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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED):  
MAY 15, 2003

FIRSTCITY FINANCIAL CORPORATION  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
(STATE OF INCORPORATION)

033-19694  
(COMMISSION FILE NO.)

76-0243729  
(IRS EMPLOYER  
IDENTIFICATION NO.)

6400 IMPERIAL DRIVE  
WACO, TEXAS 76712  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (254) 751-1750

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ITEM 7. FINANCIAL STATEMENTS, PRO-FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits

99.1 - Text of press release of FirstCity Financial Corporation issued on May 15, 2003.

ITEM 9. REGULATION FD DISCLOSURE (INFORMATION PROVIDED UNDER ITEM 12 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION).

On May 15, 2003, FirstCity Financial Corporation ("FirstCity" or the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2003 and certain other information. A copy of this press release is attached hereto as Exhibit 99.1.

The information required by Form 8-K, Item 12 - Results of Operations and Financial Condition, is being provided under Item 9 pursuant to SEC Release No. 33-8216. The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing of FirstCity, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

FirstCity Financial Corporation

Date: May 15, 2003

By: /s/ J. Bryan Baker

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J. Bryan Baker  
Senior Vice President, and  
Chief Financial Officer

EXHIBIT INDEX

<Table> <Caption> Exhibit No. -----	Description -----
<S> 99.1 -	<C> Text of press release of FirstCity Financial Corporation issued on May 15, 2003.

</Table>

## NEWS RELEASE

(FIRSTCITY FINANCIAL CORPORATION LOGO)

contact: Suzy W. Taylor  
(866) 652-1810

## FIRSTCITY FINANCIAL ANNOUNCES FIRST QUARTER 2003 RESULTS

WACO, TEXAS MAY 15, 2003... FirstCity Financial Corporation (Nasdaq FCFC) today announced a loss from continuing operations for the quarter ended March 31, 2003 of \$19,000. The net loss to common shareholders was \$85,000, or \$ .01 per share on a diluted basis, after subtracting \$66,000 in accrued and unpaid dividends on the Company's preferred stock.

Components of the results for the three months ended March 31, 2003 and 2002, respectively, are detailed below:

&lt;Table&gt;

&lt;Caption&gt;

(\$ Thousands)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	-----	-----
	2003	2002
	-----	-----
	<C>	<C>
Portfolio Asset Acquisition and Resolution	\$ 1,777	\$ 2,331
Consumer	576	(1,081)
Corporate interest	(1,172)	(822)
Corporate overhead	(1,200)	(1,262)
	-----	-----
Loss from continuing operations	(19)	(834)
Accrued preferred dividends	(66)	(642)
Loss from discontinued operations	--	(500)
	-----	-----
Net loss to common shareholders	\$ (85)	\$ (1,976)
	=====	=====

&lt;/Table&gt;

## PORTFOLIO ASSET ACQUISITION

The \$1.8 million profit contribution from Portfolio Asset Acquisition and Resolution was impacted by \$1.5 million in foreign currency losses due to the devaluation of the Mexican peso experienced in the quarter and \$.2 million in currency gains related to the appreciation of the Euro. Since the end of the quarter the Mexican peso has strengthened and has resulted in currency gains which will be reflected in the second quarter if the trend continues. The Company continues to monitor the foreign currency exposure on a daily basis and evaluate the necessity of hedging these investments through analysis of currency forecasts, the cost to hedge those investments and the available liquidity required to do so.

The Company continues to see many opportunities to invest in the U.S., Europe and Latin America. Although there were no acquisition closings during the first quarter the Company is currently performing due diligence on pools with an unpaid principal balance in excess of \$800 million. Of the total currently being pursued \$600 million is in the U.S. It is anticipated that the initial investments in Latin American countries other than Mexico will be small negotiated transactions which will allow the Company to enter those markets in a deliberate and disciplined manner.

Operating contribution for the quarter was \$1.8 million, comprised of \$6.8 million in revenues, net of \$5.0 million of expenses. The business generated 64% of the revenues from domestic investments, 21% from investments in Mexico and 15% from investments in France. The major components of revenue for the quarter include servicing fees of \$3.5 million, equity earnings in Acquisition Partnerships and servicing entities of \$1.2 million and interest income of \$1.1 million.

(more)

## CONSUMER

FirstCity owns a 31% Interest in Drive Financial Services L.P., a subprime auto lending company. Drive originated \$126 million of receivables during the quarter. Defaults and losses have risen to 21.03% and 10.83%, respectively, at the end of the quarter compared to 17.49% and 8.19%, respectively, for the same period last year. These increases are primarily a result of a continued weakness in the economy and the resulting impact on used car prices. Delinquencies have decreased to 4.66% from 4.87% for the corresponding quarters.

Drive continues on a strategy to grow the balance sheet and record interest income from loans and interest expense on the related debt as incurred to build an earnings stream over time. The trend is detailed in the table below:

&lt;Table&gt;

&lt;Caption&gt;

\$ Thousands	LOAN INVENTORY	TOTAL ASSETS	INCOME (LOSS) BEFORE PROVISIONS ON RESIDUAL ASSETS	PROVISIONS ON RESIDUAL ASSETS	NET INCOME (LOSS)	FIRSTCITY'S 31% SHARE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1st Quarter 2003	\$ 443,000	\$551,412	\$ 3,707	\$ (1,217)	\$ 2,490	\$ 689
Prior year:						
4th Quarter 2002	368,379	472,553	3,207	(3,303)	(96)	(29)
3rd Quarter 2002	310,540	416,295	1,025	(112)	913	282
2nd Quarter 2002	238,096	341,882	1,281	--	1,281	398
1st Quarter 2002	159,052	254,647	(3,470)	--	(3,470)	(1,076)

&lt;/Table&gt;

As the table shows, the trend of income (loss) before provisions for residual assets reflects the positive effects of growing the balance sheet.

## DISCONTINUED OPERATIONS

The anticipated net realizable value of the Company's investment in discontinued operations remained constant at \$7.9 million as of March 31, 2003. The valuation is net of reserves of \$.8 million.

## CONFERENCE CALL

FirstCity will host a conference call to discuss the quarterly results today, Thursday, May 15, 2003 at 9:00 a.m., CST. James T. Sartain, FirstCity's President and Chief Executive Officer will lead the call. To participate, dial 1-800-493-3979 and specify conference I.D. number 3582788. Please dial in five minutes prior to the call. If you are unable to listen to the live conference call, a replay will be available by dialing 1-888-211-2648. The pass code for the replay is 3582788. The replay will be available until Wednesday May 28, 2003.

## FORWARD LOOKING STATEMENTS

Certain statements in this press release, which are not historical in fact, including, but not limited to, statements relating to future performance, may be deemed to be forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, performance or achievements, and may contain the words "expect", "intend", "plan", "estimate", "believe", "will be", "will continue", "will likely result", and similar expressions. Such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. There are many important factors that could cause FirstCity's actual results to differ materially from those indicated in the forward-looking statements.

(more)

These factors include, but are not limited to, the performance of FirstCity's subsidiaries and affiliates, availability of portfolio assets, assumptions underlying portfolio asset performance, risks associated with foreign operations, currency exchange rate fluctuations, interest rate risk; the degree to which FirstCity is leveraged, FirstCity's continued need for financing, availability of FirstCity's credit facilities, the impact of certain covenants in loan agreements of FirstCity and its subsidiaries, risks of declining value of loans, collateral or assets, the ability of FirstCity to utilize net operating loss carryforwards, uncertainties of any litigation arising from discontinued operations, general economic conditions, foreign social and economic conditions, changes (legislative and otherwise) in the asset securitization industry; fluctuation in residential and commercial real estate values, capital markets conditions, including the markets for asset-backed securities; factors more fully discussed and identified under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," risk factors and other risks identified in FirstCity's Annual Report on Form 10-K, filed with the SEC on April 15, 2003, as well as in FirstCity's other filings with the SEC.

Many of these factors are beyond FirstCity's control. In addition, it should be noted that past financial and operational performance of FirstCity is not necessarily indicative of future financial and operational performance. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

The forward-looking statements in this release speak only as of the date of this release. FirstCity expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in FirstCity's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

FirstCity is a diversified financial services company with operations dedicated to portfolio asset acquisition and resolution and consumer lending with offices in the U.S. and with affiliate organizations in France and Mexico. Its common (FCFC) and preferred (FCFCO) stocks are listed on the Nasdaq National Market System.

(Tables follow)

FIRSTCITY FINANCIAL CORPORATION  
SUMMARY OF OPERATIONS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

<Table>  
<Caption>

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
<S>	<C>	<C>
Revenues:		
Servicing fees from affiliates	\$ 3,507	\$ 2,222
Gain on resolution of Portfolio Assets	695	244
Equity in earnings of investments	2,091	1,475
Interest income from affiliates	915	1,020
Interest income - other	188	285
Other income	362	240
Total revenues	7,758	5,486
Expenses:		
Interest and fees on notes payable to affiliates	1,891	1,405
Interest and fees on notes payable - other	62	143
Salaries and benefits	3,496	2,735
Provision for loan and impairment losses	34	99
Occupancy, data processing, communication and other	1,994	1,910
Total expenses	7,477	6,292
Earnings from continuing operations before income taxes and minority interest	281	(806)
Provision for income taxes	(121)	(13)
Earnings (loss) from continuing operations before minority interest	160	(819)
Minority interest	(179)	(15)
Loss from continuing operations	(19)	(834)
Loss from discontinued operations	--	(500)
Net loss	(19)	(1,334)
Accumulated preferred dividends in arrears	(66)	(642)
Net loss to common shareholders	\$ (85)	\$ (1,976)
Basic and diluted loss per common share are as follows:		
Loss from continuing operations	\$ (0.01)	\$ (0.18)
Discontinued operations	--	(0.06)
Net loss per common share	\$ (0.01)	\$ (0.24)
Wtd. avg. common shares outstanding	11,202	8,376

</Table>

SELECTED UNAUDITED BALANCE SHEET DATA

<Table>  
<Caption>

	MARCH 31, 2003	DECEMBER 31, 2002
	<S>	<C>
Cash	\$ 2,869	\$ 4,118
Portfolio acquisition and resolution assets	72,007	77,744
Consumer assets	9,793	9,127
Deferred tax asset	20,101	20,101
Net assets of discontinued operations	7,948	7,764
Total assets	120,123	126,456
Notes payable to affiliates	89,621	95,560
Notes payable other	504	1,113
Preferred stock	3,647	3,705
Total common shareholders' equity	18,702	18,752

</Table>

FIRSTCITY FINANCIAL CORPORATION  
SUPPLEMENTAL INFORMATION  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)

<Table>  
<Caption>

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	----- <C>	----- <C>
<b>SUMMARY OPERATING STATEMENT DATA FOR EACH BUSINESS</b>		
Portfolio Asset Acquisition and Resolution:		
Revenues	\$ 6,836	\$ 6,791
Expenses	5,025	4,361
	-----	-----
Operating contribution before provision for loan and impairment losses	1,811	2,430
Provision for loan and impairment losses	34	99
	-----	-----
Operating contribution, net of direct taxes	\$ 1,777	\$ 2,331
	=====	=====
Consumer Lending:		
Revenues, net of equity in loss of investment	\$ 861	\$ (1,345)
Expenses, net of minority interest	285	(264)
Cumulative effect of accounting change	--	--
	-----	-----
Operating contribution, net of direct taxes	\$ 576	\$ (1,081)
	=====	=====
<b>PORTFOLIO ASSET ACQUISITION AND RESOLUTION:</b>		
OVERVIEW		
AGGREGATE PURCHASE PRICE OF PORTFOLIOS ACQUIRED:		
Acquisition partnerships		
Domestic	\$ --	\$ 12,770
Mexico	--	11,709
	-----	-----
Total	\$ --	\$ 24,479
	=====	=====

</Table>

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<Caption>

	PURCHASE PRICE	FIRSTCITY'S INVESTMENT
	----- <C>	----- <C>
<b>HISTORICAL ACQUISITIONS - ANNUAL:</b>		
2003	\$ --	\$ --
2002	171,769	16,717
2001	224,927	24,319
2000	394,927	22,140
1999	210,799	11,203
1998	139,691	28,478

</Table>

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<Caption>

	MARCH 31, 2003	MARCH 31, 2002
	----- <C>	----- <C>
<b>PORTFOLIO ACQUISITION AND RESOLUTION ASSETS BY REGION:</b>		
Domestic	\$ 41,339	\$ 51,562
Mexico	15,407	21,039
France and Italy	15,261	10,894
	-----	-----
Total	\$ 72,007	\$ 83,495
	=====	=====
<b>REVENUES BY REGION:</b>		
Domestic	\$ 4,407	\$ 3,446
Mexico	1,425	2,436
France and Italy	1,004	908
Other foreign	--	1
	-----	-----
Total	\$ 6,836	\$ 6,791
	=====	=====
<b>REVENUES BY SOURCE:</b>		
Equity earnings	\$ 1,230	\$ 2,820

Servicing fees	3,507	2,222
Interest income - loans	1,096	1,277
Gain on sale of interest in equity investment	--	--
Gain on resolution of Portfolio Assets	695	244
Other	308	228
	-----	-----
Total	\$ 6,836	\$ 6,791
	=====	=====

</Table>

FIRSTCITY FINANCIAL CORPORATION  
SUPPLEMENTAL INFORMATION  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)

<Table>  
<Caption>

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	-----	-----
	<C>	<C>
<b>&lt;S&gt;</b>		
ANALYSIS OF EQUITY INVESTMENTS IN ACQUISITION PARTNERSHIPS:		
FIRSTCITY'S AVERAGE INVESTMENT IN ACQUISITION PARTNERSHIPS		
Domestic	\$ 32,977	\$ 33,357
Mexico	1,042	1,409
France	11,264	8,780
France-Servicing subsidiaries	3,414	2,169
	-----	-----
Total	\$ 48,697	\$ 45,715
	=====	=====
FIRSTCITY SHARE OF EQUITY EARNINGS (LOSS):		
Domestic	\$ 2,347	\$ 1,959
Mexico	(2,060)	(17)
France	727	460
France-Servicing subsidiaries	216	418
	-----	-----
Total	\$ 1,230	\$ 2,820
	=====	=====
SELECTED OTHER DATA:		
AVERAGE INVESTMENT IN WHOLLY OWNED PORTFOLIO ASSETS AND LOANS RECEIVABLE:		
Domestic	\$ 9,558	\$ 14,656
Mexico	15,354	19,406
	-----	-----
Total	\$ 24,912	\$ 34,062
	=====	=====
INCOME FROM WHOLLY OWNED PORTFOLIO ASSETS AND LOANS RECEIVABLE:		
Domestic	\$ 913	\$ 535
Mexico	878	986
	-----	-----
Total	\$ 1,791	\$ 1,521
	=====	=====
SERVICING FEE REVENUES:		
Domestic partnerships:		
\$ Collected	\$ 24,051	\$ 31,824
Servicing fee revenue	1,041	817
Average servicing fee %	4.3%	2.6%
Mexico partnerships:		
\$ Collected	\$ 16,512	\$ 19,194
Servicing fee revenue	2,395	1,353
Average servicing fee %	14.5%	7.0%
Incentive service fees	\$ 71	\$ 52
Total Service Fees:		
\$ Collected	\$ 40,563	\$ 51,018
Servicing fee revenue	3,507	2,222
Average servicing fee %	8.6%	4.4%
SERVICING PORTFOLIO (FACE VALUE)		
Domestic	\$ 399,403	\$ 502,295
Mexico	1,141,495	1,570,032
France and Italy	730,710	450,424
	-----	-----
Total	\$ 2,271,608	\$ 2,522,751
	=====	=====
NUMBER OF PERSONNEL AT PERIOD END:		
Production	25	23
Servicing		
Domestic	59	53
Mexico	135	75
	-----	-----
Total personnel	219	151
	=====	=====

</Table>

FIRSTCITY FINANCIAL CORPORATION  
SUPPLEMENTAL INFORMATION  
(DOLLARS IN THOUSANDS)  
(UNAUDITED)

<Table>  
<Caption>

	THREE MONTHS ENDED	
	MARCH 31,	
	2003	2002
<S>	-----	-----
Consumer Lending: (1)	<C>	<C>
Retail installment contracts acquired	\$ 126,118	\$ 113,401
Origination characteristics:		
Face value to wholesale value	98.86%	101.27%
Weighted average coupon	20.91%	20.97%
Purchase discount (% of face value)	17.08%	15.75%
Servicing portfolio (face value in \$)	723,456	599,814
Defaults (% of original balance at time of default)	21.03%	17.49%
Net loss on defaults after recovery	10.83%	8.19%
Delinquencies (% of total serviced portfolio)	4.66%	4.87%
Equity in earnings (loss) of Drive	\$ 861	\$ (1,345)
Cumulative effect of accounting change	--	--
Minority interest	(172)	269
	-----	-----
Net equity in earnings (loss) of Drive	\$ 689	\$ (1,076)
	=====	=====

</Table>

- (1) Auto lending business conducted by Drive Financial Services LP, of which FirstCity owns 31% and accounts for its investment using the equity method of accounting.