U.S. Securities and Exchange Commission
Washington D.C. 20549

Form 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
EXCHANGE ACT

Commission File Number 33-70334-A

INTERNATIONAL ASSETS HOLDING CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware	59-2921318
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

250 Park Avenue South, Suite 200
Winter Park, FL 32789

(Address of principal executive offices)

(407) 629-1400

(Issuer's telephone number)

NA

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_].

The number of shares outstanding of Common Stock was 2,221,751 as of May 11, 2001.

Transitional small business disclosure format   Yes [_]   No [X]

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

Assets	(Unaudited) March 31, 2001	September 30, 2000
Cash	$ 664,624	$ 529,681
Cash deposits with clearing broker	1,861,339	4,733,862
Foreign currency	508,333	8,316
Other receivables	80,352	90,115
Loans to officers	160,921	205,671
Securities owned, at market value	5,800,882	3,316,513
Investment in Joint Venture	0	20,353
Income taxes receivable	0	452,032
Deferred income tax benefit	1,067,470	44,442
Property and equipment, at cost:		
Equipment, furniture and leasehold improvements	1,262,702	1,149,921
Less accumulated depreciation and amortization	(852,635)	(765,065)
Net property and equipment	410,067	384,856
Software development, net of accumulated amortization of $291,857 in March 2001 and $151,280 in September 2000	743,941	416,810
Prepaid expenses and other assets, net of accumulated amortization of $177,000 in March 2001 and $170,512 in September 2000	232,420	260,103
Total assets	$ 11,530,349	$ 10,462,754

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

Liabilities and Stockholders' Equity	(Unaudited) March 31, 2001	September 30, 2000
Liabilities:		
Foreign currency sold, but not yet purchased	$ 11,238	$ 11,903
Securities sold, but not yet purchased, at market value	4,547,382	1,202,659
Payable to clearing broker, net	68,178	24,330
Accounts payable	113,373	260,718
Accrued employee compensation and benefits	316,182	1,055,238
Accrued expenses	99,504	191,725
Payable to Joint Venture	4,415	2,027
Deferred income taxes	295,553	177,649
Other liabilities	7,730	68,367
Total liabilities	5,463,555	2,994,616
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 3,000,000 shares; issued and outstanding -0- shares	0	0
Common stock, $.01 par value. Authorized 8,000,000 shares; issued and outstanding 2,221,751 shares in March 2001 and 2,209,468 shares in September 2000	22,218	22,095
Additional paid-in capital	7,747,231	7,666,333
Retained deficit	(1,702,655)	(220,290)
Total stockholders' equity	6,066,794	7,468,138
Total liabilities and stockholders' equity	$ 11,530,349	$ 10,462,754

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Six Months Ended March 31, 2001 and 2000

(Unaudited)

	2001	2000
Revenues:		
Commissions	$ 1,768,195	3,660,975
Net dealer inventory and investment gains	431,296	3,104,097
Management and investment advisory fees	75,903	77,196
Interest and dividends	114,846	143,714
Loss from joint venture	(20,353)	(25,788)
Other	(1,286)	229,710
Total revenues	2,368,601	7,189,904
Expenses:		
Compensation and benefits	2,459,633	3,500,130
Clearing and related expenses	510,613	822,941
Promotion	478,823	550,138
Occupancy and equipment rental	258,926	229,755
Communications	140,400	182,284
Interest	1,740	961
Professional fees	129,667	200,685
Insurance	100,365	83,987
Depreciation and amortization	234,635	194,702
Technology	118,930	154,624
Other expenses	254,405	243,357
Total expenses	4,688,137	6,163,564
(Loss) income before income taxes	(2,319,536)	1,026,340
Income tax (benefit) expense	(837,171)	406,307
Net (loss) income	$(1,482,365)	620,033
(Loss) earnings per share:		
Basic	$ (0.67)	0.30
Diluted	$ (0.67)	0.26
Weighted average number of common shares outstanding:		
Basic	2,218,356	2,059,493
Diluted	2,218,356	2,384,175

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Three Months Ended March 31, 2001 and 2000

(Unaudited)

	2001	2000
Revenues:		
Commissions	$ 858,913	1,961,819
Net dealer inventory and investment gains	43,385	1,402,174
Management and investment advisory fees	35,191	34,006
Interest and dividends	35,127	74,856
Loss from joint venture	(10,481)	(15,902)
Other	500	222,673
Total revenues	962,635	3,679,626
Expenses:		
Compensation and benefits	1,313,748	1,783,880
Clearing and related expenses	226,654	488,527
Promotion	210,257	281,310
Occupancy and equipment rental	129,463	101,901
Communications	68,782	89,231
Interest	1,370	427
Professional fees	60,523	125,228
Insurance	52,597	45,484
Depreciation and amortization	143,055	126,093
Technology	57,467	147,188
Other expenses	94,314	132,603
Total expenses	2,358,230	3,321,872
(Loss) income before income taxes	(1,395,595)	357,754
Income tax (benefit) expense	(509,665)	140,607
Net (loss) income	$ (885,930)	217,147
(Loss) earnings per share:		
Basic	$ (0.40)	$ 0.10
Diluted	$ (0.40)	$ 0.09
Weighted average number of common shares outstanding:		
Basic	2,221,751	2,171,311
Diluted	2,221,751	2,411,325

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

For the Six Months Ended March 31, 2001 and 2000

(Unaudited)

	2001	2000
Cash flows from operating activities:		
Net (loss) income	$(1,482,365)	620,033
Adjustments to reconcile net (loss) income to net cash used for operating activities:		
Depreciation and amortization	234,635	194,702
Deferred income taxes	(905,124)	67,767
Loss from Joint Venture	20,353	25,788
Tax benefit from disqualifying dispositions of incentive stock options	11,001	320,121
Cash provided by (used for) changes in:		
Receivable from clearing broker, net	-	(1,301,657)
Other receivables	9,763	(403,006)
Securities owned, at market value	(2,484,369)	(796)
Income taxes receivable	452,032	(113,781)
Prepaid expenses and other assets	21,195	(21,541)
Foreign currency sold, but not yet purchased	(665)	(24,496)
Securities sold, but not yet purchased, at market value	3,344,723	1,894,322
Payable to clearing broker, net	43,848	(230,443)
Accounts payable	(147,345)	131,336
Accrued employee compensation and benefits	(739,056)	88,433
Accrued expenses	(92,221)	(112,673)
Payable to Joint Venture	2,388	(742)
Other liabilities	(60,637)	907
Net cash (used for) provided by operating activities	(1,771,844)	1,134,274
Cash flows from investing activities:		
Investment in joint venture	0	(30,000)
Collection of loans to officers	44,750	-
Costs of additional property, equipment and software development	(510,469)	(248,379)
Net cash used for investing activities	(465,719)	(278,379)

(continued)

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows, Continued

For the Six Months Ended March 31, 2001 and 2000

(Unaudited)

	2001	2000
Cash flows from financing activities:		
Exercise of employee stock options	-	618,309
Net cash provided by financing activities	-	618,309
Net (decrease) increase in cash and cash equivalents	(2,237,563)	1,474,204
Cash and cash equivalents at beginning of period	5,271,859	4,209,004
Cash and cash equivalents at end of period	$ 3,034,296	5,683,208
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,740	961
Income taxes paid	$ -	132,200
Supplemental disclosure of noncash financing activities:		
During the six months ended March 31, 2001 the Company paid for certain software development services by issuing 12,283 shares of its common stock.	$ 70,020	-
On March 24, 2000 the Company issued 198,269 shares of common stock in conjunction with a ten percent stock dividend.		

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2001 and 2000
(Unaudited)

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions and requirements of Form 10-QSB and, therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. In the opinion of Management, such financial statements reflect all adjustments (consisting of normal recurring items) necessary for a fair statement of the results of operations, cash flows and financial position for the interim periods presented. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ending September 30, 2000, filed on Form 10-KSB (SEC File Number 33-70334- A).

As used in this Form 10-QSB, the term "Company" refers, unless the context requires otherwise, to International Assets Holding Corporation and its six wholly owned subsidiaries; International Assets Advisory Corp. ("IAAC"), INTLTRADER.COM, INC. ("ITCI"), Global Assets Advisors, Inc. ("GAA"), International Financial Products, Inc. ("IFP"), International Asset Management Corp. ("IAMC") and OffshoreTrader.com Ltd. ("OTCL"). All significant intercompany balances and transactions have been eliminated in consolidation. The Company also has a 50% interest in International Assets New York, LLC ("IANY") a joint venture.

(2) Reclassifications

Certain prior year amounts have been reclassified to conform to fiscal 2001 presentation. These changes had no impact on previously reported results of operations or stockholders' equity.

(3) Stock Dividend

On February 25, 2000 the Company's Board of Directors declared a 10% stock dividend for shareholders of record on March 10, 2000 and payable on March 24, 2000. The 10% stock dividend increased the Company's issued and outstanding common shares by 198,269 shares.

Earnings per common share, weighted average shares outstanding, and all stock option activity have been restated to reflect the 10% stock dividend.

(4) Basic and Diluted (Loss) Earnings Per Share

Basic (loss) earnings per share for the six months and the three months ended March 31, 2001 and 2000 have been computed by dividing net (loss) income by the weighted average number of common shares outstanding. Diluted loss per share for the six months and the three months ended March 31, 2001 is the same as basic loss per share because of the anti-dilutive impact of the potential common shares, due to the net loss for both of the periods. Diluted earnings per share for the six months and the three months ended March 31, 2000 has been computed by dividing net income by the weighted average number of common shares and dilutive potential common shares outstanding.

Options to purchase 48,050 shares of common stock were excluded from the calculation of diluted earnings per share for the six months and the three months ended March 31, 2000, because their exercise prices exceeded the average market price of common shares for the period. No options to purchase shares of common stock were considered in the calculation of diluted loss per share for the six months and the three months ended March 31, 2001 because of the anti-dilutive impact of the potential common shares, due to the net loss for both of the periods.

(5) Securities Owned and Securities Sold, But Not Yet Purchased, at market value

Securities owned and Securities sold, but not yet purchased at March 31, 2001 and September 30, 2000 consist of trading and investment securities at quoted market values as follows:

	Owned	Sold, but not yet purchased
March 31, 2001:		
Common stock and American Depository Receipts	1,878,510	1,159,427
Foreign ordinary stock paired with its respective American Depositary Receipt	3,380,120	3,381,271
Corporate and municipal bonds	70,561	-
Foreign government obligations	55,219	6,319
Unit investment trusts, mutual funds and other investments	416,472	365
Total	$ 5,800,882	4,547,382

September 30, 2000:		
Obligations of the U.S. Government	$ 256,042	-
Common stock and American Depository Receipts	2,205,960	683,802
Foreign ordinary stock paired with its respective American Depositary Receipt	409,043	409,806
Corporate and municipal bonds	119,370	54,526
Foreign government obligations	91,210	54,525
Unit investment trusts, mutual funds and other investments	234,888	-
Total	$ 3,316,513	1,202,659

(6) Receivable From and Payable to Clearing Organization

Amounts receivable from and payable to clearing organization at March 31, 2001 and September 30, 2000 consist of the following:

	Receivable	Payable
March 31, 2001:		
Commission income receivable	$ 25,556	-
Clearing fee payable	-	418
Open transactions, net	-	93,316
	$ 25,556	93,734
September 30, 2000:		
Commission income receivable	$ 51,943	-
Clearing fee payable	-	7,392
Open transactions, net	-	68,881
	$ 51,943	76,273

As these amounts are short-term in nature, the carrying amount is a reasonable estimate of fair value.

(7) Investment in Joint Venture

On September 30, 1998, the Company signed a 50/50 Joint Venture Agreement (JV) with Lakeside Investments, LLC (Lakeside) of New York. On October 1, 1998, the joint venture effected the incorporation of International Assets New York, LLC (IANY) a 50/50 owned entity formed to transact the business for the JV. Each party made an initial contribution of $50,000 during the year ended September 30, 1999. During the year ended September 30, 2000 the parties each made subsequent capital contributions of $60,000. A principal of Lakeside actively manages this business. IANY offers a variety of financial strategies to high net worth private investors resident in the United States and certain foreign countries. The Company accounts for this investment under the equity method of accounting.

For the six months ended March 31, 2001 and 2000, the Company has recorded a loss of $20,353 and $25,788, respectively for 50 percent of the Joint Venture's loss for the period. The Company uses the equity method of accounting for recording the joint venture investment and its activity. In accordance with the equity method, the Company has reduced its investment in joint venture to $0 as of March 31, 2001. The joint venture has received loans from Lakeside totaling $46,000 to support the joint venture. These loans from Lakeside may be converted to an equity contribution, reducing the Company's equity share in the joint venture below the current 50%, or the loans will be repaid from future operations. As of March 31, 2001 the Company had a payable to the Joint Venture of $4,415, which relates to Joint Venture cash outlays that were made on behalf of the Company.

(8) Leases

The Company occupies leased office space of approximately 13,815 square feet at 250 Park Avenue South, Winter Park, Florida. The expiration date of the office lease is May 31, 2001. The Company is presently working with the landlord on a lease renewal that incorporates significant exterior expansion plans that the landlord has decided to undertake. Once the building design decisions have been finalized management believes the Company will be able to negotiate acceptable future lease terms with the current landlord. In conjunction with these design delays the Company has received a three-month extension from the landlord that waives any rental increase until September 1, 2001.

The Company is obligated under various noncancelable operating leases for the rental of its office facilities and certain office equipment. Rent expense associated with operating leases amounted to $200,218 and $189,543 for the six months ended March 31, 2001, and 2000, respectively. The future minimum lease payments under noncancelable operating leases as of March 31, 2001 are as follows:

Fiscal Year (12 month period) Ending September 30,	
2001	294,300
2002	81,000
2003	48,500
2004	3,300
Total future minimum lease payments	$ 427,100

During April 2000, IANY, the Company's Joint Venture, executed an amendment for its leased office facilities. The amendment increases the square footage leased from approximately 1,402 square feet to 1,975 square feet. The amendment extended the lease term for a 36 month period commencing on September 1, 2000. Based on this lease amendment the total remaining base rental commitment for IANY is $144,010 (Fiscal year ending: September 30, 2001, $49,375; September 30, 2002, $49,375 and September 30, 2003, $45,260). The Company and Lakeside Investments, LLC, each executed a 100 percent guaranty for the joint venture office lease for IANY. Concurrently, the Company and Lakeside Investments, LLC executed indemnification agreements expressly agreeing to indemnify each other related to this lease guarantee in accordance with each party's proportionate ownership (50/50).

(9) Stock Repurchase Program

The Board of Directors has authorized the Company to continue its repurchase of up to $500,000 in shares of the Company's common stock in the open market through the year ending September 30, 2001. The stock purchases may be made in the open market from time to time as market conditions permit. The Company is required to comply with Rule 10b-18 and Regulation M of the Securities and Exchange Commission which regulate the specific terms in which shares may be repurchased. Since the inception of the repurchase program on March 13, 1996 the Company has repurchased and retired a total of 43,112 shares (as adjusted for the 10% stock dividends) in the open market at a total cost of $129,233. The last open market purchase under the program occurred in March 1998. During the six months ended March 31, 2001 and 2000 the Company did not repurchase any Company shares through open market repurchases.

In addition to the Company's common stock repurchases in the open market, the Company has repurchased and retired an additional 115,038 shares (as adjusted for the 10% stock dividends) from terminated participants of the Company's 401k Profit Sharing Plan ("401k Plan") and Retirement Savings Plan ("RSP") at a total cost of $256,893 since inception of the repurchase program. The last stock repurchase from these plans was in December 1998. During the six months ended March 31, 2001 and 2000 the Company did not repurchase any Company shares through the 401k Plan and RSP. In total, the Company has repurchased 158,150 shares (as adjusted for the 10% stock dividends) for a total cost of $386,126 since the inception of the repurchase program on March 13, 1996.

(10) Commitments and Contingent Liabilities

The Company is party to certain litigation as of March 31, 2001, which relates primarily to matters arising in the ordinary course of business. Management of the Company anticipates that the final resolution of these items will not have a material adverse effect on the Company's consolidated financial statements.

(11) Stock Option Plan

On June 9, 2000 the Board of Directors of the Company approved an amendment to the stock option plan to increase the total number of common shares available for issuance from 839,300 shares to 1,339,300 shares. This amendment was approved by the shareholders of the Company at the annual shareholders meeting on February 15, 2001.

Incentive Stock Options (Granted during the six months ended March 31, 2001)

Options Granted	Grant Date	Exercise Price	Expiration Date	Vesting and Exercisable
5,000	12/21/00	$2.219	12/21/10	(a)
20,000	12/22/00	$2.125	12/22/10	(a)
2,500	01/08/01	$2.875	01/08/11	(a)
2,500	01/22/01	$2.75	01/22/11	(a)
10,000	01/29/01	$4.25	01/29/11	(a)
25,000	03/09/01	$3.125	03/09/11	(b)
25,000	03/09/01	$3.438	03/09/11	(a)
230,000	03/09/01	$3.125	03/09/11	(a)
320,000				

Nonqualified Stock Options (Granted during the six months ended March 31, 2001)

Options Granted	Grant Date	Exercise Price	Expiration Date	Vesting and Exercisable
22,500	03/09/01	$3.125	03/09/11	(a)

(a) Vested and exercisable at 33.3% after year one, 33.3% after year two and 33.4% after year three.
(b) Vested in 25,000 on 03/09/03 and exercisable in 3,400 on 10/01/03 and 21,600 on 01/01/04.

As the strike price on the date of grant for each option was equal to the fair market value of a share of common stock on that date, the Company did not recognize any compensation cost associated with such grants.

(12) Related Party Transactions

On January 4, 2000 the Company made a loan to the CEO of the Company including the execution and receipt of a $250,000 promissory note due January 3, 2001. On January 26, 2001 the Board of Directors of the Company granted an extension of the due date of the promissory note with the CEO of the Company to December 31, 2001. The promissory note includes interest of 6% per annum. The loan to officer was previously approved by the Company's Board of Directors. As of March 31, 2001 the remaining principal balance of the promissory note including accrued interest is approximately $92,500.

On August 28, 2000 the Company made a loan to a Vice President of the Company including the execution and receipt of a $66,000 promissory note due August 27, 2001. The promissory note includes interest of 6.27% per annum. As of March 31, 2001 the remaining principal balance of the promissory note including accrued interest is approximately $68,400.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. Certain statements in this discussion may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks including, but not limited to, changes in general economic and business conditions, interest rate and securities market fluctuations, competition from within and from outside the investment brokerage industry, new products and services in the investment brokerage industry, changing trends in customer profiles and changes in laws and regulation applicable to the Company. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurances that the actual results, performance or achievement of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Company's principal operating activities, market-making and trading in international securities and private client securities brokerage, are highly competitive and extremely volatile. The earnings of the Company are subject to wide fluctuations since many factors over which the Company has little or no control, particularly the overall volume of trading and the volatility and general level of market prices, may significantly affect its operations.

Results of Operations:

Six Months Ended March 31, 2001 as Compared to
the Six Months Ended March 31, 2000

The Company's revenues are derived primarily from commissions earned on the sale of securities and trading revenue (net dealer inventory and investment gains). For the six months ended March 31, 2001, 75% of the Company's revenues were derived from commissions earned on the sale of securities and 18% of revenues were derived from trading revenue. For the six months ended March 31, 2000, 51% of the Company's revenues were derived from commissions earned on the sale of securities and 43% of revenues were derived from trading revenue. Total revenues decreased 67% to $2,368,601 for the six months ended March 31, 2001 from $7,189,904 for the same period in 2000 primarily driven by a difficult trading environment characterized by severe declines in the U.S. equities market. Trading revenue declines of $2,672,801 represented 55% of the total revenue decline year over year. Commission revenues were $1,892,780 lower than the prior year.

Commission revenue decreased by approximately 52% to $1,768,195 for the six months ended March 31, 2001 from $3,660,975 in 2000. Revenues from commissions are affected primarily by retail trading volume. Based on the number of retail trades processed, 2001 volume decreased by approximately 51% from prior year levels reflecting very cautious investing activity on the part of individual investors. This decrease in retail trades and related commission revenue was due mainly to market uncertainty and adverse market conditions.

Trading revenue, (net dealer inventory and investment gains) which is derived mainly from institutional clients and to a lesser extent from retail clients, decreased by approximately 86% to $431,296 in 2001 from $3,104,097 in 2000. This decrease in trading revenue was due in large measure to declines across the major financial indices and partly to the market uncertainty of events surrounding the U.S. Presidential election during the previous quarter. This down market resulted in both a decline in the number of shares traded and pressure on trading margins in this period of lower market making activity. In addition to market factors, management believes trading revenues were negatively impacted in 2001, although management has not yet been able to quantify the dollar effects in the period, by the resignation of its foreign trading staff in December 2000, as previously discussed in the Company's 10QSB for the period ended December 31, 2000 as well as filing 8-K as filed on December 27, 2000.

Revenues from management and investment advisory fees decreased by approximately 2% to $75,903 for the six months ended March 31, 2001. Revenues from mutual fund management and UIT supervisory fees increased by $47,759 due to the Company's launch of the Global eFund in May 2000 but offsetting this increase was a $49,052 decrease in private client money management due to decreases in market activity.

Interest and dividend revenue decreased by approximately 20% to $114,846 for the six months ended March 31, 2001.

Loss from joint venture of $20,353 for 2001 was approximately 21% less than the $25,788 loss for 2000. The joint venture operates as a securities brokerage branch office of International Assets Advisory Corporation.

Other revenue decreased in 2001 by $230,996 mainly due to the absence of a prior year settlement of two arbitration matters that generated this non-reoccurring revenue.

The major expenses incurred by the Company relate to direct costs of its securities operations such as compensation and benefits, clearing and related expenses and promotion expense. Total expenses decreased 24% to $4,688,137 in 2001, down from $6,163,564 for the same period in 2000. This decrease in total expenses is mainly related to reduced total revenues and the corresponding decrease in variable costs such as commission expense, clearing expense and performance based bonus expense.

Compensation and benefits expense decreased by $1,040,497, or 30% to $2,459,633 for the six months ended March 31, 2001 from $3,500,130 in 2000 due to a 48% decrease in commission expense on lower commission revenues and a 72% decrease in performance based bonus expense.

Clearing and related expenses decreased 38% to $510,613 in 2001, down from $822,941 in 2000 mainly due to lower retail private client activity and lower trading volume.

Total promotion expense decreased by approximately 13% to $478,823 for the six months ended March 31, 2001 compared to $550,138 for 2000. Advertising and promotional expense decreased by 66% in 2001 compared to the same period in 2000 due mainly to increased costs in 2000 related to the launch of INTLTRADER.COM. Offsetting this expense decrease were higher travel and entertainment expenses associated with the Company's trading department promotions as well as increased travel expense for corporate business development efforts.

Occupancy and equipment rental expense increased by 13% to $258,926 for the six months ended March 31, 2001 from $229,755 in 2000. Increases in rental expense were related to the Company's leased office space.

Communications expense decreased by $41,884, or 23% to $140,400 for the six months ended March 31, 2001 from $182,284 for 2000. This decrease is due to reduced telephone and postage expense related to the corresponding decreases in operating revenue.

Professional fees decreased by approximately 35% to $129,667 in 2001 as compared to $200,685 in 2000. This reduction relates primarily to lower consulting expenses for 2001.

Depreciation and amortization expense increased to $234,635 in 2001 from a level of $194,702 in 2000 as a result of higher amortization expense associated with capitalized technology development costs for INTLTRADER.COM.

Technology expense was down $35,694 in 2001 from $154,624 in 2000 as new technology enhancements to increase the quote and trading platform's capacity for future growth were primarily completed by December 2000 for INTLTRADER.COM.

The Company's effective income tax (benefit) rate was approximately (36%) and 40% for the six months ended March 31, 2001 and 2000, respectively. The effective income tax (benefit) expense rate was different than the expected federal and state tax rates due to the presence of offsetting permanent differences.

The Company has reported a net loss of $1,482,365 for the six months ended March 31, 2001 compared to net income of $620,033 for the previous year.

Three Months Ended March 31, 2001, as Compared to
the Three Months Ended March 31, 2000

For the three months ended March 31, 2001, 89% of the Company's revenues were derived from commissions earned on the sale of securities and 5% of revenues were derived from trading revenue. For the six months ended March 31, 2000, 53% of the Company's revenues were derived from commissions earned on the sale of securities and 38% of revenues were derived from trading revenue. Total revenues decreased by $2,716,991, or 74% to $962,635 for the three months ended March 31, 2001 from $3,679,626 for the same period in 2000. This decrease was primarily attributable to a $1,358,789 decrease in trading revenue and a $1,102,906 decrease in commission revenue.

Commission revenue decreased by approximately 56% to $858,913 for the three months ended March 31, 2001 from $1,961,819 in 2000. Revenues from commissions are affected primarily by retail trading volume. Based on the number of retail trades processed, 2001 volume decreased by approximately 53% from 2000 levels. This decrease in retail trades and related commission revenue was due mainly to a difficult market and declines that occurred across most leading indexes.

Trading revenue, which is derived mainly from institutional clients and to a lesser extent from retail clients, decreased by approximately 97% to $43,385 in 2001 from $1,402,174 in 2000. This decrease in trading revenue was due in large measure to declines across the major financial indices during the quarter. This down market resulted in both a decline in the number of shares traded and pressure on trading margins in this period of lower market making activity.

Revenues from management and investment advisory fees increased by approximately 3% to $35,127 for the quarter ended March 31, 2001.

Interest and dividend revenue decreased by approximately 53% to $35,127 for the quarter ended March 31, 2001. This decrease is primarily due to lower balances of interest producing assets, including money market balances and fixed income investments, during the quarter ended March 31, 2001.

Loss from joint venture was $10,481 for the 2001 quarter compared to $15,902 for 2000.

Other revenue decreased in 2001 by $222,173 mainly due to the settlement of two arbitration matters in 2000 that generated this non-reoccurring revenue.

Total expenses decreased 29% to $2,358,230 in 2001, down from $3,321,872 in 2000. This decrease in total expenses is mainly related to reduced total revenues and the corresponding decrease in variable costs such as commission expense, clearing expense and performance based bonus expense.

Compensation and benefits expense decreased by $470,132, or 26% to $1,313,748 for the quarter ended March 31, 2001 from $1,783,880 in 2000 due to a 51% decrease in commission expense on lower commission revenues and lower performance based bonus expense (37%).

Clearing and related expenses decreased 54% to $226,654 in 2001, down from $488,527 in 2000 due to lower retail private client activity and lower trading volume.

Total promotion expense was $210,257 for the quarter ended March 31, 2001 compared to $281,310 for 2000. Advertising and promotional expense decreased by 83% in 2001 compared to the same quarter in 2000 due mainly to increased costs in 2000 related to the launch of INTLTRADER.COM. Offsetting this expense decrease were higher travel and entertainment expenses associated with the Company's trading department promotions as well as increased travel expense for corporate business development efforts.

Occupancy and equipment rental expense increased by 27% to $129,463 for the quarter ended March 31, 2001 from $101,901 in 2000. Increases in rental expense were related to the Company's leased office space as well as equipment services.

Communications expense decreased by 23% to $68,782 for the quarter ended March 31, 2001 from $89,231 for 2000. This decrease is due to reduced telephone and postage expense related to the corresponding decreases in operating revenue.

Professional fees decreased by approximately 52% to $60,523 in 2001 as compared to $125,228 in 2000. This reduction mainly relates to decreased consulting and legal expense for 2001.

Depreciation and amortization expense increased by 13% to $143,055 in 2001 from a level of $126,093 in 2000 as a result of higher amortization expense associated with capitalized system development costs for INTLTRADER.COM.

Technology expense was down to $57,467 in 2001 from $147,188 in 2000 as new technology enhancements to increase the system's capacity for future growth were primarily completed by December 2000 for INTLTRADER.COM.

The Company's effective income tax (benefit) rate was approximately (37%) and 39% for the quarter ended March 31, 2001 and 2000, respectively.

The Company has reported a net loss of $885,930 for the quarter ended March 31, 2001 compared to net income of $217,147 for the previous year.

Liquidity and Capital Resources
Substantial portions of the Company's assets are liquid. At March 31, 2001, approximately 76% of the Company's assets consisted of cash, cash equivalents and marketable securities. All assets are financed by the Company's equity capital, from securities sold but not yet purchased and other payables.

International Assets Advisory Corporation (IAAC), a wholly owned registered securities broker/dealer subsidiary, is subject to the requirements of the SEC and the NASD relating to liquidity and net capital levels. At March 31, 2001, IAAC had net capital of approximately $1,754,000, which was approximately $1,201,000 in excess of its minimum net capital requirement at that date.

INTLTRADER.COM, INC. (ITCI), a wholly owned registered securities broker subsidiary, is also subject to the requirements of the SEC and the NASD relating to liquidity and net capital levels. ITCI commenced operations on January 25, 2000. At March 31, 2001, ITCI had net capital of approximately $283,000, which was approximately $233,000 in excess of its minimum net capital requirement at that date.

In the opinion of management, the Company's existing capital and cash flow from operations will be adequate to meet the Company's capital needs for at least the next twelve months in light of known and reasonably estimated trends. At this time additional private financing is being sought for technology, staffing and promotional efforts based upon the Company's strategic plan. This plan has an operational emphasis on technology driven international securities order flow. In conjunction with the Company's strategic plan, the Company has engaged UBS Warburg (formerly known as Paine Webber) as its financial advisor to arrange and negotiate a private placement of securities issued by the Company or to find a strategic partner. UBS Warburg has been engaged to use its best efforts in connection with a private placement and does not have any obligation to purchase any securities issued by the Company or to provide financing of any kind to the Company.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is party to certain arbitration and/or litigation matters as of March 31, 2001 which relate primarily to matters arising in the ordinary course of business. Management of the Company anticipates that the final resolution of these additional items will not have a material adverse effect on the Company's consolidated financial statements.

On January 4, 2001 the Company filed an arbitration matter with the NASD regarding several breaches (including but not limited to raiding, unfair competition and misappropriation of trade secrets) related to the sudden departure, on December 19, 2000, of the head of the foreign trading desk and his related recruitment of the entire International Assets Advisory Corporation trading staff. This arbitration claim was filed against the broker/dealer who became the employer of the recruited employees, two principals of the broker/dealer, the parent firm of the broker/dealer and four principals of the parent firm. On March 14, 2001 the broker/dealer who became the employer and two of its principals responded and filed a counterclaim against the Company. On March 19, 2001 the parent firm of the broker/dealer also filed a counterclaim as well as a claim for attorney's fees. The Company disputes the counterclaims and intends to vigorously defend them.

The foregoing discussion contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve various risks and uncertainties with respect to current legal proceedings. Although the Company believes that its expectation with respect to the forward-looking statements is based upon reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurances that the actual results, performance or achievement of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's annual meeting of stockholders was held on Thursday, February 15, 2001. The stockholders reelected the six members of the existing Board of Directors: Diego J. Veitia, William C. Dennis, Jerome F. Miceli, Stephen A. Saker, Robert A. Miller and Jeffrey L. Rush. The stockholders approved the action of the Board of Directors in selecting KPMG LLP to audit the financial statements of the Company and its subsidiaries for the period commencing October 1, 2000, and ending September 30, 2001. The stockholders further approved the action of the Board of Directors in adopting an amendment to the International Assets Holding Corporation Stock Option Plan to increase the total number of shares available for issuance under the Plan from 839,300 to 1,339,300 shares.

Matter	Votes For	Votes Withheld
Election of Diego J. Veitia as director	2,067,836	6,051
Election of William C. Dennis as director	2,067,836	6,051
Election of Jerome F. Miceli as director	2,062,466	11,441
Election of Stephen A. Saker as director	2,067,836	6,051
Election of Robert A. Miller director	2,067,836	6,051
Election of Jeffery L. Rush as director	2,067,836	6,051

Matter	Votes For	Votes Against	Votes Abstain
Approval of the auditors	2,070,154	3,266	467
Approval of amendment to stock option plan	1,005,498	113,572	8,460

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a). Exhibits

(11) The Statement of Computation of Earnings Per Share is attached hereto as Exhibit 11.

b). Form 8-K

No reports were filed on Form 8-K during the three months ended March 31, 2001

Signatures

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL ASSETS HOLDING CORPORATION

Date 05/11/2001 /s/ William C. Dennis

William C. Dennis
President and Chief Operating Officer

Date 05/11/2001 /s/ Jonathan C. Hinz

Jonathan C. Hinz
Chief Financial Officer and Treasurer

EXHIBIT INDEX

(11) The Statement of Computation of Earnings Per Share is attached hereto as Exhibit 11.

EXHIBIT 11

INTERNATIONAL ASSETS HOLDING CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

For the Six Months Ended March 31, 2001 and 2000

	2001 (1)	2000
Basic (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (1,482,365)	$ 620,033
Denominator:		
Weighted average number of common shares outstanding	2,218,356	2,059,493
Basic (loss) earnings per share	$ (0.67)	$ 0.30
Diluted (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (1,482,365)	$ 620,033
Denominator:		
Weighted average number of common shares outstanding	2,218,356	2,059,493
Weighted average number of net common shares that would be issued upon exercise of dilutive options assuming proceeds used to repurchase shares pursuant to the treasury stock method (2)	-	324,682
Weighted average number of common shares and dilutive potential common shares outstanding	2,218,356	2,384,175
Diluted (loss) earnings per share	$ (0.67)	$ 0.26

(1) Diluted loss per share is the same as basic loss per share due to the net loss in 2001.

(2) The treasury stock method recognizes the use of proceeds that could be obtained upon exercise of options in computing diluted earnings per share. It assumes exercise of options as of the beginning of the period or when issued, if later, and that any proceeds would be used to purchase common stock at the average market price during the period.

EXHIBIT 11

INTERNATIONAL ASSETS HOLDING CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

For the Three Months Ended March 31, 2001 and 2000

	2001 (1)	2000
Basic (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (885,930)	$ 217,147
Denominator:		
Weighted average number of common shares outstanding	2,221,751	2,171,311
Basic (loss) earnings per share	$ (0.40)	$ 0.10
Diluted (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (885,930)	$ 217,147
Denominator:		
Weighted average number of common shares outstanding	2,221,751	2,171,311
Weighted average number of net common shares that would be issued upon exercise of dilutive options assuming proceeds used to repurchase shares pursuant to the treasury stock method (2)	-	240,014
Weighted average number of common shares and dilutive potential common shares outstanding	2,221,751	2,411,325
Diluted (loss) earnings per share	$ (0.40)	$ 0.09

(1) Diluted loss per share is the same as basic loss per share due to the net loss in 2001.

(2) The treasury stock method recognizes the use of proceeds that could be obtained upon exercise of options in computing diluted earnings per share. It assumes exercise of options as of the beginning of the period or when issued, if later, and that any proceeds would be used to purchase common stock at the average market price during the period.