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August 14, 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

In accordance with the Securities Regulation Code, we are submitting herewith a copy of SEC Form 17-Q (Quarterly Report) of **I-Remit, Inc.** as at **June 30, 2013.**

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Harris E. D. Jacildo", is written over a circular stamp or seal.

HARRIS E. D. JACILDO
President & Chief Operating Officer

I-Remit, Inc.

26/F Discovery Centre, 25 ADB Avenue, Ortigas Center, Pasig City 1605 Philippines
Telephone: (632) 706-9999 and (632) 706-2737
Facsimile: (632) 706-2767



108142013003694



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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Company Type Stock Corporation

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COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Mr. HARRIS EDSSEL D. JACILDO
(Contact Person)

(632) 706-9999 Local 100/105/109
(Company Telephone Number)

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(Fiscal Year)					

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(Annual Meeting)					

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings			
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Domestic	Foreign		

To be accomplished by SEC Personnel concerned

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File Number

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SEC Number
PSE Code
File Number

A200101631

**I-REMIT, INC.
AND SUBSIDIARIES**

(Company's Full Name)

**26/F Discovery Centre, 25 ADB Avenue,
Ortigas Center, Pasig City, 1605 Metro Manila**

(Company's Address)

(02) 706 – 9999 Local 100 / 105 / 109

(Telephone Number)

December 31

(Fiscal Year Ending)
(Month and Day)

SEC FORM 17-Q

Form Type

Amendment Designation (if applicable)

June 30, 2013

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2013
2. Commission Identification No. A200101631 3. BIR Tax Identification No. 210-407-466-000
4. Exact name of registrant as specified in its charter I-REMIT, INC.
5. Metro Manila, PHILIPPINES 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
incorporation or organization
7. 26/F Discovery Centre, 25 ADB Avenue, Ortigas Center, Pasig City, Metro Manila 1605
Address of principal office Postal code
8. (632) 706 – 9999 Local 100 / 105 / 109
Issuer's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
- | Title | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| <u>Common Stock</u> | <u>593,163,800 shares</u> |
| | |
| | |

11. Are any or all of these securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
The Philippine Stock Exchange, Inc.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past 90 days

Yes [] No []

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	Unaudited June 30, 2013	Audited Dec. 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	P 1,068,341,638	P 1,062,120,047
Financial assets at fair value through profit or loss	256,303,403	210,180,347
Accounts receivable	1,025,060,043	1,155,880,254
Other receivables	50,696,995	36,479,582
Other current assets	11,719,611	23,901,932
Total Current Assets	2,412,121,690	2,488,562,162
Noncurrent Assets		
Investments in associates	20,984,042	19,492,351
Property and equipment - net	25,637,621	23,495,462
Goodwill	111,441,191	111,441,191
Deferred tax asset	6,941,163	6,893,941
Software costs - net	1,038,077	1,452,662
Retirement asset	0	2,232,135
Other noncurrent assets	30,761,855	31,413,351
Total Noncurrent Assets	196,803,949	196,421,093
	P 2,608,925,639	P 2,684,983,255
LIABILITIES AND EQUITY		
Current Liabilities		
Beneficiaries and other payables	P 727,749,640	P 519,839,277
Income tax payable	5,788,969	1,801,235
Interest-bearing loans	616,000,000	925,000,000
Total Current Liabilities	1,349,538,609	1,446,640,512
Noncurrent Liabilities		
Retirement liability	1,215,482	0
Deferred tax liability	1,216,567	1,217,135
Total Noncurrent Liabilities	2,432,049	1,217,135
Total Liabilities	1,351,970,658	1,447,857,647
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	617,725,800	617,725,800
Capital paid-in excess of par value	391,232,478	391,232,478
Retained earnings	348,832,870	334,506,646
Cumulative translation adjustment	(20,208,889)	(37,129,628)
Treasury stock	(80,627,278)	(69,209,688)
	1,256,954,981	1,237,125,608
Noncontrolling Interest	0	0
Total Equity	1,256,954,981	1,237,125,608
	P 2,608,925,639	P 2,684,983,255

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Income

	Unaudited Jan. 1 to June 30, 2013	Unaudited Jan. 1 to June 30, 2012	Unaudited April 1 to June 30, 2013	Unaudited April 1 to June 30, 2012
REVENUE				
Delivery fees	P 273,472,126	P 268,468,707	P 140,988,659	P 136,031,849
Realized foreign exchange gains - net	112,737,195	114,066,369	69,661,164	47,230,456
Other fees	590,146	163,776	344,154	84,672
	386,799,467	382,698,852	210,993,977	183,346,977
COSTS OF SERVICES				
Bank charges	110,354,979	97,133,094	53,602,113	49,227,426
Delivery charges	5,422,710	6,339,136	2,753,415	3,144,991
	115,777,689	103,472,230	56,355,528	52,372,417
GROSS INCOME	271,021,778	279,226,622	154,638,449	130,974,560
OTHER OPERATING INCOME (LOSS)				
Net trading gains (loss)	(314,978)	6,088,578	(2,184,018)	258,579
Other income	3,736,208	5,330,755	(4,094,774)	2,255,451
	3,421,230	11,419,333	(6,278,792)	2,514,030
OPERATING EXPENSES				
Salaries, wages and employee benefits	127,536,343	117,753,027	64,245,652	58,793,753
Rental	30,237,894	28,285,873	15,461,957	13,972,059
Marketing	17,231,289	17,115,649	8,878,101	10,222,733
Professional fees	24,183,112	13,490,871	12,539,706	6,493,374
Transportation and travel	6,301,869	8,074,387	3,241,928	3,550,611
Communication, light and water	12,811,091	12,801,982	6,459,687	6,366,006
Photocopying and supplies	4,770,167	4,960,776	2,372,636	2,184,644
Depreciation and amortization	6,191,434	5,393,600	3,224,510	2,651,190
Entertainment, amusement and recreation	4,541,981	4,226,379	2,080,290	2,617,219
Other operating expenses	11,533,599	14,551,767	6,449,373	7,563,573
	245,338,779	226,654,311	124,953,840	114,415,162
TOTAL OPERATING INCOME	29,104,229	63,991,644	23,405,817	19,073,428
Equity in net earnings of associates	1,491,691	947,918	637,325	466,422
Interest income	7,238,046	6,045,460	3,764,705	3,221,288
Interest expense	(13,699,192)	(13,404,183)	(5,809,440)	(7,632,314)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	24,134,774	57,580,839	21,998,407	15,128,824
PROVISION FOR INCOME TAX	9,808,550	12,783,833	9,258,843	3,686,461
INCOME FROM CONTINUING OPERATIONS	14,326,224	44,797,006	12,739,564	11,442,363
INCOME (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	0	0	0	0
NET INCOME	P 14,326,224	P 44,797,006	P 12,739,564	P 11,442,363
Attributable to:				
Equity holders of the Parent Company	P 14,326,224	P 44,797,006	P 12,739,564	P 11,442,363
Noncontrolling interest	0	0	0	0
	P 14,326,224	P 44,797,006	P 12,739,564	P 11,442,363
Basic/Dilutive Earnings Per Share				
Attributable to Equity Holders of the Parent Company	P 0.024	P 0.074	P 0.021	P 0.019

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

	Unaudited Jan. 1 to June 30, 2013	Unaudited Jan. 1 to June 30, 2012	Unaudited April 1 to June 30, 2013	Unaudited April 1 to June 30, 2012
Net Income	P 14,326,224	P 44,797,006	P 12,739,564	P 11,442,363
Other Comprehensive Income (Loss)				
Translation adjustment during the period	16,920,739	(14,949,224)	18,655,746	(7,902,280)
Total Comprehensive Income for the Period	P 31,246,963	P 29,847,782	P 31,395,310	P 3,540,083
Total Comprehensive income attributable to:				
Equity holders of the Parent Company	P 31,246,963	P 29,847,782	P 31,395,310	P 3,540,083
Noncontrolling interest	0	0	0	0
	P 31,246,963	P 29,847,782	P 31,395,310	P 3,540,083

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity

	Unaudited Jan. 1 to June 30, 2013	Unaudited Jan. 1 to June 30, 2012
CAPITAL FUNDS, BEGINNING	P 1,237,125,608	P 1,363,414,664
Net Income for the Period	14,326,224	44,797,006
Translation Adjustment for the Period	16,920,739	(14,949,224)
Total Comprehensive Income for the Period	31,246,963	29,847,782
Cash Dividends	0	0
Purchase of Own Stock	(11,417,590)	(3,658,760)
Other Equity Adjustment	0	0
CAPITAL FUNDS, ENDING	P 1,256,954,981	P 1,389,603,686

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows

	Unaudited Jan. 1 to June 30, 2013	Unaudited Jan. 1 to June 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax from continuing operations	P 24,134,774	P 57,580,839
Income (loss) before tax from discontinued operations	0	0
Income before tax	24,134,774	57,580,839
Adjustments for:		
Interest expense	13,699,192	13,404,183
Unrealized market valuation (gain) loss on financial instruments at fair value through profit or loss	314,978	(19,435,447)
Depreciation and amortization	6,191,434	5,393,600
Interest income	(7,238,046)	(6,045,459)
Equity in net earnings of associates	(1,491,691)	(947,918)
Unrealized foreign exchange gain - net	3,589,706	(3,064,563)
Post-Employment Benefits	2,232,135	0
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in the amounts of:		
Financial Assets at FV through PL	(46,438,034)	(32,751,440)
Accounts receivables	506,330,796	26,797,504
Other receivables	(388,503,721)	(41,014,706)
Other current assets	12,182,321	9,076,145
Increase (Decrease) in the amounts of:		
Beneficiaries and other payables	204,967,585	95,728,028
Retirement liability	1,215,482	184,197
Net cash used in operations	331,186,911	104,904,963
Income taxes paid	(5,868,606)	(11,067,203)
Interest received	6,524,354	6,456,814
Interest paid	(14,856,705)	(13,633,788)
Net cash provided by (used in) operating activities	316,985,954	86,660,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(8,065,016)	(7,929,768)
Software cost	(13,083)	(702,137)
Decrease (increase) in other noncurrent assets	651,496	(851,157)
Proceeds from disposals of property and equipment	88,617	44,659
Dividends received from associate	0	4,896,570
Net cash used in investing activities	(7,337,986)	(4,541,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of:		
Short-term loans payable	(925,000,000)	(666,000,000)
Buy-back of shares	(11,417,590)	(3,658,760)
Proceeds from short-term loans payable	616,000,000	626,000,000
Net cash provided by (used in) financing activities	(320,417,590)	(43,658,760)
EFFECT OF CHANGE IN FOREIGN EXCHANGE RATE TO CASH AND CASH EQUIVALENTS	16,991,213	(14,456,370)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	6,221,591	24,003,822
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,062,120,047	891,235,623
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 1,068,341,638	P 915,239,445

I-REMIT, INC. AND SUBSIDIARIES
Aging of Consolidated Receivables
Unaudited
June 30, 2013

	Total	Current	2-30 Days	31-60 Days	Over 60 Days
Agents	P 1,023,559,931	P 1,023,559,931	P -	P -	P -
Couriers	7,271,040	-	7,271,040	-	-
Related Parties	11,373,278	-	-	-	11,373,278
Others	33,552,789	-	-	-	33,552,789
	<u>P 1,075,757,038</u>	<u>P 1,023,559,931</u>	<u>P 7,271,040</u>	<u>P -</u>	<u>P 44,926,067</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are submitted as part of this report:

- a. Consolidated Balance Sheets as of June 30, 2013 (unaudited) and December 31, 2012 (audited);
- b. Unaudited Comparative Consolidated Statements of Income for the six (6) months ended June 30, 2013 and June 30, 2012, and for three (3) months from April 1, 2013 to June 30, 2013 and from April 1, 2012 to June 30, 2012;
- c. Unaudited Comparative Consolidated Statements of Comprehensive Income for the six (6) months ended June 30, 2013 and June 30, 2012, and for three (3) months from April 1, 2013 to June 30, 2013 and from April 1, 2012 to June 30, 2012;
- d. Unaudited Comparative Consolidated Statements of Changes in Equity for the six (6) months ended June 30, 2013 and June 30, 2012;
- e. Unaudited Comparative Consolidated Statements of Cash Flows for the six (6) months ended June 30, 2013 and June 30, 2012;
- f. Unaudited Aging of Consolidated Receivables as of June 30, 2013.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

June 30, 2013 vs. December 31, 2012

The total assets of the Company decreased by PHP 76.1 million or -2.8% to PHP 2,608.9 million as of June 30, 2013 against PHP 2,685.0 million as of December 31, 2012.

Cash and cash equivalents increased by PHP 6.2 million or 0.6% from PHP 1,062.1 million as of December 31, 2012 to PHP 1,068.3 million as of June 30, 2013. Cash and cash equivalents as of June 30, 2013 and December 31, 2012 are 40.9% and 39.6% of the total assets as of June 30, 2013 and December 31, 2012, respectively. Financial assets at FVPL, which consist of investments in private debt securities (listed overseas) held for trading, increased by PHP 46.1 million or 21.9% from PHP 210.2 million as of December 31, 2012 to PHP 256.3 million as of June 30, 2013 mainly due to the increase in bonds and stock investments by PHP 40.9 million and PHP 5.2 million, respectively, of Power Star Asia Group Limited. Financial assets at FVPL as of June 30, 2013 and December 31, 2012 are 9.8% and 7.8% of the total assets as of June 30, 2013 and December 31, 2012, respectively. Accounts receivable decreased by PHP 130.8 million or -11.3% from PHP 1,155.9 million as of December 31, 2012 to PHP 1,025.1 million as of June 30, 2013 mainly due to stricter implementation of Company policy on advance funding from remittance tie-ups. Accounts receivable as of June 30, 2013 and December 31, 2012 are 39.3% and 43.0% of the total assets as of June 30, 2013 and December 31, 2012, respectively. Other receivables

increased by PHP 14.2 million or 39.0% from PHP 36.5 million as of December 31, 2012 to PHP 50.7 million as of June 30, 2013 mainly due to various advances to fulfillment partners (e.g., banks, couriers). Other receivables as of June 30, 2013 and December 31, 2012 are 1.9% and 1.4% of the total assets as of June 30, 2013 and December 31, 2012, respectively. Other current assets decreased by PHP 12.2 million or -51.0% from PHP 23.9 million as of December 31, 2012 to PHP 11.7 million as of June 30, 2013 mainly due to the full amortization of prepaid expenses booked in prior years.

Investments in associates increased by PHP 1.5 million or 7.7% from PHP 19.5 million as of December 31, 2012 to PHP 21.0 million as of June 30, 2013 mainly due to the equity income on IRemit Singapore Pte Ltd of PHP 1.1 million and Hwa Kung Hong & Co., Ltd. (in Taiwan) of PHP 0.4 million. Property and equipment-net increased by PHP 2.1 million or 9.1% from PHP 23.5 million as of December 31, 2012 to PHP 25.6 million as of June 30, 2013 mainly due to the renovation of Company office spaces. Goodwill stood at PHP 111.4 million as of June 30, 2013, same as the level as of December 31, 2012. Deferred tax asset increased by PHP 0.05 million or 0.7% from PHP 6.89 million as of December 31, 2012 to PHP 6.94 million as of June 30, 2013. Software costs-net decreased by PHP 0.4 million or -28.5% from PHP 1.4 million as of December 31, 2012 to PHP 1.0 million as of June 30, 2013 due to continued amortization of previously acquired assets. Retirement asset decreased by PHP 2.2 million or -100.0% from PHP 2.2 million as of December 31, 2012 to zero as of June 30, 2013 due to the application of retirement asset recognized as of December 31, 2012 at PHP 2.2 million to the present year's obligation to the retirement fund. Other noncurrent assets decreased by PHP 0.6 million or -2.1% from PHP 31.4 million as of December 31, 2012 to PHP 30.8 million as of June 30, 2013.

Total liabilities decreased by PHP 95.9 million or -6.6% from PHP 1,447.9 million as of December 31, 2012 to PHP 1,352.0 million as of June 30, 2013. Total liabilities as of June 30, 2013 and December 31, 2012 are 51.8% and 53.9% of the total liabilities and equity as of June 30, 2013 and December 31, 2012, respectively.

Current liabilities decreased by PHP 97.1 million or -6.7% from PHP 1,446.6 million as of December 31, 2012 to PHP 1,349.5 million as of June 30, 2013 mainly due to the decrease in Interest-bearing loans by PHP 309.0 million or -33.4% from PHP 925.0 million as of December 31, 2012 to PHP 616.0 million as of June 30, 2013. This was mainly due to the lower loan exposure on account of stricter implementation of Company policy on advance funding from remittance tie-ups. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 5.0% to 7.25% per annum in First Half 2013 and 5.0% to 7.125% in full year 2012. Beneficiaries and other payables increased by PHP 211.9 million or 40.6% from PHP 521.6 million as of December 31, 2012 to PHP 733.5 million as of June 30, 2013 mainly due to remittances collected on the last days of June 2013 which fell on weekend and scheduled for fulfillment on regular weekdays, as well as lower provision for income tax. Beneficiaries and other payables comprised mainly of payables to beneficiaries of PHP 527.0 million, payables to agents, couriers and trading clients of PHP 32.0 million, accrued expenses of PHP 46.1 million, income tax payable of PHP 5.8 million, withholding taxes of PHP 3.6 million, payable to government agencies of PHP 2.2 million, and payables to suppliers/others of PHP 116.8 million. Total current liabilities as of June 30, 2013 and December 31, 2012 are 51.7% and 53.9% of the total liabilities and equity as of June 30, 2013 and December 31, 2012, respectively.

Noncurrent liabilities amounting to PHP 2.4 million as of June 30, 2013 consist of retirement liability of PHP 1.2 million and deferred tax liability of PHP 1.2 million. No outstanding obligation to the retirement fund as of December 31, 2012 on account of the retirement asset of PHP 2.2 million recognized from the excess of annual normal cost paid in 2012.

The Company's stockholders' equity as of June 30, 2013 stood at PHP 1,256.9 million, higher by PHP 19.8 million or 1.6% against the year-end 2012 level of PHP 1,237.1 million mainly due to higher net income and cumulative translation adjustment, partly offset by the additional buy-back of 3,955,000 shares from the stock market. Total stockholders' equity as of June 30, 2013 and December 31, 2012 are 48.2% and 46.1% of the total liabilities and equity as of June 30, 2013 and December 31, 2012, respectively.

On April 24, 2013, the Company's Board of Directors approved the cancellation of the engagement of SyCip Gorres Velayo & Co. ("SGV") as the Company's external auditor. The cancellation resulted from divergent opinions on the scope of work of the audit process, particularly the extent of the reports to be submitted by the Company's foreign offices. Considering the different regulatory environments in the countries where the Company has foreign offices, the completion of the reports required by SGV posed a significant challenge to the timely submission of the Company's audited financial statements. Since the delayed submission of the Company's audited financial statements opens the Company to reprimand or penalties from regulatory bodies that may also reflect poorly on its corporate governance practices, the Company was constrained to cancel the engagement of SGV and engage a different auditing firm. Further, the Company's Board of Directors approved the engagement of the firm of R.S. Bernaldo & Associates to prepare the Company's audited financial statements for the period ending December 31, 2012. During the July 19, 2013 annual stockholders' meeting, the shareholders approved the re-appointment of R.S. Bernaldo & Associates as the Company's external auditor for the year 2013.

On June 11, 2013, the Board of Directors approved the amendment of the Company's primary purpose. The shareholders, during the July 19, 2013 annual stockholders' meeting, likewise approved the said amendment. With the amendment, and subject to the *Bangko Sentral ng Pilipinas*' regulatory approval, the Company will no longer be limited to engaging in "spot" foreign currency transactions and will be able to engage in financial derivatives activities such as foreign currency swaps, forwards, options or other similar instruments. The amendment of the primary purpose will enable the Company to engage in more extensive foreign exchange transactions, thus giving the Company the ability to maximize the returns on its foreign exchange portfolio. The amendment, however, does not include activities that require new licenses and/or permits from the *Bangko Sentral ng Pilipinas*. The amendment will likewise not change the core business of the Company, which is to engage in fund transfer and remittance services from abroad and into the Philippines, or otherwise.

On July 19, 2013, the Company's Board of Directors approved the declaration of the following dividends with record date of August 16, 2013:

- Property dividend in the form of the 20,587,000 shares of stock of the Company lodged as Treasury Shares (from the buyback programs), with any fractional shares accruing to a shareholder to be paid in cash based on the market value of the stock of the Company on the date of declaration. The shareholders, during the July 19, 2013 annual stockholders' meeting, likewise approved the declaration of the said property dividend. Payment thereof to be made not later than 30 days after record date and subject to the approval of the Securities and Exchange Commission.
- Cash Dividend in the amount of PHP 0.0422 per share or PHP 25,031,512 from the Unappropriated Retained Earnings of the Company as at December 31, 2012. Payment date is on September 11, 2013.

The *Bangko Sentral ng Pilipinas* (BSP) reported that personal remittances from overseas Filipinos surpassed the USD 2.0 billion mark for the second consecutive month in May 2013, rising by 6.2% year-on-year to reach USD 2.1 billion. The remittance inflows in May brought cumulative remittances for the first five months of 2013 to USD 9.7 billion, higher by 6.4% than the level registered in the comparable period last year. The BSP attributed the growth of remittances during the first five months of the year to remittance inflows from land-based workers with work contracts of one year or more. The BSP also noted that remittances remained strong because of strong demand for skilled Filipino manpower overseas. The Philippine Overseas Employment Administration (POEA) showed that one-third of the 431,394 approved job orders in January-June 2013 were already processed; these are job orders for services, production, and professional, technical and related workers that were mainly intended for the manpower requirements of Saudi Arabia, United Arab Emirates, Kuwait, Hong Kong, and Qatar.

Last March 19, the Philippines and Germany signed a bilateral agreement that aims to open Germany to Filipino health care workers. The first batch of 50 Filipino healthcare professionals is expected to be deployed to Germany in July.

Taiwan, on August 8, 2013, lifted a ban on Filipino workers after Manila formally apologized for the fatal shooting on May 9, 2013 Balintang Channel shooting incident by the Philippine Coast Guard. After the shooting, Taiwan imposed a hiring freeze on Filipino workers.

In July, the POEA governing board has approved a resolution allowing the deployment of new workers to Iraq. The POEA imposed a total deployment ban to Iraq in February 2012 upon the recommendation of the Department of Foreign Affairs (DFA) amid violence in the country. Last February, the Philippine embassy in Baghdad certified Iraq as compliant with the provisions of the Amended Migrants Workers Act.

Below are the comparative key performance and financial soundness indicators of the Company and its subsidiaries:

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	1%	2%
Return on Assets (ROA)	Net income* over average total assets during the period	1%	1%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	PHP 0.024	PHP 0.051
Sales Growth	Total transaction value in USD in present period over the previous year	2%	22%
Gross Income	Revenue less total cost of services (PHP millions)	271.0	561.7
Current ratio	Total current assets over total current liabilities	1.79	1.72
Solvency ratio	Net income plus depreciation over total liabilities	0.015	0.030
Solvency ratio	Total assets over total liabilities	1.93	1.85
Solvency ratio	Total stockholders' equity over total liabilities	0.93	0.85
Debt-to equity ratio	Total liabilities over total stockholders' equity	1.08	1.17
Asset-to-equity ratio	Total assets over total stockholders' equity	2.08	2.17
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	2.76	2.17

* Net Income attributable to equity holders of the Parent Company and Minority Interest. EPS computed using Net Income attributable to equity holders of the Parent Company for the period ended June 30, 2013 and for the year ended December 31, 2012 are PHP 0.024 and PHP 0.051, respectively.

Below are the comparative key performance indicators of the Company's subsidiaries:

International Remittance (Canada) Ltd.

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-8%	-2%
Return on Assets (ROA)	Net income over average total assets during the period	-2%	-1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 7.18)	(PHP 2.30)
Sales Growth	Total transaction value in USD in present period over the previous year	14%	6%
Gross Income	Revenue less total cost of services (PHP millions)	48.9	96.8

Lucky Star Management Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-135%	-103%
Return on Assets (ROA)	Net income over average total assets during the period	-13%	-27%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 11.17)	(PHP 31.22)
Sales Growth	Total transaction value in USD in present period over the previous year	18%	-5%
Gross Income	Revenue less total cost of services (PHP millions)	4.7	9.9

IRemit Global Remittance Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	596%	968%
Return on Assets (ROA)	Net income over average total assets during the period	-5%	-13%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 21.66)	(PHP 50.71)
Sales Growth	Total transaction value in USD in present period over the previous year	104%	43%
Gross Income	Revenue less total cost of services (PHP millions)	37.8	72.8

I-Remit Australia Pty Ltd

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.2%	0.4%
Return on Assets (ROA)	Net income over average total assets during the period	0.1%	0.2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 3,421.58	PHP 8,210.03
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.2	0.2

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-56%	12%
Return on Assets (ROA)	Net income over average total assets during the period	-4.9%	1.4%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 22.63)	PHP 6.01
Sales Growth	Total transaction value in USD in present period over the previous year	-0.3%	21.8%
Gross Income	Revenue less total cost of services (PHP millions)	17.7	38.0

I-Remit New Zealand Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	15%	26%
Return on Assets (ROA)	Net income over average total assets during the period	-14%	-22%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 1,888.23)	(PHP 2,690.78)
Sales Growth	Total transaction value in USD in present period over the previous year	33%	30%
Gross Income	Revenue less total cost of services (PHP millions)	2.4	3.8

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	36%	-1,831%
Return on Assets (ROA)	Net income over average total assets during the period	-33%	-47%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 62.66)	(PHP 304.77)
Sales Growth	Total transaction value in USD in present period over the previous year	-30%	-78%
Gross Income	Revenue less total cost of services (PHP millions)	0.3	1.3

Power Star Asia Group Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	6%	25%
Return on Assets (ROA)	Net income over average total assets during the period	6%	25%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 21.31	PHP 72.72
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	18.5	52.6

K. K. I-Remit Japan

Performance Indicator	Definition	June 30, 2013 (Six Months)	Dec. 31, 2012 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	40%	342%
Return on Assets (ROA)	Net income over average total assets during the period	-33%	-141%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 56,475.11)	(PHP 153,538.62)
Sales Growth	Total transaction value in USD in present period over the previous year	6,096%	-
Gross Income	Revenue less total cost of services (PHP millions)	3.2	1.5

June 30, 2013 vs. June 30, 2012

I-Remit realized a consolidated net income of PHP 14.3 million in First Half 2013, PHP 30.5 million lower or -68.0% than the consolidated net income of PHP 44.8 million in First Half 2012. The consolidated net income in First Half 2013 and First Half 2012 are 3.7% and 11.7% of the First Half 2013 and First Half 2012 revenue, respectively.

Revenue increased by PHP 4.1 million or 1.1% to PHP 386.8 million in First Half 2013 from PHP 382.7 million in First Half 2012 mainly due to higher delivery fees, partly offset by lower net realized foreign exchange gains. Other fees increased by PHP 0.4 million or 260.3% from PHP 0.2 million in First Half 2012 to PHP 0.6 million in First Half 2013 due to higher volume of retrievals of remittance transactions. Costs of services increased by PHP 12.3 million or 11.9% from PHP 103.5 million in First Half 2012 to PHP 115.8 million in First Half 2013 mainly due to higher bank charges which increased by PHP 13.2 million or 13.6% from PHP 97.1 million in First Half 2012 to PHP 110.3 million in First Half 2013. The increase in bank charges reflects the continuing preference of remitters for notify-to-pay (pick-up) service mode. Delivery charges decreased by PHP 0.9 million or -14.4% from PHP 6.3 million in First Half 2012 to PHP 5.4 million in First Half 2013 as door-to-door delivery transactions went down due to the shift to other delivery service mode such as notify-to-pay. Accordingly, the Company's gross income decreased by PHP 8.2 million or -2.9% from PHP 279.2 million in First Half 2012 to PHP 271.0 million in First Half 2013. The gross income in First Half 2013 and First Half 2012 are 70.1% and 73.0% of the First Half 2013 and First Half 2012 revenue, respectively.

Transaction count increased by 7.5% from 1.477 million in First Half 2012 to 1.588 million in First Half 2013. USD remittance volume increased by 2.2% from USD 790.7 million in First Half 2012 to USD 808.4 million in First Half 2013. Of the total transaction count in First Half 2013, the percentage contributions per region are as follows: Asia-Pacific, 42%; Middle East, 31%; North America, 13%; and Europe, 11%. In terms of USD remittance volume, the regional contributions are as follows: Asia-Pacific, 37%; Middle East, 21%; North America, 14%; and Europe, 11%.

Other operating income decreased by PHP 8.0 million or -70.0% from PHP 11.4 million in First Half 2012 to PHP 3.4 million in First Half 2013. Net trading gains decreased by PHP 6.4 million or -105.2% from PHP 6.1 million in First Half 2012 to a net loss of PHP 0.3 million in First Half 2013 mainly due to the lower market valuation of investment in stock of Power Star Asia Group Limited. Trading gains suffered further due to lower unrealized gain from investment in bonds of Power Star Asia Group Limited. Other income decreased by PHP 1.6 million or -29.9% from PHP 5.3 million in First Half 2012 to PHP 3.7 million in First Half 2013 mainly due to lower cost recovery brought about by the outsourcing of maintenance of call center agents to Pacific Hub Corporation starting in December 2012.

Total operating expenses was higher by PHP 18.7 million or 8.2% from PHP 226.6 million in First Half 2012 to PHP 245.3 million in First Half 2013 mainly on account of higher professional fees, salaries, wages and employee benefits, rental, depreciation and amortization, and entertainment, amusement and recreation expenses, partly offset by lower transportation and travel and other operating expenses. Professional fees in First Half 2013 were higher due to higher call handling services outsourced to Pacific Hub Corporation starting in December 2012. Salaries, wages and employee benefits in First Half 2013 were higher mainly due to annual salary increase and additional employees hired by International Remittance (Canada) Ltd. for its two (2) new branches which opened late last year, raising the total number of employees to about 48 in 11 branches from the previous 27 employees. Rental expense in First Half 2013 was higher mainly due to the yearly rental escalation. Depreciation and amortization in First Half 2013 were higher mainly due to the property and

equipment acquired for the two (2) new branch offices of International Remittance (Canada) Ltd. Entertainment, amusement and recreation expenses in First Half 2013 were higher mainly due to more programs introduced by the Company this year to keep its employees fit at work and more productive. Transportation and travel was lower in First Half 2013 mainly due to lesser number of business trips. Other operating expenses were lower in First Half 2013 mainly due to several business development projects concluded last year in Japan, Saudi Arabia, Kuwait and Oman as well as research projects on OFW labor relations. Total operating expenses in First Half 2013 and First Half 2012 are 63.4% and 59.2% of the First Half 2013 and First Half 2012 revenue, respectively.

Equity in net earnings of associates increased by PHP 0.54 million or 57.4% from PHP 0.95 million in First Half 2012 to PHP 1.49 million in First Half 2013 mainly due to the increased share on income of associates from PHP 0.513 million to PHP 1.086 million for IRemit Singapore Pte Ltd and from PHP 0.434 million to PHP 0.406 million for Hwa Kung Hong & Co., Ltd. (in Taiwan). Interest income was higher by PHP 1.2 million or 19.7% from PHP 6.0 million in First Half 2012 to PHP 7.2 million in First Half 2013 mainly due to higher level of deposits contributed by Power Star Asia Group Limited. Interest expense was higher by PHP 0.3 million from PHP 13.4 million in First Half 2012 to PHP 13.7 million in First Half 2013 mainly due to higher interest rates ranging from 5% to 7.25% per annum in First Half 2013 and 5.0% to 7.125% per annum in First Half 2012.

The total assets of the Company increased by PHP 247.9 million or 10.5% to PHP 2,608.9 million as of June 30, 2013 against PHP 2,361.0 million as of June 30, 2012. Cash and cash equivalents increased by PHP 153.1 million or 16.7% from PHP 915.2 million as of June 30, 2012 to PHP 1,068.3 million as of June 30, 2013. Cash and cash equivalents as of June 30, 2013 and June 30, 2012 are 40.9% and 38.8% of the total assets as of June 30, 2013 and June 30, 2012, respectively. Financial assets at FVPL, which consist of investments in private debt securities (listed overseas) held for trading, stood at PHP 256.3 million as of June 30, 2013, an increase of PHP 78.9 million or 44.5% against PHP 177.4 million as of June 30, 2012 mainly due to the increase in bonds and stock investments by PHP 70.8 million and PHP 8.1 million, respectively, of Power Star Asia Group Limited. Financial assets at FVPL as of June 30, 2013 and June 30, 2012 are 9.8% and 7.5% of the total assets as of June 30, 2013 and June 30, 2012, respectively. Accounts receivable increased by PHP 131.9 million or 39.3% from PHP 893.1 million as of June 30, 2012 to PHP 1,025.0 million as of June 30, 2013 mainly due to increased volume of transactions in Middle East, Canada and Japan. Accounts receivable as of June 30, 2013 and June 30, 2012 are 39.3% and 37.8% of the total assets as of June 30, 2013 and June 30, 2012, respectively. Other receivables decreased by PHP 104.3 million or -67.3% from PHP 155.0 million as of June 30, 2012 to PHP 50.7 million as of June 30, 2013 mainly due to various advances to fulfillment partners (e.g., banks, couriers) booked as of June 30, 2012. Other receivables as of June 30, 2013 and June 30, 2012 are 1.9% and 6.6% of the total assets as of June 30, 2013 and June 30, 2012, respectively. Other current assets decreased by PHP 8.1 million or -41.0% from PHP 19.9 million as of June 30, 2012 to PHP 11.7 million as of June 30, 2013 mainly due to the full amortization of prepaid expenses recorded in prior years.

Investments in associates increased by PHP 1.9 million or 9.8% from PHP 19.1 million as of June 30, 2012 to PHP 21.0 million as of June 30, 2013 mainly due to the equity income on IRemit Singapore Pte Ltd of PHP 1.1 million and Hwa Kung Hong & Co., Ltd. (in Taiwan) of PHP 0.8 million. Property and equipment-net increased by PHP 3.9 million or 18.0% from PHP 21.7 million as of June 30, 2012 to PHP 25.6 million as of June 30, 2013 mainly due to disk expansion and memory upgrade of Company servers as well as the renovation of Company office spaces. Goodwill stood at PHP 111.4 million as of June 30, 2013, same as the level as of June 30, 2012. Deferred tax asset increased by PHP 0.6 million or 9.9% from PHP 6.3 million as of June 30, 2012 to PHP 6.9 million as of June 30, 2013 mainly due to deferred tax asset recognized by the Parent Company and its subsidiaries. Software costs—

net decreased by PHP 0.6 million or -36.5% from PHP 1.6 million as of June 30, 2012 to PHP 1.0 million as of June 30, 2013 due to continued amortization of previously acquired assets. Other noncurrent assets decreased by PHP 9.0 million or -22.6% from PHP 39.8 million as of June 30, 2012 to PHP 30.8 million as of June 30, 2013 mainly due to the collection in July 2012 of the 2008 input VAT claim for PHP 2.97 million and write-off of disallowed input VAT claim for PHP 6.68 million.

Total liabilities increased by PHP 380.6 million or 39.2% from PHP 971.4 million as of June 30, 2012 to PHP 1,352.0 million as of June 30, 2013. Total liabilities as of June 30, 2013 and June 30, 2012 are 51.8% and 41.1% of the total liabilities and equity as of June 30, 2013 and June 30, 2012, respectively.

Current liabilities increased by PHP 378.4 million or 39.0% from PHP 971.2 million as of June 30, 2012 to PHP 1,349.5 million as of June 30, 2013 mainly due to the increase in beneficiaries and other payables by PHP 388.4 million or 112.5% from PHP 345.1 million as of June 30, 2012 to PHP 733.5 million as of June 30, 2013. This was mainly due to remittances on the last days of June 2013 which fell on weekend and scheduled for fulfillment on regular weekdays, as well as lower provision for income tax. Beneficiaries and other payables comprised mainly of payables to beneficiaries of PHP 527.0 million, payables to agents, couriers and trading clients of PHP 32.0 million, accrued expenses of PHP 46.1 million, income tax payable of PHP 5.8 million, withholding taxes of PHP 3.6 million, payable to government agencies of PHP 2.2 million, and payables to suppliers/others of PHP 116.8 million. Interest-bearing loans decreased by PHP 10.0 million or -1.6% from PHP 626.0 million as of June 30, 2012 to PHP 616.0 million as of June 30, 2013 mainly due to lower loan exposure on account of stricter implementation of Company policy on advance funding from remittance tie-ups. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 5% to 7.25% per annum in First Half 2013 and 5.0% to 7.125% in First Half 2012. Income tax payable decreased by PHP 3.8 million or -39.6% from PHP 9.6 million as of June 30, 2012 to PHP 5.8 million as of June 30, 2013. Total current liabilities as of June 30, 2013 and June 30, 2012 are 51.7% and 41.1% of the total liabilities and equity as of June 30, 2013 and June 30, 2012, respectively.

Noncurrent liabilities amounting to PHP 2.4 million as of June 30, 2013 consist of retirement liability of PHP 1.215 million and deferred tax liability of PHP 1.217 million as compared with PHP 0.184 million and PHP 0.066 million as of June 30, 2012, respectively. The variance in retirement liability represents actual payment to the retirement fund in June 2012 while the variance in deferred tax liability represents liability recognized by the Parent Company in December 2012.

The Company's stockholders' equity as of June 30, 2013 stood at PHP 1,257.0 million, lower by PHP 132.6 million or -9.5% against the June 30, 2012 level of PHP 1,389.6 million mainly due to lower net income and additional buy-back of shares from the stock market, partly offset by lower negative cumulative translation adjustment. Total stockholders' equity as of June 30, 2013 and June 30, 2012 are 48.2% and 58.9% of the total liabilities and equity as of June 30, 2013 and June 30, 2012, respectively.

On April 24, 2013, the Company's Board of Directors approved the cancellation of the engagement of SyCip Gorres Velayo & Co. ("SGV") as the Company's external auditor. The cancellation resulted from divergent opinions on the scope of work of the audit process, particularly the extent of the reports to be submitted by the Company's foreign offices. Considering the different regulatory environments in the countries where the Company has foreign offices, the completion of the reports required by SGV posed a significant challenge to the timely submission of the Company's audited financial statements. Since the delayed submission of the Company's audited financial statements opens the Company to reprimand

or penalties from regulatory bodies that may also reflect poorly on its corporate governance practices, the Company was constrained to cancel the engagement of SGV and engage a different auditing firm. Further, the Company's Board of Directors approved the engagement of the firm of R.S. Bernaldo & Associates to prepare the Company's audited financial statements for the period ending December 31, 2012. During the July 19, 2013 annual stockholders' meeting, the shareholders approved the re-appointment of R.S. Bernaldo & Associates as the Company's external auditor for the year 2013.

On June 11, 2013, the Board of Directors approved the amendment of the Company's primary purpose. The shareholders, during the July 19, 2013 annual stockholders' meeting, likewise approved the said amendment. With the amendment, and subject to the *Bangko Sentral ng Pilipinas*' regulatory approval, the Company will no longer be limited to engaging in "spot" foreign currency transactions and will be able to engage in financial derivatives activities such as foreign currency swaps, forwards, options or other similar instruments. The amendment of the primary purpose will enable the Company to engage in more extensive foreign exchange transactions, thus giving the Company the ability to maximize the returns on its foreign exchange portfolio. The amendment, however, does not include activities that require new licenses and/or permits from the *Bangko Sentral ng Pilipinas*. The amendment will likewise not change the core business of the Company, which is to engage in fund transfer and remittance services from abroad and into the Philippines, or otherwise.

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- Cash Dividend in the amount of PHP 0.0422 per share or PHP 25,031,512 from the Unappropriated Retained Earnings of the Company as at December 31, 2012. Payment date is on September 11, 2013.

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Return on Equity (ROE)	Net income* over average stockholders' equity during the period	1%	3%
Return on Assets (ROA)	Net income* over average total assets during the period	1%	2%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	PHP 0.024	PHP 0.074
Sales Growth	Total transaction value in USD in present period over the same period in the previous year	2%	16%
Gross Income	Revenue less total cost of services (PHP millions)	271.0	279.2
Current ratio	Total current assets over total current liabilities	1.79	2.24
Solvency ratio	Net income plus depreciation over total liabilities	0.015	0.052
Solvency ratio	Total assets over total liabilities	1.93	2.42
Solvency ratio	Total stockholders' equity over total liabilities	0.93	1.42
Debt-to equity ratio	Total liabilities over total stockholders' equity	1.08	0.70
Asset-to-equity ratio	Total assets over total stockholders' equity	2.08	1.70
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	2.76	5.30

* Net Income attributable to equity holders of the Parent Company and Minority Interest. EPS computed using Net Income attributable to equity holders of the Parent Company for the periods ended June 30, 2013 and June 30, 2012 are P 0.024 and P 0.074, respectively.

Below are the comparative key performance indicators of the Company's subsidiaries:

International Remittance (Canada) Ltd.

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-8%	5%
Return on Assets (ROA)	Net income over average total assets during the period	-2%	2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 7.18)	PHP 4.58
Sales Growth	Total transaction value in USD in present period over the previous year	14%	-3%
Gross Income	Revenue less total cost of services (PHP millions)	48.9	46.4

Lucky Star Management Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-135%	-29%
Return on Assets (ROA)	Net income over average total assets during the period	-13%	-11%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 11.17)	(PHP 11.64)
Sales Growth	Total transaction value in USD in present period over the previous year	18%	-13%
Gross Income	Revenue less total cost of services (PHP millions)	4.7	6.1

IRemit Global Remittance Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	596%	-163%
Return on Assets (ROA)	Net income over average total assets during the period	-5%	-4%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 21.66)	(PHP 28,720.87)
Sales Growth	Total transaction value in USD in present period over the previous year	104%	63%
Gross Income	Revenue less total cost of services (PHP millions)	37.8	36.4

I-Remit Australia Pty Ltd

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.2%	0.2%
Return on Assets (ROA)	Net income over average total assets during the period	0.1%	0.1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 3,421.58	PHP 3,012.00
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.2	0.1

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-56%	-4%
Return on Assets (ROA)	Net income over average total assets during the period	-4.9%	-0.5%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 22.63)	(PHP 1.85)
Sales Growth	Total transaction value in USD in present period over the previous year	-0.3%	19.7%
Gross Income	Revenue less total cost of services (PHP millions)	17.7	18.0

I-Remit New Zealand Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	15%	24%
Return on Assets (ROA)	Net income over average total assets during the period	-14%	-18%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 1,888.23)	(PHP 2,480.80)
Sales Growth	Total transaction value in USD in present period over the previous year	33%	17%
Gross Income	Revenue less total cost of services (PHP millions)	2.4	0.4

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	36%	-74%
Return on Assets (ROA)	Net income over average total assets during the period	-33%	-11%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 62.66)	(PHP 91.74)
Sales Growth	Total transaction value in USD in present period over the previous year	-30%	-94%
Gross Income	Revenue less total cost of services (PHP millions)	0.3	0.3

Power Star Asia Group Limited

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	6%	13%
Return on Assets (ROA)	Net income over average total assets during the period	6%	13%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 21.31	PHP 34.76
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	18.5	28.3

K. K. I-Remit Japan

Performance Indicator	Definition	June 30, 2013 (Six Months)	June 30, 2012 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	40%	-131%
Return on Assets (ROA)	Net income over average total assets during the period	-33%	-19%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 56,475.11)	(PHP 21,086.93)
Sales Growth	Total transaction value in USD in present period over the previous year	6,096%	-
Gross Income	Revenue less total cost of services (PHP millions)	3.20	0.04

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity. The Company has not defaulted in paying its currently maturing obligations. In addition, obligations of the Company are guaranteed up to a certain extent by the Company's majority stockholders.

The Company is not aware of any events that will trigger a direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company has no material commitments for capital expenditures.

Except as discussed above, the Company is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on sales, revenues or income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

The Company does not expect any purchase of significant equipment in the next twelve (12) months.

The Company does not expect any significant changes in the number of employees in the next twelve (12) months.

I-REMIT, INC.
COMPLIANCE WITH SEC LETTER
DATED OCTOBER 29, 2008

The information required by SEC letter dated October 29, 2008 can be found in the following pages:

a. Financial risk exposures of I-Remit, Inc. ("Company")

Please refer to pages 30 to 31.

b. Disclosure on the financial instrument of the Company

(1) Description of the financial instruments of the Company and the classification and measurements applied for each.

Please refer to pages 25 to 29.

(2) Amount of Company's investments in foreign securities.

Not applicable as the Company has no investments in foreign securities.

(3) Significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

Please refer to page 29.

(4) Explanation of how risk is incorporated and considered in the valuation of assets or liabilities.

Please refer to pages 29 to 30.

(5) Comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods.

Not applicable.

(6) Criteria used to determine whether the market for a financial instrument is active or inactive as defined under PAS 39-Financial Instruments.

Please refer to pages 29 to 30.

Summary of Significant Accounting Policies

Financial Instruments - Initial Recognition and Subsequent Measurement

Initial Recognition

Financial instruments within the scope of PAS 39 are classified as financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, available-for-sale (AFS) investments, financial liabilities at FVPL and other financial liabilities. The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial assets and financial liabilities are recognized initially at fair value plus any directly attributable cost of acquisition or issue, except in the case of financial assets and financial liabilities at FVPL. Management determines the classification of its instruments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every balance sheet date.

Financial instruments are recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument. In the case of regular way of purchase or sale of financial assets, recognition and derecognition, as applicable, are done using settlement date accounting. Settlement date accounting refers to (a) recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Group.

The subsequent measurement bases for financial instruments depend on its classification.

As of June 30, 2013 and December 31, 2012, the Group has no AFS investments, HTM investments and financial liabilities at FVPL.

Subsequent Measurement

Financial assets at FVPL

Financial assets at FVPL includes financial assets held for trading (HFT) and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as HFT if they are acquired for the purpose of selling and repurchasing in the near term. Included in this classification are debt securities which have been acquired principally for trading purposes.

The Group evaluates its HFT investments to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification to loans and receivables, AFS or HTM depends on the nature of the asset. This evaluation does not affect any financial assets designated at FVPL using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

HFT investments are recorded in the consolidated balance sheet at fair value. Changes in fair value are recognized as 'Net trading gains' in the consolidated statement of income. Interest earned is recognized as interest income included under 'Other income' in the consolidated statement of income. Quoted market prices, when available, are used to determine the fair value of these financial instruments. If quoted market prices are not available, their fair values are estimated based on inputs that are observable in the market.

Classified under this category are the Group's HFT investments in debt and equity securities.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, receivables are carried at amortized cost using the effective interest method less any allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate (EIR). Gains and losses are recognized in the consolidated statement of income when the receivables are derecognized or impaired, as well as through the amortization process. Receivables are classified as current assets when the Group expects to realize or collect the asset within twelve months from the balance sheet date. Otherwise, these are classified as non-current assets.

Classified under this category are the Group's 'Cash and cash equivalents', 'Accounts receivable', 'Other receivables' and refundable deposits included under 'Other noncurrent assets'.

Other financial liabilities

Issued financial instruments or their components, which are not designated as at FVPL, are classified as other financial liability, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. These include liabilities arising from operations or borrowings. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the EIR method.

Other financial liabilities are classified as current liabilities when the Group expects to settle the liability within twelve months from the balance sheet date. Otherwise, these are classified as noncurrent liabilities.

Other financial liabilities include 'Beneficiaries and other payables' and 'Interest-bearing loans'.

Determination of fair value

The fair value for financial instruments traded in active markets at the balance sheet date is based on their quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation methodologies. Valuation methodologies include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Day 1 difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from an observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in the consolidated statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the Day 1 difference amount.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third part under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where there are observable data that indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the consolidated statement of income. Interest income continues to be recognized based on the original EIR of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If subsequently, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to profit or loss.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as geographical classification. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect, and are directionally consistent with changes in related observable data from period to period (such as changes in payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair Value Measurement

The following methods and assumptions were used to estimate the fair value of the financial instruments:

Cash and cash equivalents, Account receivables, Other receivables, Beneficiaries and other payables and Interest-bearing loans - carrying amounts approximate fair values due to the relatively short-term maturities of these instruments.

Financial assets at FVPL - fair values are based on quoted market prices.

Refundable deposits - fair values are based on the present value of future cash flows discounted using prevailing interest rates.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs that are not based on observable market data or unobservable inputs.

As of June 30, 2013 and December 31, 2012, the financial instruments carried at fair value only pertains to the Group's financial assets at FVPL, which consist of investments in debt and equity securities. The fair values of these debt and equity securities are based on quoted prices (Level 1). There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement in 2013 and 2012.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments mainly comprise of short-term loans from banks. The main purpose of these financial instruments is to raise funds for the Group's fulfillment or delivery of remittance transactions to beneficiaries. The Group also has various other financial assets and liabilities such as cash and cash equivalents, accounts receivables, and accounts payable to beneficiaries, which arise directly from its remittance operations.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, cash flow interest rate risk, fair value interest rate risk and liquidity risk. The BOD reviews and approves policies for managing each of these risks and these are summarized below:

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligations during the life of the transaction. This includes risk of non-payment by borrowers or issuers, failed settlement of transactions and default on contracts.

The nature of its business exposes the Group to potential risk from difficulties in recovering transaction money from foreign partners. Receivables from agents arise as a result of its remittance operations in various regions of the globe. In order to address this, the Group has maintained the following credit policies: (a) implement a contract that incorporates a bond and advance payment cover such that the full amount of the transaction will be credited to the Group prior to their delivery to the beneficiaries, which applies generally to all new agents of the Group and in certain cases to old agents; (b) all foreign offices and agents must settle their accounts within the agreed credit terms, otherwise, the fulfillment or delivery of their remittance transactions will be put on hold; (c) evaluation of individual potential partners and preferred associates' creditworthiness, as well as a close look into the other pertinent aspects of their partners' businesses which assures the Group of the financial soundness of their partner firms; and (d) receivable balances are monitored daily by the regional managers with the result that the Group's exposure to bad debts is not significant.

Receivables from agents and couriers are highly collectible and have a turnover ranging from 1 to 5 days and 30 to 60 days, respectively. Other receivables, which include advances to related parties, are also highly collectible and are due in less than one year.

There are no past due receivables as of June 30, 2013 and December 31, 2012. The Group classifies its neither past due nor impaired receivables as high grade. High grade financial assets includes instruments with credit ratings of excellent, strong, good, or satisfactory, wherein the borrower has a low probability of default and could withstand the normal business cycle. Financial assets at FVPL are also assessed as high grade since these are issued by reputable companies.

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. It is the Group's policy that all daily foreign currencies, which arise as a result of its remittance transactions, must be traded daily with bank partners only at prevailing foreign exchange rates in the market. The daily closing foreign exchange rates shall be the guiding rate in providing wholesale rates and retail rates to foreign offices and agents, respectively. The trading proceeds will be used to pay out bank loans and other obligations of the Group.

Cash Flow Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments.

As of June 30, 2013 and December 31, 2012, the Group's exposure to cash flow interest rate risk is minimal. The Group's policy is to manage its interest cost by entering only into fixed rate short-term loans from banks.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group accounts for its debt investments at fair value. Thus, changes in the benchmark interest rate will cause changes in the fair value of quoted debt instruments.

There is no impact on the Group's equity other than those already affecting the profit or loss.

Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its investments in equity securities.

The Group's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on its consolidated balance sheet.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term debts. In addition, the Group maintains credit facilities with local banks.

I-REMIT, INC.
COMPLIANCE WITH THE REVISED GUIDELINES ON THE IMPLEMENTATION OF
PFRS 9 (FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT)
PER SEC MEMORANDUM CIRCULAR NUMBER 3, DATED MAY 28, 2012

The information that is required to be disclosed by SEC Memorandum Circular Number 3, dated May 28, 2012 follows:

- A. After consideration of the result of its impact evaluation, the Company has decided not to early adopt PFRS 9 for its 2013 annual financial reporting and therefore, the interim financial statements do not reflect the impact of the said standard;
- B. The Company shall conduct every second quarter of the fiscal year up to June 30, 2014 another impact evaluations using the outstanding balances of financial statements as of the most recently-completed fiscal year;
- C. The following is a brief discussion of the accounts that are to be affected in case of early adoption:

The Company classifies and measures its financial assets and liabilities on the basis of its business model for managing. Cash and cash equivalents, Accounts Receivables, Other Receivables, Beneficiaries and Other Payables and Interest-bearing Loans are less likely to be affected in case of early adoption of PFRS 9 as these assets and liabilities are currently being valued approximate to fair values.

I-REMIT, INC.
COMPLIANCE WITH THE TRANSITION TO NEW AND AMENDED
PHILIPPINE FINANCIAL REPORTING STANDARDS
EFFECTIVE STARTING JANUARY 01, 2013
PER SEC MEMORANDUM CIRCULAR NUMBER 6, DATED APRIL 23, 2013

The Commission *En Banc* in its meeting on April 22, 2013, resolved to allow covered corporations to present the prescribed information and to recognize the impact of the following standards in their interim financial statements starting with the period ended June 30, 2013:

Title	Subject
PAS 27 (Amended)	Separate Financial Statements
PAS 28 (Amended)	Investments in Associates and Joint Ventures
Amendments to PFRS 1	Government Loans
Amendments to PFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
PFRS 10	Consolidated Financial Statements
PFRS 11	Joint Arrangements
PFRS 12	Disclosure of Interests in Other Entities
PFRS 13	Fair Value Measurement

The information that is required to be disclosed by SEC Memorandum Circular Number 6, dated April 23, 2013 follows:

- (a) Whether or not the above standards are applicable to the Company.
- (b) If applicable, whether or not the Company is currently evaluating the impact based on audited figures as of December 31, 2012.

The Company finds all of the standards below applicable and is currently evaluating the impact of these standards based on audited figures as of December 31, 2012. The Company believes that the adoption of these standards will not have significant impact on its financial statements:

Title	Subject
PAS 27 (Amended)	Separate Financial Statements
PAS 28 (Amended)	Investments in Associates and Joint Ventures
Amendments to PFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
PFRS 10	Consolidated Financial Statements
PFRS 11	Joint Arrangements
PFRS 12	Disclosure of Interests in Other Entities
PFRS 13	Fair Value Measurement

The Company is not a first-time adopter of PFRS and finds the standard below not applicable:

Title	Subject
Amendments to PFRS 1	Government Loans

PART II – OTHER INFORMATION

Other Required Disclosures

- A. Accounting Policies and Methods of Computation.
The attached interim financial reports were prepared in accordance with the Philippine Accounting Standards. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2012.
- B. Unusual Items Affecting Assets, Liabilities, equity, net Income or Cash Flow.
Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C. Changes in Estimates of Amounts Reported.
There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D. Issuances, Repurchases and Repayments of Debt and Equity Securities.
Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.
- E. Material Events Subsequent to the End of the Interim Period Not Reflected in the Financial Statements.
There were no material events that happened subsequent to June 30, 2013 up to the date of this report that needs disclosure herein.
- F. Changes in Composition of the Issuer During the Interim Period.
There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except as disclosed in the MD&A.
- G. Changes in Contingent Liabilities or Contingent Assets.
There were no changes in contingent liabilities or contingent assets since December 31, 2012.
- H. Material Contingencies and Any Other Events or Transactions.
There exist no material contingencies and other material events or transactions affecting the current interim period except as disclosed in the MD&A.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pasig on August 14, 2013.

By:



HARRIS EDEL D. JACILDO
President & Chief Operating Officer



BERNADETTE CINDY C. TIU
First Vice President & Chief Financial Officer