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 December 31, 1999

[ ] 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 1,981,978 as of February 8, 2000.

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

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Unaudited)

Assets	December 31, 1999	September 30, 1999
Cash	$ 577,319	$ 380,070
Cash deposits with clearing broker	3,301,850	3,798,679
Foreign currency	113,903	30,255
Receivable from clearing broker, net	1,250,639	0
Other receivables	128,488	42,694
Securities owned, at market value	4,408,243	3,585,566
Investment in Joint Venture	5,753	15,639
Income taxes receivable	20,547	115,081
Deferred income tax benefit	73,954	84,033
Property and equipment, at cost:		
Leasehold improvements	52,953	52,953
Furniture and equipment	1,111,192	1,082,129
	1,164,145	1,135,082
Less accumulated depreciation and amortization	(764,572)	(731,057)
Net property and equipment	399,573	404,025
Other assets, net of accumulated amortization of $179,602 in December 1999 and $144,508 in September 1999	562,462	321,496
Total assets	$ 10,842,731	$ 8,777,538

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

Liabilities and Stockholders' Equity	(Unaudited) December 31, 1999	September 30, 1999
Liabilities:		
Foreign currency sold, but not yet purchased	$ 176	$ 36,482
Securities sold, but not yet purchased, at market value	2,674,982	990,482
Payable to clearing broker, net	0	230,443
Accounts payable	164,876	154,950
Accrued employee compensation and benefits	595,674	744,076
Accrued expenses	206,338	260,565
Payable to joint venture	762	9,384
Deferred income taxes	137,602	91,807
Other liabilities	120,758	120,343
Total liabilities	3,901,168	2,638,532
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 1,000,000 shares; issued and outstanding -0- shares	0	0
Common stock, $.01 par value. Authorized 3,000,000 shares; issued and outstanding 1,829,478 shares in December 1999 and 1,725,428 shares in September 1999	18,295	17,254
Additional paid-in capital	4,987,558	4,588,928
Retained earnings	1,935,710	1,532,824
Total stockholders' equity	6,941,563	6,139,006
Total liabilities and stockholders' equity	$ 10,842,731	$ 8,777,538

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Three Months Ended December 31, 1999 and 1998

(Unaudited)

	1999	1998
Revenues:		
Commissions	$ 1,699,156	1,488,626
Net dealer inventory and investment gains	1,701,923	914,533
Management and investment advisory fees	43,190	23,976
Account maintenance fees	0	28,034
Interest and dividends	68,858	56,153
Loss from joint venture	(9,886)	(1,570)
Other	7,037	10,065
Total revenues	3,510,278	2,519,817
Expenses:		
Commissions and clearing fees	1,090,543	991,334
Employees compensation and benefits	960,121	653,378
Communications	93,053	62,273
Promotion	268,828	156,883
Occupancy and equipment rental	127,854	104,559
Interest	534	201
Professional fees	75,457	25,561
Insurance	38,503	46,737
Depreciation and amortization	68,609	44,128
Other operating expenses	118,190	98,526
Total expenses	2,841,692	2,183,580
Income before income taxes	668,586	336,237
Income tax expense	265,700	135,578
Net income	$ 402,886	200,659
Earnings per share:		
Basic	$ 0.23	0.12
Diluted	$ 0.19	0.12
Weighted average number of common shares outstanding:		
Basic	1,751,810	1,624,241
Diluted	2,095,837	1,630,939

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

For the Three Months Ended December 31, 1999 and 1998

(Unaudited)

	1999	1998
Cash flows from operating activities:		
Net income	$ 402,886	200,659
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	68,609	44,128
Deferred income taxes	55,874	32,742
Loss from joint venture	9,886	1,570
Tax benefit from disqualifying dispositions of ISO's	115,292	0
Cash provided by (used for) changes in:		
Receivable from clearing broker, net	(1,250,639)	791,753
Other receivable	(85,794)	(42,520)
Securities owned, at market value	(822,677)	(811,335)
Receivable from joint venture	0	(5,168)
Income tax receivable	94,534	67,398
Other assets	(126,840)	(86,892)
Foreign currency sold, but not yet purchased	(36,306)	605
Securities sold, but not yet purchased, at market value	1,684,500	221,770
Payable to clearing broker, net	(230,443)	56,519
Accounts payable	9,926	4,125
Accrued employee compensation and benefits	(148,402)	67,703
Accrued expenses	(54,227)	(107,409)
Payable to joint venture	(8,622)	0
Income taxes payable	0	35,438
Other liabilities	417	(1,205)
Net cash provided by (used for) operating activities	(322,026)	469,881
Cash flows from investing activities:		
Investment in joint venture	0	(20,000)
Acquisition of property, equipment and other assets	(178,283)	(9,112)
Net cash used for investing activities	(178,283)	(29,112)

(continued)

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows, Continued

For the Three Months Ended December 31, 1999 and 1998

(Unaudited)

	1999	1998
Cash flows from financing activities:		
Proceeds from exercise of stock options	284,377	0
Acquisition of common shares related to terminated ESOP and RSP participants	0	(12,896)
Net cash provided by (used for) financing activities	284,377	(12,896)
Net increase (decrease) in cash and cash equivalents	(215,932)	427,873
Cash and cash equivalents at beginning of period	4,209,004	3,046,075
Cash and cash equivalents at end of period	$ 3,993,072	3,473,948
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 534	201
Income taxes paid	$ -	1,100

Supplemental disclosure of noncash financing activities:
On March 26,1999, the Company issued 148,199 shares of common stock in conjunction with a ten percent stock dividend.

See accompanying notes to condensed consolidated financil statements.

Notes to Condensed Consolidated Financial Statements

December 31, 1999 and 1998

(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, 1999, 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"), Global Assets Advisors, Inc. ("GAA"), International Financial Products, Inc. ("IFP"),INTLTRADER.COM, INC. ("ITCI"), 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 2000 presentation. These changes had no impact on previously reported results of operations or stockholders' equity.

(3) Stock Dividend

On February 12, 1999 the Company's Board of Directors declared a 10% stock dividend for shareholders of record on March 5, 1999 and payable on March 26, 1999. The 10% stock dividend increased the Company's issued and outstanding common shares by 148,199 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 Earnings Per Share

Basic earnings per share for the three months ended December 31, 1999 and 1998 have been computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share for the three months ended December 31, 1999 and 1998 have been computed by dividing net income by the weighted average number of common shares and dilutive potential common shares outstanding.

Options to purchase 37,000 and 602,250 shares of common stock were excluded from the calculation of diluted earnings per share for the three months ended December 31, 1999 and 1998, respectively, because their exercise prices exceeded the average market price of common shares for the period.

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

Securities owned and Securities sold, but not yet purchased at December 31, 1999 and September 30, 1999 consist of trading and investment securities at quoted market values as follows:

	Owned	Sold, but not yet purchased
December 31, 1999:		
Obligations of U.S. Government	$ 234,534	-
Common stock and American Depository Receipts	3,289,097	2,657,651
Corporate and municipal bonds	364,899	-
Foreign government obligations	261,223	17,331
Unit investment trusts, mutual funds and other investments	258,490	-
Total	$ 4,408,243	2,674,982
September 30, 1999:		
Obligations of U.S. Government	$ 241,396	-
Common stock and American Depository Receipts	2,573,717	945,053
Corporate and municipal bonds	209,340	-
Foreign government obligations	257,083	-
Unit investment trusts, mutual funds and other investments	304,030	45,429
Total	$ 3,585,566	990,482

(6) Investment in Joint Venture

In October 1998, the Company made an initial $20,000 capital contribution to International Assets New York, LLC (IANY), a 50/50 joint venture with Lakeside Investments, LLC, an unrelated party. In February 1999, the Company made an additional $30,000 capital contribution to this joint venture. The Company has recorded this investment under the equity method of accounting. For the three months ended December 31, 1999 the Company has recorded a loss of $9,886 for 50% of the joint venture's loss for the three month period. As of December 31, 1999 the Company has a payable to the joint venture of $762 related to joint venture cash outlays which were made on behalf of the Company.

(7) 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 lease includes an option to renew for an additional three years at a rental rate determined by the landlord.

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 $91,449 and $80,253 for the three months ended December 31, 1999, and 1998, respectively. The future minimum lease payments under noncancelable operating leases as of December 31, 1999 are as follows:

Fiscal Year (12 month period) Ending September 30,	
2000	383,600
2001	289,700
2002	81,700
2003	50,500
2004	3,300
Total future minimum lease payments	$ 808,800

The Company and Lakeside Investments, LLC, each executed a 100% 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 parties proportionate ownership (50/50). This office lease is for a 38 month term from January 1, 1999 through February 28, 2002. The remaining base rental commitment for IANY is $81,316 (Fiscal year ending: September 30, 2000, $33,648; September 30, 2001, $33,648 and September 30, 2002, $14,020).

(8) 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 ended September 30, 2000. 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 39,193 shares (as adjusted for the 10% stock dividends) in the open market at a total cost of $129,233. During the three months ended December 31, 1999 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 104,580 shares (as adjusted for the 10% stock dividends) from terminated participants of the Company's 401(k) Profit Sharing Plan and Retirement Savings Plan for a total cost of $256,893. In total the Company has repurchased 143,773 shares (as adjusted for the 10% stock dividends) for a total cost of $386,126 since March 13, 1996.

(9) Commitments and Contingent Liabilities

The Company is party to certain litigation as of December 31, 1999 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.

(10) Stock Option Plan

According to the terms of the Company's stock option plan the 10% stock dividend, declared by the Company's Board of Directors in February 1999, resulted in a corresponding 10% adjustment for all stock options issued prior to March 5, 1999. Previously issued option shares have been proportionally increased by 10% and the corresponding option exercise price has also been reduced by 10%. The total options authorized under this plan is also proportionally increased from 700,000 options to 770,000 options as a result of this stock dividend.

On December 9, 1999 incentive stock options totaling 27,000 shares, with an exercise price of $7.8125 per share were granted. The 27,000 options granted on December 9, 1999 have a 10 year term and vest at 20% per year beginning three years from the date of grant.

Incentive Stock Options exercised during the quarter ended December 31, 1999:

Options Exercised	Date Exercised	Cash Proceeds	Exercise Price	Original Grant Date
33,000	November 8, 1999	$ 45,012	$1.364	November 2, 1998
4,400	December 9, 1999	$ 6,002	$1.364	November 2, 1998
5,600	December 9, 1999	$ 11,569	$2.066	December 28, 1995
15,400	December 9, 1999	$ 31,816	$2.066	December 28, 1995
1,650	December 13, 1999	$ 4,518	$2.738	December 11, 1996
4,000	December 29, 1999	$ 16,860	$4.215	January 23, 1993
4,000	December 30, 1999	$ 16,860	$4.215	January 23, 1993
36,000	December 31, 1999	$ 151,740	$4.215	January 23, 1993
104,050		$ 284,377		

(11) New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The implementation date of SFAS 133 was amended by SFAS 137 and is now effective for all fiscal quarters of fiscal years beginning after June 15, 2001. The Company is currently reviewing SFAS 133 to see what impact, if any, it will have on the Company.

(12) Related Party Transactions

During November 1999 the Board of Directors of the Company approved a consulting agreement with the former President of the Company, who continues to serves on the Board of Directors of the Company, for a 6 month duration from December 15, 1999 through June 15, 2000, for a fee of $6,000 per month.

(13) Subsequent Events

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. The promissory note includes interest of 6% per annum. The loan to officer was previously approved the Company's Board of Directors.

On January 4, 2000 the Company's CEO executed two partially vested incentive stock options totaling 129,800 option shares. Also, on January 4, 2000 the Company received proceeds totaling $269,526 for the exercise of these two options.

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, Year 2000 issues 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 assets increased from $8,777,538 at September 30, 1999, to $10,842,731 at December 31, 1999, or an increase of $2,065,193. The Company's liabilities increased from $2,638,532 at September 30, 1999, to $3,901,168 at December 31, 1999, or an increase of $1,262,636. The increase in the net assets (assets less liabilities) of $802,557 resulted from net income of $402,886, cash proceeds of $284,377 from the exercise of stock options and $115,292 income tax benefit from disqualifying dispositions of incentive stock options recorded during the three month period ended December 31, 1999.

The Company's condensed consolidated balance sheet at December 31, 1999, reflects a net receivable from clearing broker, for trades which had not yet settled for cash, due to the proceeds of securities sold exceeding the costs from the purchase of securities.

Results of Operations:

The Company's principal activities, securities brokerage and the trading of and market-making in securities, 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.

Three Months Ended December 31, 1999, as Compared to the Three Months Ended December 31, 1998

The Company's revenues are derived primarily from commissions earned on the sale of securities and net dealer inventory and investment gains (trading income) in securities purchased or sold for the Company's account. For the three months ended December 31, 1999 and 1998, 48% and 59%, respectively, of the Company's revenues were derived from commissions earned on the sale of securities, with 48% and 36%, respectively, of revenues coming from net dealer inventory and investment gains. Total revenues increased by $990,461, or 39% to $3,510,278 for the three months ended December 31, 1999 from $2,519,817 for the same period in 1998. This increase was primarily attributable to a $787,390 increase in net dealer inventory and investment gains as well as a $210,530 increase in commission revenues.

Commission revenue increased by $210,530, or 14% to $1,699,156 for the three months ended December 31, 1999 from $1,488,626 for the same period in 1998. Revenues from commissions are affected by both retail trading volume and the dollar amount of retail trades. Based on the number of retail trades processed, 1999 volume increased by 26% from 1998 levels. Partially offsetting this 26% increase in volume is an 8% decrease in the dollar average of retail trades for 1999 as compared with 1998. The average number of account executives decreased from an average of 31 for the three months ended December 31, 1998 to an average of 30 for the three months ended December 31, 1999, or a decrease of 3%.

Net dealer inventory and investment gains increased by $787,390, or 86% to $1,701,923 for the three months ended December 31, 1999 as compared to $914,533 for the same period in 1998. The increase in net dealer inventory and investment gains is primarily attributable to a $582,619 increase in wholesale trading income and a $156,125 increase in retail trading income in the three months ended December 31, 1999 as compared to the same three month period in 1998. The increase in wholesale trading is attributable to the ongoing development of new wholesale trading relationships by the Company as well as the maintenance of existing wholesale relationships. The Company's retail trading department primarily concentrates on global securities which it believes are likely to be traded by the Company's retail clients. By focusing on these types of securities, retail trading income is more directly related to commission income and order flow.

Revenues from management and investment advisory fees increased by $19,214, or 80% to $43,190 for the three months ended December 31, 1999 from $23,976 for the same period in 1998. The increase is primarily due to an increase in the dollar amount of fixed fee and performance based money under management.

Account maintenance fees decreased from $28,034 for the three months ended December 31, 1998 to $0 for the three months ended December 31, 1999. IAAC discontinued charging clients annual account maintenance fees as of August 1999. The decision to discontinue this annual fee was based on maintaining a competitive fee structure in light of other full service competitors as well as client feedback.

Interest and dividend revenue increased by $12,705, or 23% to $68,858 for the three months ended December 31, 1999 from $56,153 in the same period in 1998. This increase is primarily attributable to a higher average dollar amount of interest bearing investments held by the Company for the three month period.

Loss from joint venture increased by $8,316 to $9,886 for the three months ended December 31, 1999 from $1,570 in the same period in 1998 and is carried on the equity method. The loss from joint venture represents the Company's 50% share of the operating loss from the activity of International Assets New York, LLC, a 50/50 joint venture with Lakeside Investments, LLC of New York which began its operations in December 1998.

The major expenses incurred by the Company relate to direct costs of its securities operations such as commissions and clearing fees (which includes commissions paid to account executives), employees compensation and benefits, communications and promotion expense. Total expenses increased by $658,112, or 30% to $2,841,692 for the three months ended December 31, 1999 from $2,183,580 in the same period ended December 31, 1998. The 30% increase in total expenses is partially a result of the 39% increase in total revenues. The increase in total expenses is attributable to increases in commissions and clearing fees, employees compensation and benefits, communications, promotions, professional fees, depreciation and amortization and other operating expenses.

Commissions and clearing fees increased by $99,209, or 10% to $1,090,543 for the three months ended December 31, 1999 from $991,334 in the same period in 1998. The increase in commission expense is directly related to the 14% increase in commission revenue and the related 26% increase in the number of retail trades processed for the three month period.

Employees compensation and benefits expense increased by $306,743, or 47% to $960,121 for the three months ended December 31, 1999 from $653,378 for the same period in 1998. The increase in employees compensation and benefits expense is due to the creation of additional staff positions related to ITCI's start-up as well as IAAC's staffing needs, increases in performance based bonus expense and an increase in the accrual for retirement plan profit sharing expense. The increase in performance based bonus and retirement plan profit sharing expense is primarily based on the $668,586 income before income taxes incurred for the three month period ended December 31, 1999 as compared to the $336,237 income before income taxes for the same three month period ended December 31, 1998.

Communications expense increased by $30,780, or 49% to $93,053 for the three months ended December 31, 1999 from $62,273 for the same period in 1998. This increase is due to higher telephone, printing and postage expense related to the corresponding increases in operating activities related to increased revenues and increases in additional staff positions for the three months ended December 31, 1999 as compared to the same period in 1998.

Promotion expense increased by $111,945, or 71% to $268,828 for the three months ended December 31, 1999 from $156,883 for the same period in 1998. This increase was primarily due to the promotional and related start-up activities of ITCI.

Occupancy and equipment rental expense increased by $23,295, or 22% to $127,854 for the three months ended December 31, 1999 from $104,559 in the same period in 1998. This increase was due to a one time period specific service rental expense.

Professional fees increased by $49,896 to $75,457 for the three months ended December 31, 1999 from $25,561 in the same period in 1998. This increase is primarily due to legal fees incurred during the three month period ended December 31, 1999 related to ongoing routine matters.

Depreciation and amortization expense increased by $24,481, or 55% to $68,609 for the three months ended December 31, 1999 from $44,128 in the same period in 1998. This increase for the three months ended December 31, 1999 is primarily due to amortization expense related to the capitalized system development costs for ITCI. Other operating expenses increased by $19,664, or 20% to $118,190 for the three months ended December 31, 1999 from $98,526 in the same period in 1998.

As a result of the above, the Company is reporting net income of $402,886 for the three months ended December 31, 1999 as compared to $200,659 for the three months ended December 31, 1998.

The Company's effective income tax rate was approximately 40% for both of the three month periods ended December 31, 1999 and 1998.

Liquidity and Capital Resources

Substantial portions of the Company's assets are liquid. At December 31, 1999, approximately 88% of the Company's assets consisted of cash, cash equivalents and marketable securities. All assets are financed by the Company's equity capital, short-term borrowings from securities lending transactions and other payables.

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 December 31, 1999, IAAC had net capital of approximately $2,139,000, which was approximately $1,615,000 in excess of its minimum net capital requirement at that date.

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 December 31, 1999, ITCI had net capital of approximately $265,000, which was approximately $215,000 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. The Company believes that it has the internal financial resources to implement the initial online trading of foreign and domestic securities activities and operations of ITCI without additional outside capital. However, at this time additional financing is being sought primarily for desired marketing efforts intended to generate potential online client and online securities transaction growth. Any additional financing will also support the required technology and staffing enhancements that would be required if the marketing efforts are successful in generating significant growth for ITCI. In conjunction with the Company's plans for ITCI, the Company has engaged PaineWebber as its exclusive financial advisor to arrange and negotiate a private placement of securities issued by the Company or to find a strategic partner. PaineWebber 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.

Year 2000 Compliance

The securities industry is, to a significant extent, technologically driven and dependent. In addition to some internally utilized technological applications, the Company's businesses are materially dependant upon the performance of exchanges, market centers, counterparties, customers and vendors (collectively "the Company's material third parties") who, in turn, may be heavily reliant on technological applications. In sum, the securities industry is interdependent with each other, strengthened or weakened by the quality and performance of its attendant information and embedded technology.

The Company is aware that the Year 2000 provides potential problems with the programming code in existing computer systems. The Year 2000 problem is extensive and complex as virtually every computer operation will be affected to some degree by the change of the two digit year value to 00. The issue is whether computer systems will properly recognize date-sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data or fail.

The failure or faulty performance of computer systems could potentially have a far ranging impact on the Company's business such as a diminution in its ability to (a) ascertain information vital to strategic decision making by both the Company and its customers; (b) perform interest rate and pricing calculations; (c) execute and settle proprietary and customer transactions; (d) undertake regulatory surveillance and risk management; (e) maintain accurate books and records and provide timely reports; (f) maintain appropriate internal financial operations and accounting; and (g) access credit facilities for both the Company and its customers.

Accordingly it is necessary for the Company, to the extent reasonably practicable, to identify the internal computer systems and software which are likely to have a critical impact on its operations, make an assessment of its Year 2000 readiness and modify or replace information and embedded technology as needed. Some of these critical internal data processing systems include the Company's internal Novel network, sales contact management software, general ledger accounting software, trading income calculation software and retail commission tracking programs. Assessment of these internal programs was primarily completed and final remediation also primarily completed as of August 1999. In addition, the Company had primarily completed a Year 2000 readiness assessment for the Company's material third parties, also as of August 1999.

Because the Company utilizes the services of Wexford Clearing Services Corporation ("Wexford") in its business, data processing system aspects of the Year 2000 problem related to securities clearing, custody of client securities, back office operations, cashiering and margin and credit will be addressed by Wexford (a wholly owned guaranteed subsidiary of Prudential Securities Incorporated "Prudential"). Although Wexford is the contracting party for the provision of these critical services, Wexford, in fact, delivers those services through the operations of Prudential, a leading registered broker and dealer. Consequently, it is the readiness of Prudential that is critical when assessing the Year 2000 compliance of the clearing and operations capacity of the Company's active broker-dealer subsidiaries. Prudential has been assessed, by internal industry standards established by the Securities Industry Association, to be within the top tier of Year 2000 readiness. During industry-wide testing conducted by the Securities Industry Association, in which Prudential took part, Prudential and other participants were able to input transactions and send them to the appropriate markets for execution, confirmation and clearance under simulated Year 2000 conditions.

Additionally, the Company has assessed the state of readiness of almost all known technologically oriented service vendors and believes, based on letters of certification, that these vendors are Year 2000 compliant. This determination does not mean that the vast majority of the Company's material third parties pose no Year 2000 risk to the Company. First, the Company is relying in large measure on these parties' assessments of their readiness. Second, there are several vendors, which account for a substantial portion of the Company's mission critical operations, which may be partially or largely, but not fully, Year 2000 compliant. Finally, certain critical third parties, such as exchanges, clearing houses, depositaries and other service vendors have no direct functional contact with the Company (as they operate directly with Wexford) but may impact the Company's operations.

During fiscal year 1997 the Company began the strategic review process as it relates to the Year 2000 process. The Board of Directors of the Company approved the Company's Year 2000 plan at its meeting on July 17, 1998. This plan includes all phases necessary and budgetary consideration for each fiscal year through the Year 2000.

The Year 2000 remediation plan and process includes (1) identification, modification and testing of non-compliant Year 2000 code; (2) identification, inventory, assessment and, if necessary, modification of internal ad hoc systems or applications that may be material to the Company's operations; (3) with the exception of counterparties and customers, documentation of the assessment of the readiness of the Company's material third parties; and (4) a timetable for completion of all year 2000 plan implementation steps for amendment to the plan as required. Total incurred costs related to the Year 2000 are expected to be essentially on target with the original estimated budget of $193,000. During the year ended September 30, 1999 and 1998 the Company incurred approximately $95,000 and $76,000, respectively, of costs related to the Year 2000 problem. The Company had originally budgeted a total of $193,000 for Year 2000 related costs for the 20 month period from June 1998 through January 2000. These Year 2000 costs include both capital expenditures and period expenses. This Year 2000 budget will be funded from the working capital of the Company. Provided there is an absence of unanticipated critical events, the Company does not expect Year 2000 costs to have a material effect on its operating results, financial condition or cash flows.

As directed by the NASD, IAAC participated in a daily Internet based questionnaire reporting to the NASD during the period December 30, 1999 through January 5, 2000. This daily reporting required IAAC to assess all material operational core business functions as related to the Year 2000 problem. No discrepancy filings were necessary throughout this filing period.

Based on the information available at the time of this filing, the Company has not experienced any significant Year 2000 related issues that would have an adverse effect on the Company's business operations and financial condition. There can be no assurance, however, that all potential Year 2000 related issues have been discovered.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is party to certain arbitration and/or litigation matters as of December 31, 1999 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.

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 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.

(27) Broker-Dealers and Broker Dealer Holding Companies Financial Data Schedule BD is attached hereto as Exhibit 27.

b). Form 8-K

No reports were filed on Form 8-K during the three months ended December 31, 1999.

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 02/11/2000 /s/ Diego J. Veitia

Diego J. Veitia

President and Chief Executive Officer

Date 02/11/2000 /s/ Jonathan C. Hinz

Jonathan C. Hinz

Chief Financial Officer and Treasurer

EXHIBIT 11

INTERNATIONAL ASSETS HOLDING CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

For the Three Months Ended December 31, 1999 and 1998

	1999	1998
Basic Earnings Per Share		
Numerator:		
Net income	$ 402,886	$ 200,659
Denominator:		
Weighted average number of common shares outstanding	1,751,810	1,624,241
Basic earnings per share	$ 0.23	$ 0.12
Diluted Earnings Per Share		
Numerator:		
Net income	$ 402,886	$ 200,659
Denominator:		
Weighted average number of common shares outstanding	1,751,810	1,624,241
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 (1)	344,027	6,698
Weighted average number of common shares and dilutive potential common shares outstanding	2,095,837	1,630,939
Diluted earnings per share	$ 0.19	$ 0.12

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(1) 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.

BD
1

3-MOS
SEP-30-2000
DEC-31-1999
3,993,072
1,399,674
0
0
4,408,243
399,573
10,842,731
0
967,650
0
0
2,674,982
0
0
0
18,295
6,923,268
10,842,731
1,701,923
68,858
1,699,156
0
43,190
534
1,716,250
668,586
668,586
0
0
402,886
0.23
0.19