votes cast by the minority shareholders of the Company at the Meeting.

5. Full Description of Material Change

   On June 17, 2003, the Company announced that it had 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 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 requires the approval by the affirmative vote of not less than 75% of the votes cast at a meeting of the shareholders of the Company called for this purpose. The amalgamation also requires the approval 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.

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.

On August 22, 2003, the proposed transaction was approved by the affirmative vote of over 94% of the total votes cast at the Meeting, and by an affirmative vote of a majority of the votes cast at the Meeting by shareholders other than the Majority Shareholder Group.

Completion of the transaction remains subject to customary conditions including but not limited to 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 Company now intends to seek the approval of the Supreme Court of British Columbia to the proposed transaction, with a view to effecting the proposed transaction in early September 2003 with the redemption of the shares occurring immediately thereafter.

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 29th day of August, 2003.

**BANCORP FINANCIAL GROUP INC.**
(Name of Issuer)

Per:

**Signed: "Douglas Bentley"**
(Signature of authorized signatory)

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



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**SCHEDULE A**

**BANCORP FINANCIAL GROUP INC.**

# NEWS RELEASE

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

FOR IMMEDIATE RELEASE August 22, 2003

**Bancorp Announces Approval of Going Private Transaction**

Vancouver, B.C. – Bancorp Financial Group Inc. (BFI-TSXV) (the "Company") announces that the amalgamation of the Company with Rivera Enterprises Ltd. was approved by the affirmative vote in excess of 94% of the total votes cast at the meeting and by a majority of the minority vote at the Special Meeting of the Company adjourned from July 24, 2003 and concluded today.

For further information, please contact:

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