
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 2003

MFC BANCORP LTD.

(Exact Name of Registrant as specified in its charter)

FLOOR 21, MILLENNIUM TOWER, HANDELSKAI 94-96, A-1200, VIENNA, AUSTRIA

011 (43) 1 24025 102

(Address and telephone number of Registrant's 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 if the Registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant 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- .

[GRAPHIC OMITTED]

MFC BANCORP LTD.

**2003 FIRST QUARTER REPORT
TO SHAREHOLDERS**

MARCH 31, 2003

FORWARD-LOOKING STATEMENTS

The statements in this report that are not based on historical facts are called "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 can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Also look for discussions of strategy that involve risks and uncertainties. Forward-looking statements include statements regarding the outlook for our 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. You are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties. Our actual results may differ materially from those in the forward-looking statements due to risks facing us or due to actual facts differing from the assumptions underlying our predictions. Some of these risks and assumptions are set out in reports and other documents that we file with or furnish to the U.S. Securities and Exchange Commission from time to time and include:

- * general economic and business conditions, including changes in interest rates;
- * prices and other economic conditions;
- * 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;
- * our ability to execute prospective business plans; and
- * misjudgments in the course of preparing forward-looking statements.

We advise you that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to us or persons acting on our behalf. Unless required by law, we do not assume any obligation to update forward-looking statements based on unanticipated events or changes in expectations. However, you should carefully review the reports and other documents that we file with or furnish to the U.S. Securities and Exchange Commission from time to time.

MFC BANCORP LTD.

2003 FIRST QUARTER REPORT

President's Letter to Shareholders:

We are pleased to enclose our results for the first quarter of 2003. Our revenues in the first three months of 2003 increased by approximately 53% compared to the same period in 2002, primarily as a result of increased operations. The current global economic slowdown has presented us with an increased amount of merchant banking opportunities. Further, in the current quarter, the Euro appreciated by approximately 16% versus the Canadian dollar, compared to the first quarter of 2002. The following table is a summary of selected financial information concerning MFC for the periods indicated:

	Three Months Ended March 31,		Three Months Ended March 31,	
	2003	2002	2003	2002
	(U.S. dollars in thousands except per share amounts)		(Canadian dollars in thousands except per share amounts)	
	Information Only			
Revenue	\$ 56,400	\$ 34,033	\$ 82,868	\$ 54,232
Net income	6,682	6,268	9,818	9,988
Net income per share:				
Basic	0.52	0.48	0.77	0.76
Diluted	0.50	0.45	0.73	0.72
	March 31, 2003	December 31, 2002	March 31, 2003	December 31, 2002
	(U.S. dollars in thousands) Information Only		(Canadian dollars in thousands)	
Cash and cash equivalents	\$ 61,844	\$ 64,835	\$ 90,867	\$ 102,413
Securities	43,291	39,661	63,607	62,649
Total assets	306,083	282,712	449,728	446,574
Debt	53,190	43,554	78,152	68,798

The net earnings for the three-month period ended March 31, 2003, after taxes, were \$9.8 million or \$0.73 per share on a fully diluted basis, compared to \$10.0 million or \$0.72 per share on a fully diluted basis in the prior year.

We are an international merchant banking company. Merchant banking encompasses a broad spectrum of activities related to the integrated combination of banking, trading and financing commercial trade and proprietary investing.

Our merchant banking activities provide specialized banking and corporate finance services and advise clients on corporate strategy and structure, including mergers and acquisitions and capital raising. They also include proprietary trading in commodities and natural resources and proprietary

investing of our own capital in enterprises to realize long-term or trading gains. Such investing is generally in businesses or assets whose intrinsic value is not properly reflected in their share or other price, often as a result of financial or other distress affecting them. Such proprietary investing is generally not passive and we seek investments where our financial expertise and management can add or unlock value. Proprietary investments are generated and made as part of our overall merchant banking activities and are realized upon over time.

We have established a firm foundation for our operations and look forward to continued growth during the remainder of 2003.

Respectfully submitted,

[GRAPHIC OMITTED]

M.J. Smith

May 2003 President

MFC BANCORP LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2003

(UNAUDITED)

MFC BANCORP LTD.

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(DOLLARS IN THOUSANDS)

	MARCH 31, 2003 ----- (U.S. DOLLARS) INFORMATION ONLY	MARCH 31, 2003 ----- (CANADIAN DOLLARS)	DECEMBER 31, 2002 ----- (CANADIAN DOLLARS)
ASSETS			
Cash and cash equivalents	\$ 61,844	\$ 90,867	\$ 102,413
Securities	43,291	63,607	62,649
Loans	49,228	72,330	77,879
Receivables	51,405	75,530	53,955
Commodity investments	11,141	16,370	13,172
Properties held for sale	46,191	67,868	72,959
Resource property	24,890	36,571	36,747
Goodwill	10,966	16,113	16,412
Equity method investments	5,388	7,917	7,917
Prepaid and other	1,739	2,555	2,471
	----- \$ 306,083 =====	----- \$ 449,728 =====	----- \$ 446,574 =====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued expenses	\$ 32,040	\$ 47,077	\$ 47,279
Debt	53,190	78,152	68,798
Future income tax liability	135	198	258
Deposits	26,830	39,421	39,198
	----- Total liabilities ----- 112,195 -----	----- 164,848 -----	----- 155,533 -----
Minority interests	3,893	5,720	5,751
Shareholders' Equity			
Common stock	47,825	70,269	70,269
Cumulative translation adjustment	1,895	2,785	18,733
Retained earnings	140,275	206,106	196,288
	----- 189,995 ----- \$ 306,083 =====	----- 279,160 ----- \$ 449,728 =====	----- 285,290 ----- \$ 446,574 =====

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	MARCH 31, 2003	MARCH 31,	
	(U.S. DOLLARS) INFORMATION ONLY	2003	2002
		(CANADIAN DOLLARS)	
Financial services revenue	\$ 56,400	\$ 82,868	\$ 54,232
Expenses			
Financial services	46,284	68,005	34,243
General and administrative	2,913	4,280	8,343
Interest	570	837	1,603
	49,767	73,122	44,189
Income before income taxes	6,633	9,746	10,043
Recovery of (provision for) income taxes	32	47	(69)
	6,665	9,793	9,974
Minority interests	17	25	14
Net income	6,682	9,818	9,988
Retained earnings, beginning of period	133,593	196,288	164,872
Retained earnings, end of period	\$ 140,275	\$ 206,106	\$ 174,860
Earnings per share			
Basic	\$ 0.52	\$ 0.77	\$ 0.76
Diluted	\$ 0.50	\$ 0.73	\$ 0.72

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, 2003 AND 2002
(UNAUDITED)

(DOLLARS IN THOUSANDS)

	MARCH 31,	
	2003	2002
Operating		
Net income	\$ 9,818	\$ 9,988
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	303	300
Minority interests	(17)	(25)
Gain on debt reduction	-	(1,450)
Exchange adjustments	(4,515)	(91)
Gain on sales of assets	(5,402)	-
Changes in current assets and liabilities		
Securities	(3,533)	(3,417)
Receivables	(2,907)	(2,670)
Commodity receivables	(15,179)	2,644
Due from investment dealers	-	(12)
Commodity investments	(3,674)	(1,430)
Properties held for sale	(11)	(141)
Accounts payable and accrued expenses	1,560	(9,351)
Other	(254)	532
	(23,811)	(5,123)
Financing		
Net increase in deposits	2,455	3,931
Borrowings	13,064	14,151
Debt repayments	(599)	(8,577)
Issuance of shares, net of repurchases	-	(3,563)
	14,920	5,942
Investing		
Net (increase) decrease in loans	2,049	(8,407)
Purchases of long-term investments	(215)	-
Other	(152)	(14)
	1,682	(8,421)
Exchange rate effect on cash and cash equivalents	(4,337)	(500)
Net change in cash	(11,546)	(8,102)
Cash, opening balance	102,413	77,166
Cash, ending balance	\$ 90,867	\$ 69,064

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, 2003
(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. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the most recent 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 merchant banking.

NOTE 3. EARNINGS PER SHARE

The Company adopted the Canadian Institute of Chartered Accountants' Accounting Handbook Section 3500, "Earnings Per Share". Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if-converted" method. The dilutive effect of outstanding call options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The computation of earnings per share under Canadian generally accepted accounting principles conforms in all material respects with the computation under U.S. generally accepted accounting principles.

The weighted average number of shares (in thousands) outstanding for the purposes of calculating basic earnings per share was 12,832 for the three months ended March 31, 2003 and 13,165 for the three months ended March 31, 2002. The weighted average number of shares (in thousands) outstanding for the purposes of calculating diluted earnings per share was 13,938 for the three months ended March 31, 2003 and 14,537 for the three months ended March 31, 2002.

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 \$1.4693 as at March 31, 2003, being the period-end exchange rate as prescribed by Regulation S-X (the accounting regulation of the U.S. Securities and Exchange Commission).

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

IN THIS DOCUMENT, PLEASE NOTE THE FOLLOWING:

- * references to "we", "our", "us" or "MFC" mean MFC Bancorp Ltd. and its subsidiaries, unless the context of the sentence clearly suggests otherwise;
- * all references to monetary amounts are in Canadian dollars, unless otherwise indicated;
- * the information set forth in this quarterly report is as at March 31, 2003, unless an earlier or later date is indicated; and
- * selected financial information has been provided in U.S. dollars for informational purposes only using an exchange rate of one Canadian dollar being equal to U.S. \$0.6805, being the Federal Reserve Bank of New York rate of conversion for Canadian dollars to U.S. dollars as at March 31, 2003.

The following discussion and analysis of the financial condition and results of our operations for the three months ended March 31, 2003 should be read in conjunction with the consolidated financial statements and related notes included in this quarterly report, as well as our most recent annual report on Form 20-F for the fiscal year ended December 31, 2002. Certain reclassifications have been made to our prior period financial statements to conform to the current period presentation.

RESULTS OF OPERATIONS

Operating Results

We are a highly integrated international financial services company that focuses on merchant banking. We provide specialized banking and corporate finance services internationally. These activities are primarily conducted through our wholly-owned banking subsidiary. Our merchant banking activities include a European trading group focused on trading commodities and natural resources. We also commit our own capital to promising enterprises and invest and otherwise trade to capture investment opportunities for our own account. We seek to invest in businesses or assets whose intrinsic value is not properly reflected in their share price or value. Our investing is generally not passive. We seek investments where our financial expertise and management can add or unlock value.

Our results of operations have been and may continue to be affected by many factors of a global nature, including economic and market conditions, the availability of capital, the level and volatility of equity prices and interest rates, currency values, commodity prices and other market indices, technological changes, the availability of credit, inflation and legislative and regulatory developments. Our results of operations may also be materially affected by competitive factors. Competition includes firms traditionally engaged in financial services such as banks, broker-dealers and investment dealers, along with other sources such as insurance companies, mutual fund groups, other companies offering financial services in Europe and globally and other trade and finance companies.

Our results of operations for any particular period may also be affected by our realization on proprietary investments. These investments are made to maximize total return through long-term appreciation and recognized gains on divestment. We can realize on our proprietary investments through a variety of methods including sales, capital restructuring or other forms of divestment.

The international and integrated nature and focus of our business has resulted in a relatively low net rate of income tax. In the three months ended March 31, 2003, we had a net tax recovery.

In recent years, the financial services industry has experienced consolidation and convergence as financial institutions involved in a broad spectrum of services have merged or combined. The trend to consolidate is expected to continue and produce global financial institutions with much greater capital and other resources than we have. As a result of the economic and competitive factors discussed above, our results of operations may vary significantly from period to period. We intend to manage our business for the long-term and to mitigate the effects of such factors by focusing on our core operations.

Three Months Ended March 31, 2003 Compared to the Three Months Ended March 31, 2002

In the three months ended March 31, 2003, our revenues increased by 53% to \$82.9 million from \$54.2 million in the comparable period of 2002, primarily due to increased operations. The current global economic slowdown has increased the potential amount of merchant banking opportunities. Further, based upon the period average exchange rates in the first quarter of 2003, the Euro increased by approximately 16% in value against the Canadian dollar and approximately 22% in value against the U.S. dollar, compared to the period average exchange rates in the first quarter of 2002.

In the three months ended March 31, 2003, expenses increased to \$73.1 million from \$44.2 million in the comparable period of 2002, primarily as a result of increased revenues resulting from the increase in our operations and the appreciation of the Euro. In the current quarter, financial services expenses increased to \$68.0 million from \$34.2 million in the comparable quarter of 2002. General and administrative expenses decreased to \$4.3 million in the three months ended March 31, 2003 from \$8.3 million in the comparable period of 2002, primarily due to the effect of the appreciation of the Canadian dollar versus the U.S. dollar on our U.S. dollar denominated liabilities. Such appreciation resulted in an approximately \$3.9 million reduction to our general and administrative expenses when our U.S. dollar denominated liabilities were reported in Canadian dollars at the period end exchange rate. In the quarter ended March 31, 2003, we recognized a \$5.4 million gain from the sale of a partial interest in a proprietary investment. In the comparable quarter of 2002, we recognized a \$1.5 million gain on indebtedness of a subsidiary. Interest expense decreased to \$0.8 million in the three months ended March 31, 2003 from \$1.6 million in the comparable period of 2002, primarily as a result of a decrease in outstanding indebtedness during the current quarter.

In the quarter ended March 31, 2003, our net earnings were \$9.8 million or \$0.77 per share on a basic basis (\$0.73 per share on a diluted basis), compared to \$10.0 million or \$0.76 per share on a basic basis (\$0.72 per share on a diluted basis) in the quarter ended March 31, 2002.

LIQUIDITY AND CAPITAL RESOURCES

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

	U.S. DOLLARS		CANADIAN DOLLARS	
	MARCH 31, 2003	DECEMBER 31, 2002	MARCH 31, 2003	DECEMBER 31, 2002
	(IN THOUSANDS)		(IN THOUSANDS)	
	INFORMATION ONLY			
Cash and cash equivalents	\$ 61,844	\$ 64,835	\$ 90,867	\$ 102,413
Securities	43,291	39,661	63,607	62,649
Total assets	306,083	282,712	449,728	446,574
Debt	53,190	43,554	78,152	68,798

We maintain a high level of liquidity, with a substantial amount of assets held in cash and cash equivalents, marketable securities and customer loans collateralized by marketable securities. The liquid nature of these assets provides us with flexibility in managing our business and financing. This liquidity is used by us in client related services where we act as a financial intermediary for third parties and in our own proprietary investing activities.

At March 31, 2003, our cash and cash equivalents were \$90.9 million, compared to \$102.4 million at December 31, 2002. At March 31, 2003, we had securities of \$63.6 million, compared to \$62.6 million at December 31, 2002.

As part of our merchant banking activities, we establish, utilize and maintain various kinds of credit lines and facilities with other banks, insurers, and trade finance providers. Most of these facilities are short-term. These facilities are primarily used for structured trade financing, accounts receivable financing and letters of credit. Such facilities are drawn upon and used for specific trading transactions. These credit facilities are generally secured by the subject matter of a proposed transaction, being either a receivable or the underlying commodity or natural resource being traded. We often further enhance the credit of such facilities through credit and/or performance insurance provided by governmental and/or private insurers. Such trade finance insurance is often layered with varying limitations and exceptions. The amounts drawn under the credit facilities fluctuate with the kind and level of commodities and natural resources trading transactions being undertaken by us. As such transactions are settled, proceeds are generally applied to first settle amounts drawn under such credit facilities.

We have debt maturities of \$5.5 million in the remainder of 2003 and \$4.4 million in 2004, excluding the credit lines and facilities used for commodities and natural resources trading. We expect such maturing debt to be satisfied primarily through cash on hand and cash flow from operations. Much of such maturing debt may either subsequently be made re-available to us by the applicable financial institution or we may replace such facilities with similar facilities depending upon our trading and capital requirements.

Operating Activities

Operating activities used cash of \$23.8 million in the three months ended March 31, 2003, compared to \$5.1 million in the three months ended March 31, 2002. In the three months ended March 31, 2003, changes in securities used cash of \$3.5 million, compared to \$3.4 million in the three months ended March 31, 2002. An increase in receivables used cash of \$2.9 million in the three months ended March 31, 2003, compared to \$2.7 million in the three months ended March 31, 2002. An increase in commodity receivables used cash of \$15.2 million in the three months ended March 31, 2003, compared to a decrease in commodity receivables providing cash of \$2.6 million in the three months ended March 31, 2002, resulting primarily from increased activities in our operations. An increase in commodity investments used cash of \$3.7 million in the three months ended March 31, 2003, compared to \$1.4 million in the three months ended March 31, 2002, resulting primarily from the increase in our operations. An increase in accounts payable and accrued expenses provided cash of \$1.6 million in the three months ended March 31, 2003, compared to a decrease in same using cash of \$9.4 million in the three months ended March 31, 2002. We expect to generate sufficient cash flow from operations to meet our working capital and other requirements.

Investing Activities

Investing activities provided cash of \$1.7 million in the three months ended March 31, 2003, compared to using cash of \$8.4 million in the three months ended March 31, 2002. In the three months ended March 31, 2003, a net decrease in loans provided cash of \$2.0 million, compared to a net increase in loans using cash of \$8.4 million in the three months ended March 31, 2002. The net purchase of long-term securities used cash of \$0.2 million in the three months ended March 31, 2003.

Financing Activities

Net cash provided by financing activities was \$14.9 million in the three months ended March 31, 2003, compared to \$5.9 million in the three months ended March 31, 2002. Net borrowings provided cash of \$12.5 million in the three months ended March 31, 2003, compared to \$5.6 million in the three months ended March 31, 2002. In the three months ended March 31, 2003, a net increase in deposits provided cash of \$2.5 million, compared to \$3.9 million in the three months ended March 31, 2002. The net repurchase of common shares in the three months ended March 31, 2002 used cash of \$3.6 million.

We had no material commitments to acquire assets or operating businesses at March 31, 2003. We anticipate that there will be acquisitions of businesses or commitments to projects in the future. To achieve our long-term goals of expanding our assets and earnings, including through acquisitions, we will require substantial capital resources. The necessary resources will be generated from cash flow from operations, cash on hand, borrowing against our assets, sales of proprietary investments or the issuance of securities.

FOREIGN CURRENCY

Substantially all of our operations are conducted in international markets and our consolidated financial results are subject to foreign currency exchange rate fluctuations.

We translate foreign assets and liabilities of our subsidiaries, other than those denominated in Canadian dollars, into Canadian dollars at the rate of exchange on the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the period. Unrealized gains or losses from these translations are recorded as shareholders' equity on the balance sheet and do not affect our net earnings.

As a substantial amount of our revenues are received in Euros and Swiss francs, our financial position for any given period, when reported in Canadian dollars, can be significantly affected by the fluctuation of exchange rates for Euros and Swiss francs during that period. In addition, certain assets, liabilities, revenues and expenses are denominated in U.S. dollars, Swiss francs and Euros. In the three months ended March 31, 2003, we reported approximately a net \$15.9 million unrealized foreign exchange translation loss and, as a result, our cumulative foreign exchange translation gain at March 31, 2003 was \$2.8 million, compared to \$18.7 million at December 31, 2002.

We use derivatives to manage our exposure and our clients' exposure to foreign currency exchange rate risks. At March 31, 2003, we did not hold any forward foreign exchange contracts for our own account.

Based upon the period average exchange rates in the first quarter of 2003, the Canadian dollar decreased in value by approximately 16% against each of the Swiss franc and the Euro, and increased in value by approximately 5% against the U.S. dollar, compared to the period average exchange rates in the first quarter of 2002.

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 \$1.4693 as at March 31, 2003, being the period-end exchange rate as prescribed by Regulation S-X (the accounting regulation of the U.S. Securities and Exchange Commission).

CERTAIN FACTORS

Our primary risks are transaction risks, credit or counterparty risks and market risks. In addition, we have been and may continue to be affected by many other factors, including, but not limited to: (i) economic and market conditions, including the liquidity of capital markets; (ii) the volatility of market prices, rates and indices; (iii) the timing and volume of market activity; (iv) competition; (v) legal and regulatory risks; (vi) inflation; (vii) the cost of capital, including interest rates; (viii) political events, including legislative, regulatory and other developments; (ix) competitive forces, including our ability to attract and retain personnel; (x) support systems; and (xi) investor sentiment. For more information on these risks and other factors that affect us and our operating results, see our annual report on Form 20-F for the year ended December 31, 2002.

DERIVATIVE INSTRUMENTS

Derivatives are financial instruments, the payments of which are linked to the prices, or relationships between prices, of securities or commodities, interest rates, currency exchange rates or other financial measures. Derivatives are designed to enable parties to manage their exposure to interest rates and currency exchange rates, and security and other price risks. We use derivatives to provide products and services to clients and to manage our foreign exchange exposure for our own account. At March 31, 2003, we did not hold any derivative contracts for our own account. For more information, see our annual report on Form 20-F for the year ended December 31, 2002.

INFLATION

We do not believe that inflation has had a material impact on revenues or income during the first quarter of 2003. Because our assets to a large extent are liquid in nature, they are not significantly affected by inflation. However, increases in inflation could result in increases in our expenses, which may not be readily recoverable in the price of services provided to our clients. To the extent inflation results in rising interest rates and has other adverse effects on capital markets, it could adversely affect our financial position and profitability.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. We have identified certain accounting policies that are the most important to the portrayal of our current financial condition and results of operations.

For more information about our critical accounting policies, see our annual report on Form 20-F for the year ended December 31, 2002.

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 30, 2003