

DUNDEE BANCORP INC.
ANNOUNCES THIRD QUARTER 2002 FINANCIAL RESULTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

November 19, 2002, Toronto, Ontario – **Dundee Bancorp Inc. (DBC.A – TSX)** In the Annual Report for the year 2001, shareholders were told that we were a company “under construction” – “a work in progress”. These statements were a particular reference to the continued build-out of the financial service business of our subsidiary, Dundee Wealth Management, as well as the consolidation and rationalization of the resource portfolio of Dundee Resources Ltd.

Having completed almost eleven months of 2002, management can report that we have made considerable progress on both fronts. In Dundee Wealth we have been growing assets under management and distribution power, both internally and by acquisition. Having accomplished this during an environment of capital market negativity is quite gratifying and reflects well on a vibrant, passionate and committed management team.

Dundee Resources has likewise made progress in its efforts to rationalize which, while not so obvious, will soon begin to bear fruit.

The progress on our real estate portfolio has been publicly reported elsewhere with excellent financial results from Dundee Realty Corporation, of which we now own 45%.

Unfortunately, as measured by our quoted stock price, our management team's commitment, passion and hard work has gone unnoticed by outside stock market investment participants. Shareholders in the past were advised that the share value of our company is much in excess of current market related prices. In one instance, this was supported by an independent study that fully outlined that fact. While that study is now several years old, management believes that shareholder wealth has increased further since that last report.

Accordingly, management continues to purchase shares of our company for cancellation to treasury. Management intends to continue this practice to the extent allowable under regulatory requirements and taking into consideration the prudent management of our balance sheet. In particular, shareholders should be aware that some of the Company's subsidiaries are investigating acquisition opportunities which, if completed, may be considered material. It is in the positive interest of all shareholders to continue the purchase of our shares for cancellation to treasury and it is management's intention to continue that practice.

ACQUISITIONS BY THE WEALTH MANAGEMENT DIVISION

CANADIAN FIRST FINANCIAL GROUP INC.

In August 2002, Dundee Wealth Management, the Company's 84%-owned subsidiary, completed the acquisition of Canadian First Financial Group Inc. (“CFFG”), a public financial services company. The main operating subsidiaries of CFFG, including Ross Dixon Financial Services Limited (“Ross Dixon”) and Hewmac Investment Services Inc. (“Hewmac”), both mutual fund dealers, have been integrated into the operations of Dundee Wealth's mutual fund dealer subsidiary Dundee Private Investors Inc. The total purchase price, as further disclosed in note 2 to the financial statements, was \$13.4 million, including a cash payment of \$10.7 million and the assumption of certain obligations and acquisition costs estimated at \$2.7 million. CFFG added approximately 200 investment advisors and \$2.1 billion of client assets under administration to the wealth management division.

STRATEGICNOVA INC.

On October 2, 2002, Dundee Wealth completed the acquisition of StrategicNova Inc., a provider of mutual funds and other investment products as well as a corporate restructuring. As part of the acquisition, Dundee Wealth transferred substantially all of its assets and liabilities, including its interest in its operating subsidiaries to a new holding company, DWM Inc. ("DWM"), in exchange for an 81.7% interest in DWM. In exchange for its interest in StrategicNova, CDP Capital - Financial Services, the former majority shareholder of StrategicNova, exchanged \$31 million of debt for equity of DWM and added a net amount of \$15 million in cash to acquire an 18.3% interest in DWM. Dundee Wealth intends to integrate the operations of StrategicNova (now DynamicNova Inc.) with Dundee Wealth's subsidiary, Dynamic Mutual Funds Ltd. Details of the transaction are further discussed in note 5 to the financial statements.

After one-time integration costs estimated at \$8 million, part of which will form part of the purchase equation, the integration of operations of DynamicNova with those of the wealth management division are expected to gradually generate annual operating synergies of about \$20 million, in addition to the results of operations which will be consolidated with the results of DWM from the date of acquisition.

At the date of acquisition, the transaction increased assets under management of Dundee Wealth by 33% to \$8.3 billion.

RESULTS OF OPERATIONS

SEGMENTED OPERATING RESULTS

(in thousands of dollars)

SEGMENTED (LOSS) EARNINGS	Wealth Management		Corporate and Merchant Banking		International Activities		TOTAL	
	2002	2001	2002	2001	2002	2001	2002	2001
REVENUES								
Management and administration fees	\$ 84,680	\$ 81,883	\$ -	\$ -	\$ 2,133	\$ 1,830	\$ 86,813	\$ 83,713
Redemption fees	6,227	6,756	527	1,413	-	-	6,754	8,169
Financial services	92,380	83,489	-	382	405	248	92,785	84,119
Intersegment distribution fee revenue	-	-	3,637	4,480	-	-	3,637	4,480
Investment income	197	2,121	4,550	8,158	(16)	613	4,731	10,892
	183,484	174,249	8,714	14,433	2,522	2,691	194,720	191,373
EXPENSES								
Selling, general and administrative	79,259	79,130	4,873	6,445	3,101	2,561	87,233	88,136
Variable compensation	53,732	43,852	-	-	-	-	53,732	43,852
Share-based compensation	350	-	-	-	-	-	350	-
Trailer fees	15,217	14,844	-	-	-	-	15,217	14,844
Intersegment distribution fee expense	3,637	4,480	-	-	-	-	3,637	4,480
Amortization of deferred sales commissions	23,141	24,558	-	4,059	-	-	23,141	28,617
Amortization of goodwill	-	3,362	-	581	-	360	-	4,303
Depreciation and amortization	4,423	3,786	585	573	78	60	5,086	4,419
Interest expense	1,568	1,971	8,528	8,489	27	937	10,123	11,397
	181,327	175,983	13,986	20,147	3,206	3,918	198,519	200,048
OPERATING (LOSS) EARNINGS	2,157	(1,734)	(5,272)	(5,714)	(684)	(1,227)	(3,799)	(8,675)
Other items:								
Equity earnings (loss)	-	-	6,898	(32,818)	-	-	6,898	(32,818)
Investment provision	-	-	(3,973)	(10,487)	-	-	(3,973)	(10,487)
Non controlling interest	290	844	-	-	-	-	290	844
(LOSS) EARNINGS BEFORE TAXES	\$ 2,447	\$ (890)	\$ (2,347)	\$ (49,019)	\$ (684)	\$ (1,227)	(584)	(51,136)
Oil and gas properties							729	-
Discontinuance of operations in India							-	(10,092)
Income taxes							(1,978)	(1,752)
							\$ (1,833)	\$ (62,980)

RESULTS OF THE WEALTH MANAGEMENT DIVISION

Management fee revenues for the three and nine months ended September 30, 2002 were \$26.4 million and \$84.7 million, respectively, compared to \$26.2 million and \$81.9 million in the same periods of the prior year. Management fees in 2002 include performance fees of \$1.5 million earned in the second quarter, primarily from our closed end and tax-sheltered product lines.

As experienced throughout the industry, general market conditions caused deterioration in the market value of assets under management. Therefore, since January 1, 2002, assets under management have decreased to \$6.188 billion from \$6.476 billion at the beginning of this year, despite continued net positive sales of over \$215 million.

Average assets under management have increased 4% from \$6.3 billion for the nine months ended September 30, 2001 to \$6.5 billion for the nine months ended September 30, 2002. Net sales activity throughout the third quarter continued a trend towards growth in asset categories paying lower than average management fees, reducing the average fee earned from 1.72% at the end of September 2001 to 1.67% at the end of September 2002.

Redemptions of units sold on a deferred sales charge basis during the first nine months of 2002 were \$534 million or 61% of all redemptions of corporate products generating \$6.2 million of redemption fee revenue for Dundee Wealth. Redemptions have increased by \$35.0 million compared to the same period of 2001. However, redemption fee revenues dropped because of a decrease in the average redemption fee rate. The rate reduction is attributable both to the short redemption fee schedule implemented in 1999 as well as a general aging of assets under management. While approximately 46% of fund sales were transacted on a deferred sales charge basis, both in the first nine months of 2002 and 2001, 29% were sold with a short redemption fee option during the current year compared to 20% in the prior year.

In August 2002, Dundee Wealth acquired all of the outstanding common shares of CFFG and its related mutual fund dealers, Ross Dixon and Hewmac (see "Business Acquisitions"). Since acquisition, CFFG has generated financial services revenue of \$2.5 million.

Financial services revenue, including CFFG revenue since acquisition, was \$92.4 million in the first nine months of 2002 compared to \$83.5 million in the same period of the previous year. Although retail commission and trailer revenue earned in the current quarter decreased to about \$15.8 million from levels of over \$17 million in each of the first two quarters of this year, these revenues are well above comparable industry statistics which show a shortfall for the comparable period.

The strongest growth in financial services revenues has been from corporate finance activities which increased over 125% in the first nine months of 2002 compared to 2001 levels. On a year-to-date basis, Dundee Wealth's brokerage subsidiary, Dundee Securities, has participated in over 100 financing transactions. Corporate finance activity was especially strong in the second quarter of this year, largely due to the prominence of the resource sector, in which Dundee Securities has been a significant participant.

In the second quarter of 2002, the shareholders and unitholders of certain mutual funds approved an amendment to the annual limit on the funds' management expense ratio, offset by a reduction in the annual performance limit that Dundee Wealth may earn from each of these funds. The amendment was implemented on July 1, 2002, and, as anticipated, it reduces the amount of costs that are being absorbed by Dundee Wealth. In the third quarter, these costs were reduced to \$0.6 million compared with \$1.2 million in the same period of the prior year.

Also included in the current period is a provision of \$2.7 million against certain client accounts of the brokerage division of Dundee Wealth, \$0.4 million recognized in the third quarter. Comparable reserves in the same period of 2001 were \$2.4 million.

Variable compensation costs have increased from approximately \$43.9 million in the first nine months of 2001 to \$53.7 million in the first nine months of 2002. Approximately \$7.0 million of this differential is attributable to and consistent with higher financial service revenues year over year. Variable compensation costs dropped 21% from levels in the second quarter of this year, once again reflective of market conditions.

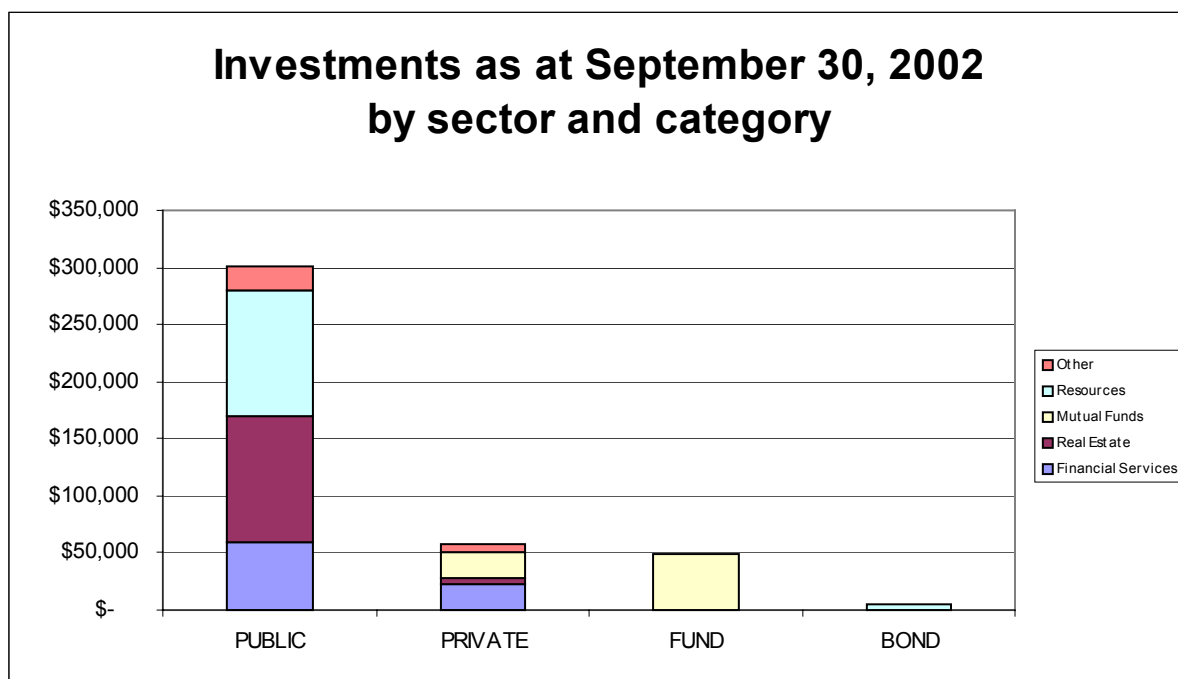
Trailer fees paid by Dundee Wealth during the first nine months of the current year are consistent at approximately \$5.0 million per quarter. Trailer fees, before adjusting for any amounts paid between business segments, represent a charge of about 22% of total management fees earned by Dundee Wealth, and continue to represent approximately 0.4% of average assets managed.

At the end of the current quarter, the carrying value of deferred sales commissions was \$53.4 million. The contingent redemption fee payable if all assets sold on a deferred sales charge basis were redeemed on September 30, 2002, approximates \$105 million (2001 – \$119 million). Dundee Wealth would be entitled to approximately \$101 million (2001 – \$99 million) or 96% (2001 – 83%) of this amount, with the balance payable to other financing vehicles. Amortization of deferred sales commissions decreased marginally from \$24.6 million in the first nine months of 2001 to \$23.1 million in the same period of 2002.

RESULTS OF THE CORPORATE AND MERCHANT BANKING DIVISION

Consistent with adverse market conditions experienced globally, during the second and third quarter of this year, the market value of the Company’s merchant banking portfolio, exclusive of Dundee Bancorp’s consolidated investments in Dundee Wealth and Eurogas, fell from \$423 million at December 31, 2001 to \$413 million at September 30, 2002. Although the market value of the Company’s investments in Dundee Realty and Repadre Capital continued to grow, management of the Company conservatively increased its provision against the carrying value of its portfolio by \$4.0 million.

At September 30, 2002, 73% of the market value of the investment portfolio was invested in public company securities, 14% in private companies and 13% in mutual funds and other liquid assets.



In accordance with Canadian generally accepted accounting principles, certain of the Company's investments are accounted for using the equity method whereby the Company includes its proportionate interest in the earnings and losses of these investments in the Company's consolidated earnings. The equity method will also result in the calculation and recognition of a gain or loss in respect of the investment if the Company's percentage ownership is diluted because of, for example, the issuance of additional shares by the investee.

The following table summarizes the carrying value of the Company's investment portfolio as at September 30, 2002.

(in thousands of dollars)

<i>September 30, 2002</i>	<i>Book Value</i>	<i>Market Value</i>
Equity accounted investees		
Black Hawk Mining Inc.	\$ 3,700	\$ 3,145
Breakwater Resources Ltd.	25,893	6,227
Dundee Realty Corporation	143,161	110,548
Repadre Capital Corporation	20,866	54,382
Zemex Corporation	36,621	26,733
Other	6,678	5,142
Marketable securities	70,054	54,775
Other portfolio investments	134,029	151,899
	\$ 441,002	\$ 412,851

Investment income for the first three quarters of 2002 was \$4.6 million compared with \$9.5 million in the same period of the prior year. Although dividend income was consistent at approximately \$1.6 million per year, interest income fell short of last year's level, both because of curtailed lending activity and because of lower interest spreads.

(in thousands of dollars)

	<i>2002</i>		<i>2001</i>	
	<i>3rd Quarter</i>	<i>YTD</i>	<i>3rd Quarter</i>	<i>YTD</i>
Interest, dividends and foreign exchange	\$ 879	\$ 3,329	\$ 2,540	\$ 5,366
Realized investment gains	915	3,246	2,019	8,206
Realized investment losses	(1,024)	(2,024)	(375)	(4,118)
	770	4,551	4,184	9,454
Share of earnings (losses) of equity accounted investees	(1,928)	3,914	(34,333)	(32,684)
Gains (losses) from dilutions of interest in equity accounted investees	(79)	2,984	(46)	(134)
Increase in investment provision	(3,973)	(3,973)	(18,622)	(18,622)
	\$ (5,210)	\$ 7,476	\$ (48,817)	\$ (41,986)

Net realized gains in the first nine months of 2002 were \$1.2 million compared with \$4.1 million in the comparable period of 2001. Trading activity in the Company's merchant banking portfolio has been selective in light of market conditions. The Company's portfolio is managed with a long-term perspective, therefore realized gains or losses are expected to vary from period to period. Unrealized holding gains or losses in the portfolio are not recognized in income.

Earnings from equity accounted investees increased to \$6.9 million in the first nine months of 2002 compared with equity losses of \$32.8 million in the same period of 2001. Equity earnings in the current year include a \$4.6 million dilution gain resulting from a financing completed by Repadre Capital. As a result of this financing and subsequent transactions proposed by Repadre, the Company expects that its interest will fall well below 20%, after which the operating results of Repadre will no longer be accounted for on an equity basis.

Strong earnings in each of Repadre and Dundee Realty have generated equity earnings of \$8.9 million. However, losses reported by Breakwater Resources resulted in an equity loss of \$4.6 million in the current quarter or \$6.6 million on a year-to-date basis, including a dilution loss resulting from the rights offering completed by Breakwater earlier in the year.

General operating costs relating to the merchant banking portfolio and other corporate costs have decreased from \$6.4 million in the first nine months of 2001 to \$4.9 million in the same period of 2002.

RESULTS OF INTERNATIONAL ACTIVITIES

Management and administration fee revenue from the Company's international subsidiaries totaled \$2.1 million in the first nine months of the current year compared to \$1.8 million in the same period of last year.

Selling, general and administrative costs associated with the Company's international activities have increased from \$2.6 million in 2001 to \$3.1 million in 2002. The increase relates primarily to office expansion costs in the Company's Cayman subsidiary.

OIL AND GAS SALES, NET OF ROYALTIES

In the first nine months of 2002, Eurogas earned \$4.7 million in revenues from oil and gas sales, net of royalties. The associated operating costs were \$1.5 million. Operating costs represent approximately 30% of revenues. The Company acquired control of Eurogas in the fourth quarter of 2001 and therefore there are no comparative revenues or expenses.

INTEREST EXPENSE

Interest expense for the nine months ended September 30, 2002 was \$9.8 million compared to \$11.0 million for the same period of 2001. Approximately 75% of the Company's total interest expense, or \$7.6 million, relates to the Company's \$150 million, 6.70% senior debentures issued in September 1997.

Residual interest expense on other corporate debt dropped from approximately \$3.4 million in the first nine months of 2001 to approximately \$0.7 million per quarter, or \$2.2 million in the first nine months of 2002. The decrease reflects a decline in both the prime lending rate and the US base rate reducing the average rate paid on Corporate Bankers' Acceptances from 5.48% in the first nine months of 2001 to 3.51% in the current year, exclusive of stand-by fees. Average interest rates for the third quarter of 2002 are 3.91% (2001 – 5.00%), up slightly from the second quarter rate of 3.44%. Borrowings on US overdrafts decreased from about 5.2% in the first nine months of 2001 to about 2.4% in the current year. The benefit of reduced lending rates has been partially offset by increased borrowing levels under revolving term credit facilities, both at the Dundee Bancorp and Dundee Wealth levels.

DEPRECIATION, DEPLETION AND AMORTIZATION

The Company acquired control of Eurogas in the fourth quarter of last year and therefore there is no comparative depletion of oil and gas properties during the first nine months of 2001.

(in thousands of dollars)

	2002		2001	
	3rd Quarter	YTD	3rd Quarter	YTD
Capital assets	\$ 1,619	\$ 4,968	\$ 1,571	\$ 4,301
Bond issue costs	39	118	39	118
Oil and gas properties	450	1,327	-	-
	\$ 2,108	\$ 6,413	\$ 1,610	\$ 4,419

Depreciation of capital assets increased by approximately \$0.7 million, mostly in Dundee Wealth's brokerage subsidiary, Dundee Securities. The increase reflects the investment made by Dundee Securities during 2001 to expand its infrastructure.

EARNINGS PER SHARE

Earnings per share is computed by dividing net earnings for the period by the weighted average number of Class A subordinate voting shares ("Subordinate Shares") and Class B common shares outstanding during the period of 25,470,829 (2001 – 26,309,535). Outstanding options were anti-dilutive.

LIQUIDITY AND CAPITAL RESOURCES

General operations and other transactions during the current year have resulted in an outflow of cash and short term investments, reducing the balance from \$118.0 million at the end of 2001 to approximately \$69.9 million at September 30, 2002.

Cash from operations, before accounting for changes in client account balances in the wealth management division, was \$27.8 million. The Company's merchant banking portfolio generated proceeds from sales of investments of \$15.4 million, of which \$13.9 million was reinvested back into the portfolio in new acquisitions.

The most significant uses of cash during the current year include the following:

- \$28.9 million relating to changes in client account balances at Dundee Securities Corporation. These balances represent funds belonging to or owing from clients, or amounts that are pending settlement, and therefore, changes in these balances may vary on a day-to-day basis, but do not necessarily indicate a significant change in the Company's financial position.
- \$19.7 million to finance deferred sales commissions of new products in the investment management division.
- \$10.7 million to fund the purchase price of CFFG (see "Acquisition of CFFG").
- \$12.2 million to acquire 825,167 Subordinate Shares pursuant to the Company's normal course issuer bid at an average price of \$14.78 per share in the first quarter of 2002. There were no significant purchases made subsequent to the first quarter of this year.
- The Company's oil & gas subsidiary expended \$6.5 million in exploration and development expenditures.

The Company's main operating subsidiaries operate in a regulated environment and are therefore subject to requirements whereby they must maintain required levels of capital. At September 30, 2002, all regulated entities complied with regulatory capital requirements and securities regulated entities reported excess capital of over \$25 million.

Management believes that cash flows generated from management and advisory activities, together with the Company's borrowing facilities and the Company's liquid investments (as described below), will be sufficient to meet ongoing working capital requirements, including planned capital spending, debt servicing requirements and the financing of deferred sales commissions. The Company is in the process of renegotiating its credit facility with its major banker which is expected to be completed by January 1, 2003.

In addition to cash and short term investments, the Company's portfolio holds certain investments, including money market instruments, bonds and mutual funds which the Company considers liquid investments. At September 30, 2002, these investments had a market value of approximately \$54.8 million, representing about 13% of the total market value of the Company's portfolio.

SHARE CAPITAL

At September 30, 2002, there were 24,318,473 Subordinate Shares and 1,049,297 Class B common shares outstanding. During 2002, the Company issued 419,315 Subordinate Shares and added \$1.6 million to its stated capital pursuant to the terms of its Share Incentive Plan.

In August 2002, the Company implemented the provisions of its Deferred Share Unit Plan ("DSUP"), which was approved by shareholders at the Annual and Special Meeting of the shareholders of the Company held in June 2002. Under the terms of the DSUP, certain directors or employees of the Company may be granted deferred share units ("Units") at the discretion of the compensation committee of the Board of Directors. The Units will be credited to the account of the participant in the DSUP and may only be redeemed by the participant when such participant ceases to be an employee or director of the Company. At such time, the Company may, at its sole discretion, satisfy the payment of the market value of the Units, determined in accordance with the terms of the DSUP, in its entirety or as a combination of an issuance from treasury of Subordinate Shares, a cash payment or by delivering Subordinate Shares purchased in the open market. Included in current quarter earnings is approximately \$67,000 of compensation expense associated with directors fees which management expects will be satisfied by the issuance of Units. Accordingly, the compensation expense has been recorded against an increase in contributed surplus.

This document contains certain forward-looking statements that reflect the current views and/or expectations of Dundee Bancorp Inc. with respect to its performance, business and future events. Such statements, by their nature, involve a number of risks, uncertainties and assumptions. Actual results and events may vary materially from those expressed or implied in these statements.

Dundee Bancorp Inc. is primarily a holding company dedicated to wealth management and financial services. Its domestic financial service activities are carried out through its 84%-owned subsidiary, Dundee Wealth Management Inc. Dundee Bancorp also provides financial services internationally through its offices in Bermuda and the Cayman Islands. Together, these operations provide a broad range of financial products to individuals, institutions and corporations. Dundee Bancorp also holds and manages its own portfolio of investments, both directly and indirectly through wholly-owned subsidiaries. The portfolio includes both publicly listed and private companies in a variety of sectors, including real estate, resources and financial services.

FOR FURTHER INFORMATION PLEASE CONTACT:

Ned Goodman
President and Chief Executive Officer
Dundee Bancorp Inc.
(416) 365-5665

Joanne Ferstman
Vice President and Chief Financial Officer
Dundee Bancorp Inc.
(416) 365-5010

DUNDEE BANCORP INC.
CONSOLIDATED BALANCE SHEETS

As at September 30, 2002 and December 31, 2001
(expressed in thousands of Canadian dollars) (unaudited)

	September 30, 2002	December 31, 2001
ASSETS		
Cash and short term investments	\$ 69,884	\$ 117,995
Brokerage securities inventory	14,663	10,613
Accounts receivable	29,546	39,281
Current taxes receivable	825	-
Client accounts receivable	228,516	229,172
Investment portfolio	441,002	441,324
Future income tax assets	31,905	23,739
Deferred sales commissions	53,430	56,910
Capital and other assets (note 2 and 3)	169,317	154,837
TOTAL ASSETS	\$ 1,039,088	\$ 1,073,871
LIABILITIES		
Bank indebtedness	\$ 8,115	\$ -
Accounts payable and accrued liabilities	48,735	46,289
Brokerage securities sold short	2,021	2,094
Client deposits and related liabilities	240,014	269,615
Current taxes payable	-	2,344
Corporate debt	206,823	203,799
Future income tax liabilities	65,604	66,154
Non controlling interest	39,050	37,721
	610,362	628,016
SHAREHOLDERS' EQUITY		
Share capital		
Common shares	333,321	340,109
Retained earnings	95,405	105,746
	428,726	445,855
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,039,088	\$ 1,073,871

The accompanying notes are an integral part of these consolidated financial statements.

DUNDEE BANCORP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND RETAINED EARNINGS

For the three and nine months ended September 30, 2002 and 2001

(expressed in thousands of Canadian dollars, except per share amounts) (unaudited)

	Three Months		Nine Months	
	2002	2001	2002	2001
REVENUE				
Management and administration fees	\$ 27,086	\$ 26,926	\$ 86,813	\$ 83,713
Redemption fees	2,041	2,401	6,754	8,169
Financial services	26,372	22,658	92,785	84,119
	55,499	51,985	186,352	176,001
Investment income	770	4,184	4,551	9,454
Oil and gas sales, net of royalties	1,327	-	4,676	-
	57,596	56,169	195,579	185,455
EXPENSES				
Selling, general and administrative	27,651	31,353	88,412	89,069
Variable compensation	16,090	11,503	53,732	43,852
Share-based compensation (note 3)	200	-	350	-
Trailer fees	5,130	4,807	15,217	14,844
Operating costs, oil and gas properties	581	-	1,464	-
	49,652	47,663	159,175	147,765
OPERATING EARNINGS BEFORE INTEREST,				
TAXES AND OTHER NON CASH ITEMS				
	7,944	8,506	36,404	37,690
Amortization of deferred sales commissions	(7,260)	(9,029)	(23,141)	(28,617)
Amortization of goodwill (note 3)	-	(1,436)	-	(4,303)
Depreciation, depletion and amortization	(2,108)	(1,610)	(6,413)	(4,419)
Interest expense	(3,352)	(3,634)	(9,785)	(10,983)
	(4,776)	(7,203)	(2,935)	(10,632)
OPERATING LOSS	(4,776)	(7,203)	(2,935)	(10,632)
Share of earnings (losses) of equity accounted investees	(2,007)	(34,379)	6,898	(32,818)
Increase in investment provision to reflect decreases in value of investments	(3,973)	(18,622)	(3,973)	(18,622)
Income taxes				
Current	(2,232)	148	(8,872)	(7,691)
Future	5,205	677	6,894	5,939
Non controlling interest	477	647	155	844
NET LOSS FOR THE PERIOD	\$ (7,306)	\$ (58,732)	\$ (1,833)	\$ (62,980)
RETAINED EARNINGS AT BEGINNING OF PERIOD				
	\$ 102,711	\$ 159,742	\$ 105,746	\$ 163,462
Net loss	(7,306)	(58,732)	(1,833)	(62,980)
Goodwill impairment loss (note 3)	-	-	(3,948)	-
Change in opening retained earnings to account for changes in accounting policies of equity accounted investees, net of tax (note 3)	-	-	(2,124)	701
Premiums related to cancellation of share capital	-	(418)	(2,436)	(437)
Cancellation of share options	-	-	-	(154)
RETAINED EARNINGS AT END OF PERIOD	\$ 95,405	\$ 100,592	\$ 95,405	\$ 100,592
LOSS PER SHARE				
Basic loss per share	\$ (0.29)	\$ (2.23)	\$ (0.07)	\$ (2.39)
Diluted loss per share	\$ (0.29)	\$ (2.23)	\$ (0.07)	\$ (2.39)

The accompanying notes are an integral part of these consolidated financial statements.

DUNDEE BANCORP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

*For the three and nine months ended September 30, 2002 and 2001
(expressed in thousands of Canadian dollars) (unaudited)*

	Three months		Nine months	
	2002	2001	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$ (7,306)	\$ (58,732)	\$ (1,833)	\$ (62,980)
Non cash items:				
Depreciation, depletion and amortization	9,368	12,075	29,554	37,339
Net investment (gains) loss	101	(1,645)	(1,223)	(4,088)
Share of unremitted equity (earnings) loss	2,007	34,379	(6,898)	32,818
Increase in investment provision to reflect decreases in value of investments	3,973	18,622	3,973	18,622
Future income tax provision	(5,205)	(677)	(6,894)	(5,939)
Non controlling interest	(477)	(647)	(155)	(844)
Other non cash components of income	808	1,174	1,970	2,831
	3,269	4,549	18,494	17,759
Changes in:				
Accounts receivable	1,284	2,276	10,569	12,470
Accounts payable and accrued liabilities	(3,885)	(3,391)	(1,969)	(19,115)
Bank indebtedness	776	4,068	8,115	(18,288)
Current taxes payable	506	287	(3,258)	(5,651)
Brokerage securities inventory, net	(3,838)	(198)	(4,123)	(619)
Client accounts receivable, net of deposits and related liabilities	3,908	3,841	(28,945)	24,220
CASH (USED IN) PROVIDED FROM OPERATING ACTIVITIES	2,020	11,432	(1,117)	10,776
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds on sales of portfolio investments	9,307	1,178	15,360	18,016
Acquisition of investments	(3,823)	(2,813)	(13,891)	(21,197)
Acquisition of business, less cash therein of \$32 (note 2)	(10,712)	-	(10,712)	-
Sales commissions paid on distribution of mutual funds	(6,428)	(3,894)	(19,661)	(12,728)
Other	(4,968)	(3,230)	(12,070)	(9,259)
CASH USED IN INVESTING ACTIVITIES	(16,624)	(8,759)	(40,974)	(25,168)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in corporate debt	(786)	(477)	2,988	9,009
Issuance of Class A subordinate shares, net of costs	211	(136)	1,619	681
Issuance of shares in subsidiaries to non controlling interest	431	393	1,479	995
Dividends paid to non controlling shareholders	(131)	-	(131)	-
Issuance of shares in Eurogas to non controlling interest	217	-	217	-
Acquisition of Class A subordinate shares	(2)	(1,773)	(12,192)	(1,998)
Cancellation of options granted	-	-	-	(97)
CASH (USED IN) PROVIDED FROM FINANCING ACTIVITIES	(60)	(1,993)	(6,020)	8,590
NET (DECREASE) INCREASE IN CASH DURING THE PERIOD	(14,664)	680	(48,111)	(5,802)
Cash and short term investments, beginning of period	84,548	99,974	117,995	106,456
CASH AND SHORT TERM INVESTMENTS, END OF PERIOD	\$ 69,884	\$ 100,654	\$ 69,884	\$ 100,654
Cash flows from operating activities include the following:				
Interest paid	\$ 3,352	\$ 3,634	\$ 9,785	\$ 10,983
Taxes paid	\$ 2,229	\$ (21)	\$ 13,556	\$ 14,580

The accompanying notes are an integral part of these consolidated financial statements.

DUNDEE BANCORP INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2002 and 2001

(unaudited)

(tabular amounts expressed in thousands of dollars except per share amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The interim consolidated financial statements of Dundee Bancorp Inc. (the “Company” or “Dundee Bancorp”) have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as those disclosed in note 1 to the Company’s audited consolidated financial statements for the year ended December 31, 2001, except as disclosed in note 3 below. These interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2001.

2. BUSINESS COMBINATIONS

In August, 2002, the Company’s subsidiary Dundee Wealth Management Inc. (“Dundee Wealth”) completed a share acquisition of the issued and outstanding shares of Canadian First Financial Group (“CFFG”), a public financial services company. The acquisition has been accounted for as a purchase transaction and accordingly, the purchase price was allocated to the assets and liabilities acquired based on their estimated fair values on acquisition. The total purchase price was \$13,404,000 and was comprised of cash of \$10,744,000 and additional obligations in the amount of \$2,660,000. The amount by which the total purchase price exceeded the estimated fair value of the tangible net assets acquired was \$12,926,000 and has been included in “Capital and other assets” on the balance sheet.

On September 27, 2002, the operations of the mutual fund dealer subsidiaries of CFFG were integrated with those of Dundee Private Investors Inc., the mutual fund dealer subsidiary of Dundee Wealth.

3. CHANGES IN ACCOUNTING POLICIES

Goodwill and Other Intangible Assets

On January 1, 2002, the Company adopted CICA Handbook Section 3062, “Goodwill and Other Intangible Assets”. Under this section, goodwill and certain other intangible assets with an indefinite life are no longer amortized. Included in the Company’s balance sheet is \$99,200,000 of goodwill and other intangible assets. These assets were not amortized in the first nine months of 2002. Previously, these assets were amortized on a straight line basis over 20 years. The new guideline requires impairment testing on the carrying value of goodwill and other intangible assets. Management has assessed its goodwill carrying value as at December 31, 2001 by applying fair-value-based tests and determined that it was appropriate to reduce the carrying value of goodwill related to certain of its international activities by \$3,948,000. In accordance with provisions of the new section, the Company has reduced its opening retained earnings as at January 1, 2002 by this amount.

The effects of the above change in accounting policy to the interim consolidated financial statements, had the requirements of Section 3062 been applied retroactively to 2001, would have been as follows:

	2002		2001	
	3rd Quarter	YTD	3rd Quarter	YTD
Reported loss	\$ (7,306)	\$ (1,833)	\$ (58,732)	\$ (62,980)
Add back amortization of goodwill and other intangible assets, net of tax	-	-	1,381	4,126
Net loss adjusted for amortization of goodwill and other intangible assets	\$ (7,306)	\$ (1,833)	\$ (57,351)	\$ (58,854)
Basic and diluted loss per share as reported	\$ (0.29)	\$ (0.07)	\$ (2.23)	\$ (2.39)
Basic and diluted loss per share adjusted for amortization of goodwill and other intangible assets	\$ (0.29)	\$ (0.07)	\$ (2.18)	\$ (2.24)

Two of the Company's equity accounted investees completed impairment testing of goodwill and other intangible assets as required under Section 3062, during the first nine months of 2002. As a result, these equity accounted investees recorded a reduction to their January 1, 2002 opening retained earnings of approximately \$7,500,000. Dundee Bancorp has recorded its proportionate interest in this reduction in retained earnings, net of tax, against the Company's opening retained earnings as at January 1, 2002.

Other Accounting Changes of Equity Accounted Investees

An equity accounted investee of the Company has adopted the new CICA recommendation for the elimination of the deferral and amortization of unrealized gains and losses on foreign currency denominated monetary items that have a fixed or ascertainable life extending beyond the current reporting period. This same investee has amended its policy for revenue recognition on sales of inventory. Under the new method, revenue is recognized upon delivery of inventory to third party customers. Previously, revenue was recognized at the time of production. As a result, this equity accounted investee recorded a reduction to its January 1, 2002 opening retained earnings of approximately \$700,000. Dundee Bancorp has recorded its proportionate interest in this reduction in retained earnings, net of tax, against the Company's opening retained earnings as at January 1, 2002.

The cumulative effects of the above changes to opening retained earnings is summarized in the table below.

Change in accounting policies, equity accounted investees	\$ (2,124)
Goodwill impairment adjustment	\$ (3,948)

Share-based Compensation

The Company implemented the requirements of CICA Handbook Section 3870, "Stock-based Compensation" on January 1, 2002. This section requires the use of a fair-value-based method to account for certain types of share-based compensation arrangements in the Company, its subsidiaries and equity accounted affiliated companies.

Dundee Bancorp, and its 84%-owned subsidiary, Dundee Wealth, may issue shares pursuant to their respective Share Incentive Plans. The terms under which shares may be issued to employees and others pursuant to these plans are detailed in note 9 to the Company's consolidated financial statements for the year ended December 31, 2001. Details of the Dundee Wealth Share Incentive Plans are included in note 10 to the consolidated financial statements of Dundee Wealth for the year ended December 31, 2001, a copy of which was included in the Company's annual report for the year ended December 31, 2001.

Share Purchase Plans

During the first nine months of 2002, participants contributed \$97,000 to Dundee Bancorp's Share Purchase Plan and received 6,420 Subordinate Shares issued from treasury. The Company recognized compensation expense of \$97,000 in respect of the Share Purchase Plan, all of which was used to purchase Subordinate Shares in the open market.

During the first nine months of 2002, participants contributed \$1,480,000 to the Dundee Wealth Share Purchase Plans and received 353,337 common shares issued from treasury. Included in consolidated operating results is compensation expense of \$1,197,000 in respect of the Dundee Wealth Share Purchase Plans of which \$699,000 was used to purchase common shares of Dundee Wealth in the open market and \$498,000 was used to issue common shares of Dundee Wealth from treasury.

Share Option Plan

The Company has amended the terms of the Share Option Plan component of the Share Incentive Plan. Awarding of share options under the terms and conditions of the amended plan will not result in compensation expense when granted, but will be credited to shareholders' equity when the share option is ultimately exercised. Under Section 3870, the Company is allowed to continue its existing policy of not recording compensation cost on the grant of share options to employees, with the addition of pro forma information, including pro forma earnings and earnings per share information as if the entity had accounted for employee share options under the fair value method. The Company has applied the pro forma disclosure provisions of the new standard to awards granted on or after January 1, 2002. The pro forma effect of awards granted prior to January 1, 2002 has not been included in the Company's operating results.

In the current year, the Company granted 35,000 options at an exercise price of \$15.40. The options become exercisable as to 33 1/3% of the Subordinate Shares, on a cumulative basis, on the first three anniversary dates following the date of grant. The options expire 10 years from the date of grant.

The Company's subsidiary, Dundee Wealth granted 650,500 options in the current year at a weighted average exercise price of \$5.38. The options become exercisable as to 20% of the common shares, on a cumulative basis, on the first five anniversary dates following the date of grant. The options expire 10 years from the date of grant.

Certain of the Company's equity accounted investees have implemented similar share option arrangements for their employees.

The Company is obliged by the CICA to provide pro forma earnings and other related information for employee share options by using an option-pricing model that includes volatility. Because of the backwards look and subjective nature of the various assumptions required to make this valuation, the Company believes that this methodology may produce results that are misleading, and may in fact be erroneous. Nevertheless, the calculated value in accordance with CICA requirements is as follows:

	Equity			Total
	Accounted Investees	Dundee Wealth	Dundee Bancorp	
<i>For the nine months ended September 30, 2002</i>				
Risk Free Rate of Return		5.11%	5.46%	
Dividend Yield		0.00%	0.00%	
Volatility Factor		45.26%	41.93%	
Weighted Average Expected Option Life (years)		6	6	
Loss, as reported				\$ (1,833)
Calculated Valuation of Options	\$ (183)	\$ (2,263)	\$ (366)	(2,812)
Non Controlling Interest				359
Pro Forma Loss				\$ (4,286)
Pro Forma Basic and Diluted Loss per Share				\$ (0.17)

	Equity			Total
	Accounted Investees	Dundee Wealth	Dundee Bancorp	
<i>For the three months ended September 30, 2002</i>				
Risk Free Rate of Return		4.72%		
Dividend Yield		0.00%		
Volatility Factor		51.67%		
Weighted Average Expected Option Life (years)		6		
Loss, as reported				\$ (7,306)
Calculated Valuation of Options	\$ (89)	\$ (1,036)	-	(1,125)
Non Controlling Interest				166
Pro Forma Loss				\$ (8,265)
Pro Forma Basic and Diluted Loss per Share				\$ (0.33)

Share Bonus Plans and Deferred Share Bonus Plans

The Company's subsidiary, Dundee Wealth, issued 3,717 common shares from treasury in settlement of directors' fees and issued 151,964 common shares from treasury as payment for other compensation costs. Included in consolidated operating results is compensation expense of \$599,000 in respect of these shares. In addition, during the nine months ended September 30, 2002, Dundee Wealth approved the issuance of 380,883 common shares to certain employees and independent financial advisors, conditional on such participants remaining employees of the Company until specified dates, and in certain circumstances, meeting specified sales performance targets. Although these shares will only be issued when these conditions are met, the new requirements of Section 3870 require the recognition of the associated compensation expense when:

- In the case of shares to be issued conditional on the employee remaining with the organization until specified dates, compensation expense will be recognized evenly over the period between the date of grant and the specified date; and
- In the case of shares to be issued conditional on employees achieving certain sales targets, then pro-rated based on sales levels reached during the reporting period relative to the target sales level.

Compensation expense is measured using the fair market value of the common shares of Dundee Wealth on the date of granting of the award. Accordingly, the Company has recognized compensation expense of \$350,000.

4. SEGMENTED INFORMATION

Financial information is presented according to the following operating segments:

Wealth Management

The wealth management segment includes the operating results of the Company's financial service subsidiary, Dundee Wealth. This segment provides investment management and administrative services to Dynamic, Dynamic Power and Dynamic Focus + Mutual Fund families, the Viscount Wealth Management Program, Dundee Precious Metals Inc., Dynamic Venture Opportunities Fund Ltd., CMP Resource Limited Partnerships, high net-worth private individuals, institutions and corporations. This operating segment also includes the retail distribution and brokerage subsidiaries of Dundee Wealth which are engaged in retail distribution of financial products and are also engaged in institutional sales, trading, research and investment banking.

Corporate and Merchant Banking

The corporate and merchant banking segment includes various revenues and expenses incurred at the corporate level, including revenues generated and expenses incurred in the management of the Company's investment portfolio. Merchant banking activities carried out by certain foreign subsidiaries are included in this segment.

International Activities

The Company's international financial service activities are carried out through several wholly-owned subsidiaries located in Bermuda and the Cayman Islands. Through these entities, the Company provides investment management and administrative services to mutual funds, hedge funds and other investment clients.

<i>SEGMENTED (LOSS) EARNINGS</i>	<i>Wealth Management</i>		<i>Corporate and Merchant Banking</i>		<i>International Activities</i>		<i>TOTAL</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
<i>For the nine months ended September 30,</i>								
Revenues	\$ 183,484	\$ 174,249	\$ 8,714	\$ 14,433	\$ 2,522	\$ 2,691	\$ 194,720	\$ 191,373
Expenses	181,327	172,621	13,986	19,567	3,206	3,557	198,519	195,745
Amortization of goodwill	-	3,362	-	581	-	360	-	4,303
OPERATING (LOSS) EARNINGS	2,157	(1,734)	(5,272)	(5,715)	(684)	(1,226)	(3,799)	(8,675)
Other items:								
Equity earnings (loss)	-	-	6,898	(32,818)	-	-	6,898	(32,818)
Investment provision	-	-	(3,973)	(10,487)	-	-	(3,973)	(10,487)
Non controlling interest	290	844	-	-	-	-	290	844
(LOSS) EARNINGS BEFORE TAXES	\$ 2,447	\$ (890)	\$ (2,347)	\$ (49,020)	\$ (684)	\$ (1,226)	(584)	(51,136)
Oil and gas properties							729	-
Discontinuance of operations in India							-	(10,092)
Income taxes							(1,978)	(1,752)
							\$ (1,833)	\$ (62,980)

<i>SEGMENTED (LOSS) EARNINGS</i>	<i>Wealth Management</i>		<i>Corporate and Merchant Banking</i>		<i>International Activities</i>		<i>TOTAL</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
<i>For the three months ended September 30,</i>								
Revenues	\$ 54,708	\$ 52,089	\$ 1,749	\$ 4,037	\$ 959	\$ 1,878	\$ 57,416	\$ 58,004
Expenses	56,277	55,750	4,851	6,143	1,016	1,330	62,144	63,223
Amortization of goodwill	-	1,123	-	193	-	120	-	1,436
OPERATING (LOSS) EARNINGS	(1,569)	(4,784)	(3,102)	(2,299)	(57)	428	(4,728)	(6,655)
Other items:								
Equity loss	-	-	(2,007)	(34,379)	-	-	(2,007)	(34,379)
Investment provision	-	-	(3,973)	(10,487)	-	-	(3,973)	(10,487)
Non controlling interest	350	647	-	-	-	-	350	647
(LOSS) EARNINGS BEFORE TAXES	\$ (1,219)	\$ (4,137)	\$ (9,082)	\$ (47,165)	\$ (57)	\$ 428	(10,358)	(50,874)
Oil and gas properties							79	-
Discontinuance of operations in India							-	(8,683)
Income taxes							2,973	825
							\$ (7,306)	\$ (58,732)

5. SUBSEQUENT EVENT

On October 2, 2002, Dundee Wealth completed an internal reorganization whereby it transferred substantially all of its assets and liabilities, including its interest in all of its operating subsidiaries, to DWM Inc. ("DWM"), a wholly-owned subsidiary of Dundee Wealth. Immediately thereafter, DWM acquired all of the outstanding shares of StrategicNova, a company offering a full range of mutual funds and investment products. The acquisition of DynamicNova, with approximately \$2.1 billion of assets under management, increases Dynamic's asset base as of the date of acquisition by 33% to approximately \$8.3 billion. DWM intends to amalgamate the operations of DynamicNova with those of Dynamic on January 1, 2003.

CDP Capital - Financial Services, the former majority shareholder of StrategicNova, received shares of DWM as consideration, exchanged approximately \$31 million of loans from StrategicNova to equity in DWM and invested a net amount of \$15 million in cash to hold, in the aggregate, 12,758,600 common shares of DWM, or approximately 18.3%. CDP Capital - Financial Services also holds an option to acquire an additional 1,000,000 common shares of DWM at \$10 per share until October 1, 2003. Dundee Wealth owns 56,969,001 common shares of DWM or 81.7%.

The acquisition will be accounted for as a purchase transaction and accordingly, the purchase price will be allocated to the assets and liabilities acquired based on their estimated fair market values on the date of acquisition. Any amount by which the total purchase price exceeds the estimated fair value of the net assets acquired will be included

in goodwill and other intangible assets. As a result of the transaction, Dundee Wealth expects to record goodwill and other intangible assets of approximately \$110 million, deferred sales commission assets with a book value of \$33 million, and additional debt of approximately \$32 million. Dundee Wealth's share of earnings of DynamicNova will be included in consolidated net earnings from the date of acquisition. The following table illustrates the pro forma impact of the DynamicNova acquisition to the balance sheet accounts of the Company.

CONSOLIDATED DUNDEE BANCORP INC.

Pro Forma Information as at September 30, 2002

(in thousands of dollars)

	DUNDEE			PRO FORMA
	BANCORP	DYNAMICNOVA	TRANSACTION	DUNDEE BANCORP
Assets				
Cash and short term investments	\$ 69,884	\$ 10,687	\$ 12,660	\$ 93,231
Deferred sales commissions	53,430	32,703	-	86,133
Goodwill and other intangible assets	99,235	83,632	27,537	210,404
Other assets	816,539	20,738	-	837,277
	\$ 1,039,088	\$ 147,760	\$ 40,197	\$ 1,227,045
Liabilities				
Bank indebtedness	\$ 8,115	\$ -	\$ -	\$ 8,115
Corporate debt	206,823	63,194	(31,000)	239,017
Other liabilities	356,374	23,242	13,955	393,571
	571,312	86,436	(17,045)	640,703
Non controlling interest	39,050	377	63,673	103,100
Shareholders' Equity				
Share capital	291,250	164,713	(164,713)	291,250
Dilution gain, net of tax of \$30,324	42,071	-	54,516	96,587
Retained earnings	95,405	(103,766)	103,766	95,405
	428,726	60,947	(6,431)	483,242
	\$ 1,039,088	\$ 147,760	\$ 40,197	\$ 1,227,045

Dundee Wealth, and certain subsidiaries of Dundee Wealth, including DWM and Dynamic, have entered into agreements with Dundee Bancorp (the "Support Agreements"), pursuant to which the parties agree to comply with all covenants and provisions of the Dundee Bancorp \$150 million Senior Debentures. Under the terms of the Support Agreements, Dundee Bancorp is indemnified and secured with respect to any losses that may arise from a breach by the other parties of the Support Agreements. In addition, as part of the StrategicNova acquisition, the Company is in the process of renegotiating its credit facilities with a major Canadian bank.