

## Shareholder Information

### EXECUTIVE OFFICE

Scotia Plaza, 55th Floor  
40 King Street West  
Toronto, Ontario  
M5H 4A9  
Tel: (416) 863-6990  
Fax: (416) 363-4536

### TRANSFER AGENT

Montreal Trust Company  
of Canada  
8th Floor, 151 Front St. W.  
Toronto, Ontario  
M5J 2N1  
Tel: (416) 981-9633  
Fax: (416) 981-9800  
Toll Free: 1-800-663-9097

### STOCK LISTING

The Toronto  
Stock Exchange

### STOCK SYMBOL

DBC.A

## Corporate Directory

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# Dundee Bancorp Inc.

### Board of Directors

#### NED GOODMAN

*Chairman, President and  
Chief Executive Officer,*  
Dundee Bancorp Inc.,  
Innisfil, Ontario

#### NORMAND BEAUCHAMP

*President and Chief  
Executive Officer,*  
Radiomutuel Inc.,  
Montréal

#### PAUL A. CARROLL

*Counsel,*  
Gowling, Strathy & Henderson,  
Toronto

#### JONATHAN GOODMAN

*President and Chief Executive Officer,*  
Dynamic Mutual Funds Ltd.  
Toronto

#### RICHARD L. LISTER

*President and Chief Executive Officer,*  
Zemex Corporation,  
Toronto

#### DR. FREDERICK H. LOWY

*Rector and Vice-Chancellor,*  
Concordia University,  
Montréal

#### GARTH A.C. MACRAE

*Vice-Chairman,*  
Dundee Bancorp Inc.,  
Toronto

#### RICHARD J. RENAUD

*Chairman and Managing Director,*  
Wynnchurch Capital Partners L.P.,  
Montréal

#### K. BARRY SPARKS

*Chairman,*  
Hawk Capital Corporation,  
Toronto

#### HARRY R. STEELE

*Chairman and Chief Executive Officer,*  
Newfoundland Capital  
Corporation Limited,  
Dartmouth, Nova Scotia

### Officers

#### NED GOODMAN

*Chairman, President and  
Chief Executive Officer*

#### GARTH A.C. MACRAE

*Vice-Chairman*

#### RAY BENZINGER

*Executive Vice-President  
and  
Chief Financial Officer*

#### DONALD K. CHARTER

*Executive Vice-President*

#### JONATHAN GOODMAN

*Executive Vice-President*

#### CAROLE COLBERT

*Vice-President and Secretary*

#### AARON H. GROPPER

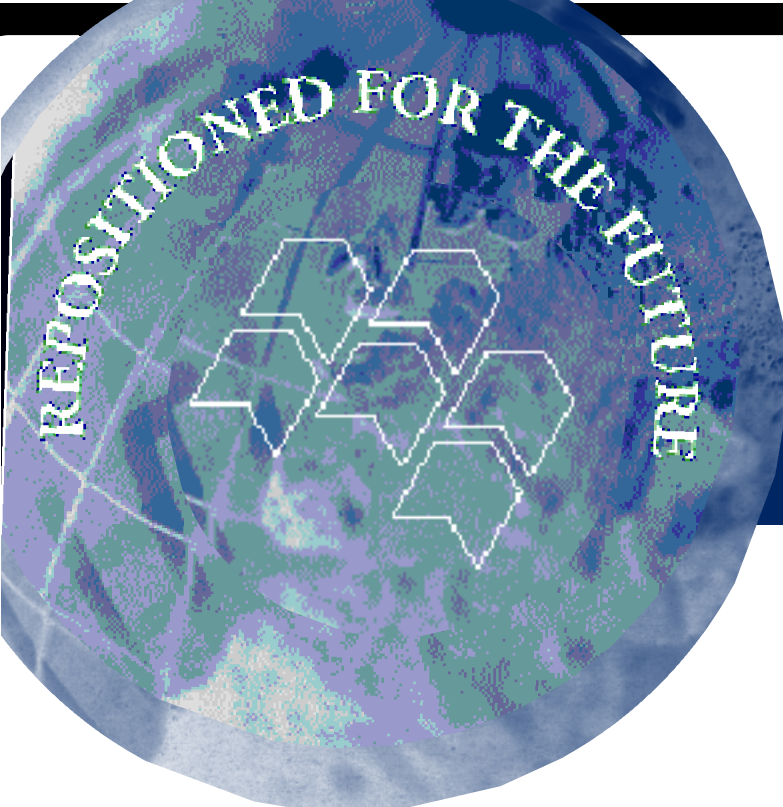
*Vice-President*

#### LUCIE PRESOT

*Controller*

#### LORI E. BEAK

*Assistant Secretary*



**DUNDEE BANCORP INC. INTERIM REPORT**  
For The Nine Months Ended September 30, 1999



## To Our Shareholders

We are pleased to present the interim report of Dundee Bancorp Inc. for the nine months ended September 30, 1999. Total revenue for the nine months was \$104.1 million compared with \$95.2 million in 1998. Net income was \$17.3 million as compared to \$20.6 million for the nine months ended September 30, 1998. Investment income for the nine months was \$38.9 million, compared to \$36.7 million in the prior year. Unrealized gains or losses generated by the Company's merchant banking portfolio are not recorded in the operating results of the Company; therefore, investment income will fluctuate from period to period.

The quarter ended September 30, 1999 includes, for the first time, one month's results of the recently created 87% owned subsidiary, Dundee Wealth Management Inc. Dundee Wealth Management has three main businesses: capital markets, comprised of institutional sales and trading, equity research and investment banking; retail distribution through over 400 financial advisors; and investment management.

Mutual fund assets under management as at September 30, 1999 were \$5.8 billion including the Infinity Funds, the acquisition of which was completed on August 30, 1999.

The combined third party assets under discretionary management and administration of Dundee Bancorp and its subsidiary, Dundee Wealth Management Inc., as at September 30, 1999 total \$12.5 billion. In addition, the Company oversees approximately \$6 billion of third party assets through an offshore banking subsidiary.

Dundee Bancorp Inc. is a leading financial services company which, through its subsidiary Dundee Wealth Management Inc., provides a broad range of financial products and services to individuals, institutions and corporations. Dundee Bancorp directly is engaged in the provision of financial services internationally from Bermuda, the Cayman Islands and India. Dundee Bancorp also manages its own merchant banking portfolio.

Ned Goodman  
*Chairman, President and  
Chief Executive Officer*  
November 18, 1999



## DUNDEE BANCORP INC.

### Consolidated Balance Sheets

(expressed in thousands of Canadian dollars) (unaudited)

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
<b>ASSETS</b>		
Cash	\$ 52,373	\$ 66,869
Accounts receivable	28,991	20,515
Client accounts receivable	158,180	81,088
Investment portfolio	530,064	490,351
Deferred sales commissions	64,133	68,364
Goodwill	110,401	21,724
Other assets	26,262	26,952
<b>TOTAL ASSETS</b>	<b>\$ 970,404</b>	<b>\$ 775,863</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 49,571	\$ 33,569
Client deposits and related liabilities	139,325	71,320
Current taxes payable	26,585	7,525
Corporate debt	187,602	158,586
Deferred income taxes	22,015	40,410
Non-controlling interest	12,649	-
	437,747	311,410
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	363,102	310,637
Retained earnings	169,555	153,816
	532,657	464,453
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 970,404</b>	<b>\$ 775,863</b>
COMMON SHARES OUTSTANDING (CLASS A AND B)	26,355,358	26,822,629

## DUNDEE BANCORP INC.

### Consolidated Statements of Income and Retained Earnings

For the nine months ended September 30, 1999 and 1998

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

	Three Months		Nine Months	
	1999	1998	1999	1998
<b>REVENUE</b>				
Management and administration fees	\$ 26,718	\$ 26,279	\$ 75,280	\$ 87,214
Financial services	12,001	2,659	28,837	7,989
	38,719	28,938	104,117	95,203
Investment income	5,859	10,884	38,948	36,655
	44,578	39,822	143,065	131,858
<b>EXPENSES</b>				
Selling, general and administrative	24,532	12,834	65,073	42,910
Amortization of deferred sales commissions	7,313	9,228	22,670	29,053
Trailer fees	4,215	5,464	14,094	18,495
Depreciation and amortization	1,633	1,172	4,087	3,408
Interest	2,851	3,159	8,143	7,902
	40,544	31,857	114,067	101,768
<b>INCOME BEFORE TAXES AND</b>				
<b>NON-CONTROLLING INTEREST</b>				
Non-controlling interest	4,034	7,965	28,998	30,090
Provision for income taxes	(91)	-	(91)	-
	1,276	1,001	11,754	9,498
<b>NET INCOME FOR THE PERIOD</b>	<b>2,849</b>	<b>6,964</b>	<b>17,335</b>	<b>20,592</b>
Retained earnings at beginning of period	166,972	168,401	153,816	160,611
	169,821	175,365	171,151	181,203
Premiums related to cancellation of share capital	(266)	(5,648)	(1,596)	(11,415)
Dividends	-	-	-	(71)
<b>RETAINED EARNINGS AT END OF PERIOD</b>	<b>\$ 169,555</b>	<b>\$ 169,717</b>	<b>\$ 169,555</b>	<b>\$ 169,717</b>
<b>EARNINGS PER SHARE</b>				
Basic	\$ 0.11	\$ 0.25	\$ 0.65	\$ 0.74
Fully diluted	\$ 0.11	\$ 0.25	\$ 0.64	\$ 0.73

**DUNDEE BANCORP INC.**  
**Consolidated Statements of Cash Flows**

For the nine months ended September 30, 1999 and 1998  
(expressed in thousands of Canadian dollars) (unaudited)

	SEPTEMBER 30, 1999	SEPTEMBER 30, 1998
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Income before taxes	\$ 28,998	\$ 30,090
Items not affecting cash from operations:		
Depreciation and amortization	26,757	32,461
Net investment gains	(23,792)	(10,742)
Share of unremitted equity earnings	(8,449)	(13,030)
Capital and income taxes paid	(10,326)	(2,881)
Other non-cash components of income	797	(6,702)
	13,985	29,196
Changes in other non-cash working capital items:		
Accounts receivable	(5,670)	(26,594)
Accounts payable	(13,310)	(18,507)
Client accounts receivable, net of deposits and related liabilities	(9,087)	-
	(14,082)	(15,905)
<b>FINANCING</b>		
(Decrease) increase in corporate debt	(648)	2,635
Issuance of Class A subordinate shares, net of costs	246	2,072
Acquisition of Class A subordinate shares	(7,968)	(29,505)
Redemption of Series Y preference shares	-	(5,166)
Preference share dividends	-	(71)
	(8,370)	(30,035)
<b>INVESTING</b>		
Proceeds on sales of portfolio investments	73,837	198,216
Acquisition of portfolio investments	(74,552)	(108,761)
Sales commissions paid on distribution of mutual funds	(7,489)	(19,757)
Redemption charges received on redemption of mutual funds	18,019	19,454
Other	(1,859)	(6,147)
	7,956	83,005
<b>(DECREASE) INCREASE IN CASH</b>	(14,496)	37,065
<b>CASH, BEGINNING OF PERIOD</b>	66,869	20,258
<b>CASH, END OF PERIOD</b>	\$ 52,373	\$ 57,323