

MFC BANCORP LTD

FORM 6-K (Report of Foreign Issuer)

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Industry	Misc. Financial Services
Sector	Financial
Fiscal Year	12/31

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of May 1999

MFC BANCORP LTD.

(Exact Name of Registrant as specified in its charter)

6 Rue Charles-Bonnet, 1206 Geneva, Switzerland
(41 22) 818 2999

(Address and telephone number of Registrant's executive office)

(Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F Form 40-F

(Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes No X

(If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82-).

MFC BANCORP LTD.

**1999 FIRST QUARTER REPORT
TO SHAREHOLDERS**

MARCH 31, 1999

FORWARD-LOOKING STATEMENTS

Statements in this report, to the extent that they are not based on historical events, constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements appear in a number of different places in this report and include statements regarding the intent, belief or current expectations of MFC Bancorp Ltd., and its directors and officers, primarily with respect to the future market size and future operating performance of MFC Bancorp Ltd. and its subsidiaries. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or other business plans. Investors are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions, including changes in interest rates, prices and other economic conditions; actions by competitors; natural phenomena; actions by government authorities, including changes in government regulation; uncertainties associated with legal proceedings; technological development; future decisions by management in response to changing conditions; the ability to execute prospective business plans; and misjudgments in the course of preparing forward-looking statements.

MFC BANCORP LTD.

1999 FIRST QUARTER REPORT

President's Letter to Shareholders:

We are pleased to enclose the Company's first quarter results for 1999. The following table is a summary of selected financial information concerning the Company for the periods indicated:

	Three Months Ended March 31,		Three Months Ended March 31,	
	1999	1998	1999	1998
	(U.S. Dollars in thousands except per share amounts) Information Only		(Canadian Dollars in thousands except per share amounts)	
Revenue	\$ 15,524	\$ 22,927	\$ 23,461	\$ 32,795
Net income	3,355	4,865	5,072	6,960
Net income per share:				
Basic	0.28	0.39	0.42	0.56
Fully diluted	0.26	0.36	0.39	0.52
	March 31, 1999	December 31, 1998	March 31, 1999	December 31, 1998
	(U.S. Dollars in thousands) Information Only		(Canadian Dollars in thousands)	
Cash and cash equivalents	\$ 36,067	\$ 25,398	\$ 54,415	\$ 38,871
Securities	53,498	50,309	80,712	76,998
Total assets	162,204	163,203	244,717	249,782
Debt	26,542	26,195	40,044	40,091
Shareholders' equity	101,894	100,878	153,726	154,396

The Company is in the financial services business specializing in private and investment banking internationally. The Company's banking business is conducted by its wholly-owned subsidiary, MFC Merchant Bank S.A. (the "Bank"), a licensed full-service Swiss bank based in Geneva Switzerland. The Bank does not engage in commercial or real estate lending.

Private banking focuses on asset management, securities trading services and servicing the Bank's worldwide base of clients, including corporations, small to mid-sized institutions and high net-worth individuals. Investment banking services include providing finance and advisory services to clients with respect to corporate finance transactions and underwriting issuances of securities. The Company's personalized approach to client development for both its private and investment banking activities has continued to increase its client base. The Company will continue to focus on providing its clients with creative solutions through both its existing operations and strategic acquisitions and alliances.

The Bank requires substantially less regulatory capital than traditional North American banks as the majority of its customer deposits are placed in the European fiduciary market. Such placements are off-balance sheet items which allow the Bank to generate fee income without tying up significant amounts of its capital. On the other hand, the traditional method of placing deposits, whereby income is generated on the spread between deposits and return on investments, requires significant amounts of capital, which will hinder growth.

The Company also conducts proprietary investing activities, which consist of the Company using its own resources and expertise to invest for its own account. These activities concentrate on the identification and acquisition of control of undervalued assets and the development and realization of the full potential thereof. The Company invests globally with the objective of maximizing total return measured through both long-term appreciation and recognized gains.

The Company has established a solid foundation for its financial services business and looks forward to continued growth in 1999.

Respectfully submitted,

M.J. Smith May 31, 1999 President

MFC BANCORP LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 1999
(Unaudited)

MFC BANCORP LTD.

CONSOLIDATED BALANCE SHEETS
As at March 31, 1999 and 1998
(Unaudited)

(dollars in thousands)

	1999	1999	1998
	----- (U.S. Dollars) Information Only	----- (Canadian Dollars)	----- Dollars)
ASSETS			
Cash and cash equivalents	\$ 36,067	\$ 54,415	\$ 59,467
Securities	53,498	80,712	67,649
Loans	36,900	55,671	28,495
Receivables	14,941	22,541	37,061
Property held for sale	3,698	5,579	6,299
Notes receivable	-	-	8,777
Excess cost of net assets acquired	12,198	18,403	19,841
Premises and equipment	1,730	2,610	2,671
Prepaid and other	3,172	4,786	5,350
	-----	-----	-----
	\$ 162,204	\$ 244,717	\$ 235,610
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits	\$ 21,480	\$ 32,407	\$ 22,670
Accounts payable and accrued expenses	10,695	16,136	43,253
Debt	26,542	40,044	41,492
	-----	-----	-----
	58,717	88,587	107,415
Minority interest	1,593	2,404	2,782
Shareholders' equity			
Common shares	43,551	65,706	71,623
Cumulative translation adjustment	3,139	4,733	(1,519)
Retained earnings	55,204	83,287	55,309
	-----	-----	-----
	101,894	153,726	125,413
	-----	-----	-----
	\$ 162,204	\$ 244,717	\$ 235,610
	=====	=====	=====

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 1999 and 1998
(Unaudited)

(dollars in thousands except per share amounts)

	1999	1999	1998
	-----	-----	-----
	(U.S. Dollars)	(Canadian Dollars)	
	Information Only		
Financial services revenue	\$ 15,524	\$ 23,461	\$ 32,795
Expenses			
Financial services	8,339	12,603	18,819
General and administrative	3,001	4,535	5,700
Interest	758	1,145	1,234
	-----	-----	-----
	12,098	18,283	25,753
	-----	-----	-----
Income before income taxes	3,426	5,178	7,042
Provision for income taxes	(64)	(96)	(98)
	-----	-----	-----
	3,362	5,082	6,944
Minority interest	(7)	(10)	16
	-----	-----	-----
Net income	\$ 3,355	\$ 5,072	\$ 6,960
	=====	=====	=====
Earnings per share:			
Basic	\$ 0.28	\$ 0.42	\$ 0.56
	=====	=====	=====
Fully diluted	\$ 0.26	\$ 0.39	\$ 0.52
	=====	=====	=====
Weighted average number of shares outstanding (in thousands)	15,276	15,276	13,956
	=====	=====	=====

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 1999 and 1998
(Unaudited)

(dollars in thousands)

	Canadian Dollars	
	1999	1998
Inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Net income	\$ 5,072	\$ 6,960
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	509	357
Decrease (increase) in securities	(5,500)	6,244
Decrease (increase) in receivables	7,978	(16,471)
Increase in properties held for sale	(23)	(17)
Increase in accounts payable and accrued expenses	1,911	14,996
Other	1,765	35
	-----	-----
	11,712	12,104
Investing		
Net decrease (increase) in loans	(2,682)	13,307
Purchases of subsidiaries, net of cash acquired	(267)	(143)
Other	(52)	64
	-----	-----
	(3,001)	13,228
Financing		
Net increase (decrease) in deposits	9,839	(6,801)
Issuance of shares, net	-	1,255
	-----	-----
	9,839	(5,546)
Exchange rate effect on cash and cash equivalents	(3,006)	(2,541)
	-----	-----
Increase in cash and cash equivalents	15,544	17,245
Cash and cash equivalents:		
Beginning of period	38,871	42,222
	-----	-----
End of period	\$ 54,415	\$ 59,467
	=====	=====

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

MFC BANCORP LTD.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1999**
(Unaudited)

NOTE 1. Basis of Presentation

The consolidated financial statements contained herein include the accounts of MFC Bancorp Ltd. and its subsidiaries (the "Company").

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report on Form 20-F. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

NOTE 2. Nature of Business

The Company is in the financial services business and its principal activities focus on private and investment banking.

NOTE 3. Earnings Per Share

Basic earnings per share are computed on the weighted average number of shares outstanding during the period. For the calculation of fully diluted earnings per share, under Canadian generally accepted accounting principles, options are deemed to be exercised at the date of grant and convertible securities are deemed to be converted at the date of issuance.

Under U.S. generally accepted accounting principles, options affect diluted earnings per share when "in-the-money".

NOTE 4. Reporting Currency

The Company reports its results in Canadian dollars. Certain amounts herein have also been reported in U.S. dollars for reference purposes. Amounts reported in U.S. dollars have been translated from Canadian dollars at a rate of U.S.\$1.00 = Canadian \$1.5087 for period end purposes and U.S.\$1.00 = Canadian \$1.5113 for the three months ended March 31, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of the Company for the three months ended March 31, 1999 should be read in conjunction with the consolidated financial statements and related notes included elsewhere herein. In this document, unless the context otherwise requires, the "Company" refers to MFC Bancorp Ltd. and its subsidiaries and all references to monetary amounts are in Canadian dollars unless otherwise indicated. Selected financial data has also been provided in U.S. dollars for information purposes using an exchange rate of one U.S. dollar being equal to Canadian \$1.5087.

Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

RESULTS OF OPERATIONS - Three Months Ended March 31, 1999

The Company operates in the financial services business, specializing in private and investment banking internationally. It also engages in proprietary investing for its own account. The Company conducts its banking activities through its wholly-owned subsidiary, MFC Merchant Bank S.A., a licensed full-service Swiss bank based in Geneva, Switzerland.

In the first quarter of 1999, the Company's revenues decreased to \$23.5 million from \$32.8 million in the comparable period of 1998, primarily due to reduced sales of investments and reduced activities in investment banking.

Expenses decreased to \$18.3 million in the three months ended March 31, 1999 from \$25.8 million in the comparable period of 1998, primarily as a result of lower revenues. General and administrative expenses decreased to \$4.5 million in the three months ended March 31, 1999 from \$5.7 million in the comparable period of 1998, primarily due to the consolidation and streamlining of operations. Interest expense decreased to \$1.1 million in the three months ended March 31, 1999 from \$1.2 million in the comparable period of 1998, primarily due to a decrease in amounts borrowed during the current period.

In the three months ended March 31, 1999, net earnings were \$5.1 million or \$0.42 per share on a basic basis (\$0.39 per share on a fully diluted basis). In the three months ended March 31, 1998, net earnings were \$7.0 million or \$0.56 per share on a basic basis (\$0.52 per share on a fully diluted basis).

LIQUIDITY AND CAPITAL RESOURCES

The following table is a summary of selected financial information concerning the Company for the periods indicated:

	U.S. Dollars	Canadian Dollars	
	March 31, 1999	March 31,	
		1999	1998
	(in thousands) Information Only	(in thousands)	
Cash and cash equivalents	\$ 36,067	\$ 54,415	\$ 59,467
Securities	53,498	80,712	67,649
Total assets	162,204	244,717	235,610
Debt	26,542	40,044	41,492
Shareholders' equity	101,894	153,726	125,413

The Company maintains a high level of liquidity, with a substantial amount of assets held in cash and cash equivalents, highly liquid marketable securities and customer loans collateralized by marketable securities. The highly liquid nature of these assets provides the Company with flexibility in managing its business and financing. This liquidity is used by the Company in client related services where the Company acts as a financial intermediary for third parties and in the Company's own proprietary investing activities.

In the period ended March 31, 1999, the Company's cash and cash equivalents were \$54.4 million, compared to \$59.5 million in the comparable period of 1998. In the period ended March 31, 1999, the Company had securities of \$80.7 million, compared to \$67.6 million in the comparable period of 1998.

Operating Activities

Operating activities provided cash of \$11.7 million in the three months ended March 31, 1999, compared to \$12.1 million in the comparable period of 1998. In the three months ended March 31, 1999, a decrease in receivables provided cash of \$8.0 million, compared to an increase in receivables using cash of \$16.5 million in the comparable period of 1998, primarily as a result of securities trading activities. An increase in accounts payable and accrued expenses provided cash of \$1.9 million in the three months ended March 31, 1999, compared to \$15.0 million in the comparable period of 1998. Net purchases of securities used cash of \$5.5 million in the current period, compared to net sales of securities providing cash of \$6.2 million in the comparable period of 1998. The Company expects to generate sufficient cash flow from operations to meet its working capital requirements.

Investing Activities

Investing activities in the three months ended March 31, 1999 used cash of \$3.0 million, compared to providing cash of \$13.2 million in the comparable period of 1998, primarily as a result of an increase in loans during the current period.

Financing Activities

Financing activities provided cash of \$9.8 million in the three months ended March 31, 1999, compared to using cash of \$5.5 million in the comparable period of 1998, primarily as a result of an increase in deposits during the current period.

The Company continues to explore potential acquisition opportunities as a means of expanding its business. Such opportunities may involve acquisitions which are material in size and may require the raising of additional capital.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant *MFC BANCORP LTD.*

By */s/ Michael J. Smith*

MICHAEL J. SMITH, PRESIDENT
Date *May 31, 1999*

End of Filing

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