

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended December 31, 2002

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

For the transition period from _____ to _____

Commission file number _____

INTERUNION FINANCIAL CORPORATION

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

Delaware

87-0520294

(State or other jurisdiction of
Incorporation or organization)

(IRS Employer Identification No.)

1232 N. Ocean Way, Palm Beach, Fl

33480

(Address of principal executive offices)

(Zip Code)

(561) 845 - 2849

(561) 844 - 0517

(Issuer's telephone number)

(Issuer's telecopier number)

(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 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 No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15 (d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: \$0.001 Par Value Common Shares - 4,916,549 as of December 31, 2002.

Transitional Small Business Disclosure Format (Check One) Yes No

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31, 2002

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		NINE MONTHS ENDED			
	31-DEC-02	31-DEC-01	31-DEC-02	31-DEC-01		
<S>	<C>	<C>	<C>	<C>		
REVENUES						
Investment banking		0	0	79,956	0	
Interest income		0	6,586	15,100	20,208	
	0	6,586	95,056	20,208		
EXPENSES						
Selling, general and administration		48,022	95,854	459,183	119,424	
Foreign exchange loss (gain)		(299)	0	(14,647)	0	
Interest	0	1,941	9	3,970		
	47,723	97,795	444,545	123,394		
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE UNDERNOTED ITEMS AND DISCONTINUED OPERATIONS			(47,723)	(91,209)	(349,489)	(103,186)
DISPOSAL OF EQUITY INVESTMENT						
Equity in net losses of unconsolidated affiliate		0	(78,438)	0	(238,342)	
Gain on disposal of unconsolidated affiliate		0	756,669	0	756,699	
	0	678,231	0	518,357		
NET INCOME (LOSS) FOR THE YEAR			(47,723)	587,022	(349,489)	415,171
EARNINGS (LOSS) PER COMMON SHARE - Basic and Diluted						
Common shares outstanding	4,916,549	1,899,974	4,916,549	1,899,974		
Weighted average common shares outstanding	3,408,352	1,899,974	3,408,352	1,899,974		
EPS - From Continuing Operations (Basic)	(0.014)	(0.048)	(0.102)	(0.054)		
EPS - From Discontinuation	0	0.357	0	.273		
EPS - Net Profit (Loss)	(0.014)	0.309	(0.102)	.218		

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2002

<TABLE>
<CAPTION>

	AS OF DECEMBER 31		AS OF MARCH 31	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS:				
Cash and cash equivalents	115,247	2,042,945	2,464,985	7,356
Receivables	0	679,012	0	0
Receivable from affiliates	3,165	74,513	41,226	41,652
Refundable income taxes	7,503	835	7,502	7,502
Prepaid expenses and other current assets	3,002	5,400	7,061	5,400
Total Current Assets	128,917	2,802,705	2,520,774	61,910
NON-CURRENT ASSETS:				
Notes receivable, non-current portion	0	878,150	717,598	891,290
Investment in unconsolidated affiliates	0	0	0	2,191,135
Total Non-Current Assets	0	878,150	717,598	3,082,425

TOTAL ASSETS	128,917	3,680,855	3,238,372	3,144,335
<hr/>				
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	35,451	156,610	46,272	89,130
Due to affiliates	0	3,399	0	3,399
Note Payable, current portion	0	113,899	0	60,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current liabilities	35,451	273,908	46,272	152,529
	<hr/>	<hr/>	<hr/>	<hr/>
NON-CURRENT LIABILITIES:				
NOTES PAYABLE, long-term portion		0	227,193	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	35,451	501,101	46,272	379,722
	<hr/>	<hr/>	<hr/>	<hr/>
SHAREHOLDERS' EQUITY:				
Capital stock and additional paid-in capital	10,966,293	10,616,293	10,666,293	10,616,293
Accumulated deficit	(10,872,827)	(7,436,539)	(7,474,193)	(7,851,680)
	<hr/>	<hr/>	<hr/>	<hr/>
Total shareholders' equity	93,466	3,179,754	3,192,100	2,764,613
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Shareholder's Equity	128,917	3,680,855	3,238,372	3,144,335

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

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INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2002

<TABLE>

<CAPTION>

	NUMBER OF SHARES	COMMON STOCK	PD-IN	ADDITIONAL CAPITAL	ACCUMULATED DEFICIT	TOTAL EQUITY
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<S>	<C>	<C>	<C>	<C>	<C>	
CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL						
Class A Preferred Stock, \$0.10 par value						
Authorized - 1,500,000 shares						
Issued and outstanding - None						
Class B Preferred Stock, \$0.10 par value						
Authorized - 1,000 shares						
Issued and outstanding - None						
Class C Preferred Stock, \$0.10 par value						
Authorized - 1,000 shares						
Issued and outstanding - None						
Common Stock, \$0.001 par value						
Authorized - 5,000,000 Shares						
Issued and outstanding - 4,916,549 in 2002 and 1,899,974 in 2001						
Balance April 1, 2001	1,899,974	\$ 1,899	\$ 10,614,394	\$ (7,851,680)	\$ 2,764,613	
Net Income			377,487	377,487		
Issued on settlement of Directors	16,575	17	49,983	0	50,000	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance April 1, 2002	1,916,549	1,916	10,664,377	(7,474,193)	3,192,100	
Net Loss			(349,489)	(349,489)		
Dividends Paid			(3,049,145)	(3,049,145)		
Issued on settlement of consulting fee	3,000,000	3,000	297,000		300,000	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL SHAREHOLDERS' EQUITY		4,916,549	\$ 4,916	\$ 10,961,377	\$(10,872,827)	\$ 93,466

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

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INTERUNION FINANCIAL CORPORATION
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE PERIOD ENDED DECEMBER 31, 2002

<TABLE>
 <CAPTION>

	NINE MONTHS ENDED		TWELVE MONTHS ENDED			
	31-DEC-02	31-DEC-01	31-MAR-02	31-MAR-01		
<S>	<C>	<C>	<C>	<C>		
CASH FLOWS FROM OPERATING ACTIVITIES						
Income (Loss) before discontinued operations		(349,489)	(103,186)	377,487	(1,903,693)	
Loss from discontinued operations		0	518,327	0	(422,232)	
Total:	(349,489)	415,141	377,487	(2,325,925)		
Adjustment to reconcile net loss to net cash provided by (used in) operating activities						
Depreciation and amortization	0	0	0	5,588		
Equity in net losses of unconsolidated affiliate	0	238,342	238,342	1,163,455		
Non cash operating expenses (income)	300,000	0	(29,282)	212,510		
Net (income) loss from discontinued operations		0	0	0	422,232	
Writedown of notes receivable	0	0	0	633,286		
(Gain) loss on disposal of affiliate / subsidiary		0	(756,669)	(756,669)	0	
Loss in marketable securities	0	0	0	27,379		
	(49,489)	(103,186)	(170,122)	138,525		
Changes in non-cash operating assets and liabilities:						
(Increase) decrease in accounts receivable and other assets		42,119	(13,054)	(1,661)	69,054	
Increase (decrease) in accounts payable and accrued liabilities		(10,821)	67,480	7,142	(331,850)	
NET CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES			(18,191)	(48,760)	(164,641)	(124,271)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of Notes Payable	0	0	(287,193)	0		
Proceeds of notes payable	0	53,899	0	60,000		
Dividends Paid	(2,549,145)	0	0	0		
NET CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES			(2,549,145)	53,899	(287,193)	60,000
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investment	0	2,035,589	2,709,463	0		
Repayment of Notes Receivable	0	0	200,000	0		
Repayment of long-term Notes Receivable	717,598	0	0	0		
Investment in short-term Notes Receivable	(500,000)	0	0	0		
NET CASH PROVIDED BY INVESTING ACTIVITIES			217,598	0	2,909,463	0
NET INCREASE (DECREASE) IN CASH		(2,349,738)	2,035,589	2,457,629	(64,271)	
CASH AND CASH EQUIVALENTS - Beginning of Year			2,464,985	7,356	7,356	71,627
CASH AND CASH EQUIVALENTS - End of the period			115,247	2,042,945	2,464,985	7,356

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

1. Interim information is un-audited; however, in the opinion of management, all adjustments necessary for a fair statement of interim results have been included in accordance with Generally Accepted Accounting Principles. All

adjustments are of a normal recurring nature unless specified in a separate note included in these Notes to Un-audited Consolidated Financial Statements. The results for interim periods are not necessarily indicative of results to be expected for the entire fiscal year. These financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the fiscal year ended March 31, 2002, included in its Form 10-KSB for the year ended March 31, 2002.

2. Earning (loss) per share is computed using the weighted average number of common shares outstanding during the period.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2002 the Financial Accounting Standards Board ('FASB') issued SFAS 145 "Rescission of FASB Statements No. 4, 44, and 64. Amendment of FASB Statement No. 13 and Technical Corrections". This pronouncement requires that gains or losses arising from early extinguishments of debt that are part of a company's recurring operation (i.e., a risk management strategy) would not be reported as extraordinary items. The statement also provides that modifications to a capital lease that make it operating lease be accounted for as a sale-leaseback.

In June 2002, the Financial Accounting Standards Board ('FASB') issued SFAS 146 "Accounting for costs associated with exit or disposal activities". This pronouncement replaces Emerging Issues Task Force (EITF) Issue No. 94-3 "Liability Recognition for certain employee termination benefits and other costs to exit an activity". It requires that costs associated with exit or disposal activities be recognized when they are incurred rather than at the date of commitment to an exit or disposal plan.

In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS 148 "Accounting for Stock-Based Compensation-Transition and Disclosure -an amendment of FASB Statement 123"- This Statement amends SFAS 123 "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair Value based method of accounting for stock-based employee compensation. It also requires prominent disclosures about the method of accounting for stock-based employee compensation and the method used on reported results.

Management does not expect that the adoption of SFAS 145, SFAS 146 and SFAS 148 will have a material effect on the Company's operations or financial position.

CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL

During the year ended March 31, 2001, the Company incurred an expense of \$50,000 on account of Director's Fee. The fee was paid by issuing 16,575 common shares in the fiscal year 2002. This increased the number of issued and outstanding common stock of the company to 1,916,549.

During the second quarter ended September 30, 2002, the Company incurred an expense of \$300,000 on account of a Service Agreement. The fee was paid by issuing 3,000,000 common shares in the fiscal year 2003. This increased the number of issued and outstanding common stock of the company to 4,916,549. The information was filed on Form S-8 dated August 26, 2002.

DIVIDENDS PAID

During the second quarter ended September 30, 2002 an extraordinary cash dividend of \$2,549,010 (\$1.33 per common share) was paid to the shareholders of record on August 23, 2002. Also, InterUnion has distributed as dividend 600,000 common shares of B Twelve Inc, which it acquired in settlement of a Note Receivable of \$500,000. The shareholders received 0.3131 common shares of B Twelve Inc for each common share of InterUnion Financial Corp they owned and cash for any fractional shares that would have been issued.

SALE OF ASSETS AND DISCONTINUATION OF OPERATIONS

From September 30, 2000 to December 20, 2001, the only investment asset on which InterUnion was reporting its minority interest was in InterUnion Asset Management Limited (IUAM). IUFC owned 42.8% of IUAM until December 20, 2001.

During the third quarter of fiscal 2002 ending December 31, 2001, the Company sold its 42.8% owned subsidiary and remaining operating asset, InterUnion Asset Management Limited (IUAM). Effective December 20, 2001, the Company has no interest in IUAM. As a result of the disposal of IUAM as of December 20, 2001, the Company reported a gain on disposal of \$756,669.

In accordance with Regulation S-X, the Company was required to disclose the pro-forma Consolidated Balance Sheet and the pro-forma Consolidated Statement of Operations had this disposition been completed as at the beginning of fiscal 2001. The Form 8-K/A was filed and dated March 15, 2002.

RELATED PARTY TRANSACTIONS

During the second quarter ended September 30, 2002 a fee was paid to Credifinance Capital Corp (CFCC), a company with common ownership, of \$30,000 to act as the Paying Agent for IUFC's Dividends. Also, a \$30,000 Management Fee was paid to Credifinance Securities Ltd (CFSL), a company with common ownership.

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING TRANSACTIONS

The following is additional information regarding the Consolidated Statement of Cash Flows:

<TABLE>
<CAPTION>

	DEC 31 2002	DEC 31 2001
	-----	-----
<S>	<C>	<C>
Shares of B Twelve Inc received in settlement of Notes Receivable	\$500,000	\$ 0
Distribution of B Twelve Inc shares to shareholders as dividend	500,000	0
Liabilities paid by issuing Common Stock	300,000	50,000

</TABLE>

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INTERUNION FINANCIAL CORPORATION

FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) OVERVIEW

The Company's net loss for the quarter ending December 31, 2002 was \$47,723 (\$0.014 per share); and the net loss for the first nine months of fiscal 2003 ending December 31, 2002 was \$349,490 (\$0.102 per share).

Selected financial data from InterUnion's financial statements is (figures in 000's except shares and per share data):

<TABLE>
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9 MOS. ENDED 9 MOS. ENDED 9 MOS. ENDED

	DEC 31-02	DEC 30-01	DEC 30-00
<S>	<C>	<C>	<C>
Working Capital	93	2,529	(103)
Cash Flow	(2,350)	2,036	409
Total Assets	129	3,680	4,544
Shareholders' Equity	93	3,180	3,526
Common Share, #	4,916,549	1,899,974	1,899,937
Book Value Per Share	0.03	1.67	1.86

On August 9 2002, InterUnion has entered into a non-binding Letter of Intent (the "LOI") with Falcon Energy Holding Corporation ("Falcon"), a Delaware corporation with offices in Germany and Kazakhstan, for the proposed acquisition by InterUnion of all of the outstanding shares of two corporations to be incorporated by Falcon or an affiliate of Falcon, which will respectively hold, directly or indirectly, a 95% interest in the Kopa oil field in Kazakhstan ("Falcon Kopa BV"), and a 66.67% interest in the Aksaz, Dolinnoe and Emir oil fields in Kazakhstan ("Falcon Caspian BV"), (collectively, the "Acquisition"). Pursuant to the LOI, Falcon has agreed to pay a non-refundable deposit of \$75,000 to InterUnion.

The proposed acquisition was subject to conditions, such as due diligence; the receipt of \$2,000,000 in firm commitments with respect to a private placement of Post-Consolidation Shares by 5:00 p.m. EST on August 30, 2002, and closing of such private placement on or prior to September 13, 2002; as well as all necessary regulatory and other approvals. The non binding letter of intent was cancelled on October 31, 2002 as Falcon did not meet the financing conditions.

(2) NET REVENUES

For the first nine months of fiscal 2003, InterUnion reported consolidated revenues of \$95,056 versus \$20,208 a year earlier, an increase of \$74,848 or 370%. This was mainly due to \$75,000 being received from Falcon Energy Holding Corporation ("Falcon").

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INTERUNION FINANCIAL CORPORATION

FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

(3) EXPENSES

Selling, general and administration expenses for the first nine months of fiscal 2003 amounted to \$459,184 as compared to \$119,424 a year earlier, an increase of \$339,760 or 285%. This was mainly due to a \$300,000 consulting expense which occurred by issuing 3,000,000 InterUnion Financial common shares in-lieu of cash payment.

(4) NET INCOME FOR 9 MONTHS ENDED DECEMBER 31, 2002

Net loss for the nine months ended December 31, 2002 was \$349,490 (including a Foreign Exchange gain of \$14,647) or \$(0.102) per share based on a weighted average number of shares of 3,408,352 versus net income of \$415,171 (including an equity loss from unconsolidated affiliate of \$238,342 and a gain on disposal of unconsolidated affiliate of \$756,669) or \$(0.216) per share based on a weighted average number of shares of 1,899,974 a year earlier.

The weighted average number of common shares outstanding for the nine months ending December 31, 2002, is 3,408,352 versus 1,899,974 a year earlier.

(5) NOTES RECEIVABLE, NON-CURRENT PORTION

<TABLE>
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9 MOS. ENDED 12 MOS. ENDED
DEC 31-02 MAR 31-02

and uncertainties. Actual results could differ materially from those anticipated in these forward-looking information. Forward-looking information is provided by InterUnion pursuant to the safe harbor established by recent securities legislation and should be evaluated in the context of these factors.

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INTERUNION FINANCIAL CORPORATION

FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceeding, nor is its property the subject of a pending legal proceeding for which the claims, exclusive of interest and costs, exceed 10% of the current assets of the Company on a consolidated basis.

ITEM 2 - CHANGES IN SECURITIES

In the 1st quarter ending June 30, 2000 the Company acquired its 243,750 Common Shares at the rate of \$0.6153 per share for \$150,000 in settlement of the note receivable of \$150,000 from an unrelated party. The above shares are held in treasury. Consequently, the number of outstanding Common Shares declined to 3,999,373 from 4,243,123 as of March 31, 2000.

In September 2000, the Company converted its Class "A" Preferred Shares into Common Shares at the rate of 1 to 10. Consequently, in lieu of 1,500,000 Class "A" Preferred Shares the Company issued 15,000,000 Common Shares from the treasury under regulation "S".

In November 2000, in a special meeting of the shareholders' of the company it was resolved to execute a reverse split in the issued and outstanding common stock of the Company in the ratio of ten (10) to one (1). Consequently the number of issued and outstanding common stock of the Company was reduced to 1,899,974 in the 3rd quarter of fiscal 2001.

During the year ended March 31, 2001, the Company incurred an expense of \$50,000 on account of Director's Fee. The fee was paid by issuing 16,575 common shares in the fiscal year 2002. This increased the number of issued and outstanding common stock of the company to 1,916,549.

During the second quarter ended September 30, 2002, the Company incurred an expense of \$300,000 on account of a Service Agreement. The fee was paid by issuing 3,000,000 common shares in the fiscal year 2003. This increased the number of issued and outstanding common stock of the company to 4,916,549. The information was filed on Form S-8 dated August 26, 2002.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

There have been no defaults in the payment of principal or interest with respect to any senior indebtedness of InterUnion Financial Corporation.

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

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

99.1 Certification Pursuant to 18 U.S.C. Section 1350.

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INTERUNION FINANCIAL CORPORATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

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.

InterUnion Financial Corporation

(Registrant)

Date February 14, 2003 /s/ Georges Benarroch, Director

(Signature)

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INTERUNION FINANCIAL CORPORATION
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Interunion Financial Corporation (the "Company") on Form 10-QSB for the period ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Georges Benarroch, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Georges Benarroch

Georges Benarroch
Chief Executive Officer and Chief Financial Officer
February 14, 2003

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