COVER SHEET

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SEC Registration Number

I - R E M I T , I N C . A N D S U B S I D I A R I E S

(Company's Full Name)

2 6 / F D i s c o v e r y C e n t r e , 2 5 A D B A v e n u e , O r t i g a s C e n t e r , P a s i g C i t y

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

Mr. HARRIS D. JACILDO

(Contact Person)

(632) 706–9999 Local 100/105/109

(Company Telephone Number)

1 2 3 1

Month *Day*

(Fiscal Year)

1 7 - Q

(Form Type)

0 7

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SEC Number	**A200101631**
PSE Code	
File Number	

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, 2017

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, 2017**

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**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code

7. **26/F Discovery Centre, 25 ADB Avenue, Ortigas Center, Pasig City** **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
Common Stock	**611,639,122 shares**

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
(In Philippine Peso)

	Unaudited **June 30, 2017**	Audited **Dec. 31, 2016**
ASSETS		
Current Assets		
Cash and cash equivalents	1,233,920,215	1,755,129,715
Trade and other receivables - net	573,180,666	582,724,407
Financial assets at fair value through profit or loss	302,997,783	259,448,441
Prepayments and other current assets	44,119,813	38,930,496
	2,154,218,477	**2,636,233,059**
Non-current Assets		
Investment in an associate	10,533,184	9,802,353
Property and equipment - net	32,468,857	26,809,790
Intangible assets - net	121,547,437	121,199,478
Retirement asset	18,624,728	18,624,728
Deferred tax assets	18,412,640	18,557,899
Other non-current assets	83,633,819	72,139,607
	285,220,665	**267,133,855**
TOTAL ASSETS	**2,439,439,142**	**2,903,366,914**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Financial liability at fair value through profit or loss	9,077,268	5,155,050
Beneficiaries and other payables	107,985,882	248,062,347
Income tax payable	1,720,839	14,598,219
Loans payable	980,000,000	1,312,000,000
	1,098,783,989	**1,579,815,616**
Non-current Liabilities		
Deferred tax liabilities	7,141,086	7,120,603
	7,141,086	**7,120,603**
TOTAL LIABILITIES	**1,105,925,075**	**1,586,936,219**
STOCKHOLDERS' EQUITY		
Capital Stock	617,725,800	617,725,800
Additional Paid-in Capital	391,232,478	391,232,478
Unappropriated Retained Earnings	251,427,360	246,528,867
Appropriated Retained Earnings	16,136,993	15,458,113
Cumulative Translation Adjustment	57,158,503	44,973,624
Re-measurements	15,969,926	15,969,926
Treasury Stock	(16,136,993)	(15,458,113)
TOTAL STOCKHOLDERS' EQUITY	**1,333,514,067**	**1,316,430,695**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**2,439,439,142**	**2,903,366,914**

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(In Philippine Peso)

	Unaudited **Jan. 1 to June 30, 2017**	Unaudited **Jan. 1 to June 30, 2016**	Unaudited **April 1 to June 30, 2017**	Unaudited **April 1 to June 30, 2016**
REVENUES	**380,574,712**	**346,344,517**	**190,584,394**	**184,338,698**
COST OF SERVICES	**153,624,756**	**121,681,427**	**76,485,238**	**63,544,893**
GROSS PROFIT	**226,949,956**	**224,663,090**	**114,099,156**	**120,793,805**
NET TRADING GAINS (LOSSES)	**8,656,649**	**1,314,917**	**6,263,969**	**1,043,218**
OTHER INCOME	**39,316,217**	**57,442,059**	**9,829,188**	**23,510,066**
	274,922,822	**283,420,066**	**130,192,313**	**145,347,089**
OPERATING EXPENSES				
Salaries, wages and employee benefits	126,564,450	112,134,643	63,666,084	57,379,220
Rental	36,186,625	32,129,860	18,148,408	15,915,466
Marketing	10,780,233	9,207,571	3,711,902	5,856,683
Professional fees	23,460,960	21,627,739	8,250,695	8,891,963
Transportation and travel	6,610,659	9,139,486	3,733,793	4,380,072
Communication, light and water	12,868,967	11,187,472	6,284,261	5,705,017
Photocopying and supplies	3,934,744	3,591,681	2,054,108	1,515,490
Depreciation and amortization	7,016,959	4,935,122	5,057,995	3,295,763
Entertainment, amusement and recreation	5,895,467	3,767,845	2,039,558	2,651,693
Other operating expenses	32,301,209	28,328,339	14,441,843	15,213,053
	265,620,273	**236,049,758**	**127,388,647**	**120,804,420**
EQUITY IN NET EARNINGS	**730,831**	**495,224**	**369,679**	**249,260**
PROFIT BEFORE TAX	**10,033,380**	**47,865,532**	**3,173,345**	**24,791,929**
INCOME TAXES	**4,456,006**	**7,222,989**	**2,270,442**	**3,634,345**
PROFIT	**5,577,374**	**40,642,543**	**902,903**	**21,157,584**
BASIC EARNINGS PER SHARE	**0.0091**	**0.0664**	**0.0015**	**0.0346**

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In Philippine Peso)

	Unaudited **Jan. 1 to June 30, 2017**	Unaudited **Jan. 1 to June 30, 2016**	Unaudited **April 1 to June 30, 2017**	Unaudited **April 1 to June 30, 2016**
PROFIT	**5,577,374**	**40,642,543**	**902,903**	**21,157,584**
OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
Translation adjustment	12,184,877	(6,128,343)	7,492,565	8,542,488
TOTAL COMPREHENSIVE INCOME	**17,762,251**	**34,514,200**	**8,395,468**	**29,700,072**
ATTRIBUTABLE TO:				
Equity holders of the parent	17,762,251	34,514,200	8,395,468	29,700,072
	17,762,251	**34,514,200**	**8,395,468**	**29,700,072**

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(In Philippine Peso)

	Unaudited **Jan. 1 to** **June 30, 2017**	Unaudited **Jan. 1 to** **June 30, 2016**
CAPITAL FUNDS, BEGINNING	**1,316,430,695**	**1,275,157,541**
Profit	5,577,374	40,642,543
Cumulative Translation Adjustment	12,184,878	(6,128,343)
Total Comprehensive Income for the Period	17,762,252	34,514,200
Cash Dividends	0	(19,583,311)
Purchase of Own Stock	(678,880)	0
CAPITAL FUNDS, ENDING	**1,333,514,067**	**1,290,088,430**

I-REMIT, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In Philippine Peso)

	Unaudited **Jan. 1 to** **June 30, 2017**	Unaudited **Jan. 1 to** **June 30, 2016**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,033,380	47,865,532
Adjustments for:		
Finance cost	23,972,401	18,625,392
Depreciation	6,066,745	4,518,866
Fair value (gain) loss on financial assets at FVTPL	(1,778,097)	(198,655)
Provision for bad debts	8,839,698	6,621,962
Retirement benefits	0	1,410,383
Amortization	950,214	416,256
Dividend income	591,917	(708,981)
Equity in net earnings of associates	730,831	(495,224)
Unrealized foreign exchange (gain) loss - net	(23,879,111)	43,908,352
Finance income	(6,933,849)	(6,082,611)
Operating cash flows before changes in working capital	18,594,129	115,881,272
Decrease (increase) in operating assets:		
Derivative financial assets at FVTPL	(9,068,286)	(36,281,188)
Trade and other receivables	9,827,768	(132,004,165)
Prepayments and other current assets	(4,421,637)	(2,581,158)
Other non-current assets	(9,614,829)	(7,889,509)
Increase (decrease) in operating liabilities:		
Beneficiaries and other payables	(134,849,950)	(32,191,414)
Financial liability at FVTPL	(5,155,050)	(1,145,299)
Cash generated from (used in) operations	(134,687,855)	(96,211,461)
Income taxes paid	(18,254,412)	(4,390,568)
Finance cost paid	(24,374,741)	(19,789,003)
Net cash from (used in) operating activities	**(177,317,008)**	**(120,391,032)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of financial assets at FVTPL	89,114,449	40,470,300
Finance income received	5,834,866	6,876,384
Dividend income received	(591,917)	708,981
Proceeds from disposals of property and equipment	0	11,554
Additions to software	(959,979)	(3,379,029)
Additions to property and equipment	(11,725,812)	(2,494,695)
Additions to financial assets at FVPL	(119,638,543)	(27,924,819)
Net cash from (used in) investing activities	**(37,966,935)**	**14,268,676**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	980,000,000	900,000,000
Payment of own stock	(678,880)	0
Payment of loans	(1,312,000,000)	(1,115,000,000)
Net cash from (used in) financing activities	**(332,678,880)**	**(215,000,000)**
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**26,753,323**	**20,962,868**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**(521,209,500)**	**(300,159,488)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,755,129,715**	**1,593,244,644**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,233,920,215**	**1,293,085,156**

I-REMIT, INC. AND SUBSIDIARIES
Aging of Consolidated Receivables
(In Philippine Peso)
Unaudited
June 30, 2017

	Total	0-60 Days	61-180 Days	181-360 Days	Over 360 Days
Agents	392,643,243	391,959,217	48,250	-	635,776
Couriers	140,724,697	140,724,697	-	-	-
Related Parties	10,323,004	610,582	7,703,867	-	2,008,555
Others	29,489,722	8,543,456	2,176,470	7,273,500	11,496,296
	573,180,666	541,837,952	9,928,587	7,273,500	14,140,627

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, 2017 (unaudited) and December 31, 2016 (audited);

b. Unaudited Comparative Consolidated Statements of Income for the six (6) months ended June 30, 2017 and June 30, 2016, and for three (3) months from April 1, 2017 to June 30, 2017 and from April 1, 2016 to June 30, 2016;

c. Unaudited Comparative Consolidated Statements of Comprehensive Income for the six (6) months ended June 30, 2017 and June 30, 2016, and for three (3) months from April 1, 2017 to June 30, 2017 and from April 1, 2016 to June 30, 2016;

d. Unaudited Comparative Consolidated Statements of Changes in Equity for the six (6) months ended June 30, 2017 and June 30, 2016;

e. Unaudited Comparative Consolidated Statements of Cash Flows for the six (6) months ended June 30, 2017 and June 30, 2016;

f. Unaudited Aging of Consolidated Receivables as of June 30, 2017.

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

June 30, 2017 vs. December 31, 2016

The total assets of the Company decreased by PHP 464.0 million or -16.0% to PHP 2,439.4 million as of June 30, 2017 against PHP 2,903.4 million as of December 31, 2016.

Total current assets decreased by PHP 482.0 million or -18.3% from PHP 2,636.2 million as of December 31, 2016 to PHP 2,154.2 million as of June 30, 2017. Total current assets as of June 30, 2017 and December 31, 2016 were 88.3% and 90.8% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Cash and cash equivalents decreased by PHP 521.2 million or -29.7% from PHP 1,755.1 million as of December 31, 2016 to PHP 1,233.9 million as of June 30, 2017. Cash and cash equivalents as of June 30, 2017 and December 31, 2016 were 50.6% and 60.5% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Trade and other receivables-net decreased by PHP 9.5 million or -1.6% from PHP 582.7 million as of December 31, 2016 to PHP 573.2 million as of June 30, 2017 mainly due to the termination of exclusivity contract with a number of tie up partners in First Half 2017. Trade and other receivables-net consist of trade receivables from remittance agents, advances to fulfillment agents, advances to trading agents, advances to related parties and other receivables. Trade and other receivables-net as of June 30, 2017 and December 31, 2016 were 23.5% and 20.1% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Financial assets at fair value through profit or loss, which consist of forward trades and investments in private debt and equity securities listed overseas and held for trading, increased by PHP 43.6 million or 16.8% from PHP 259.4 million as of December 31, 2016 to PHP 303.0 million as of June 30, 2017. Forward contracts in USD to PHP decreased by PHP 2.2 million or -34.3% from PHP 6.4 million as of December 31, 2016 to PHP 4.2 million as of June 30, 2017. Higher debt and lower equity securities by PHP 62.4 million or 34.6% and PHP 16.6 million or -22.8% respectively, were recognized as of June 30, 2017. Financial assets at FVPL as of June 30, 2017 and December 31, 2016 were 12.4% and 8.9% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Prepayments and other current assets increased by PHP 5.2 million or 13.3% from PHP 38.9 million as of December 31, 2016 to PHP 44.1 million as of June 30, 2017 due to increase recognized by Parent Company and its subsidiaries on prepaid expenses by PHP 4.2 million and advances to suppliers and contractors by PHP 1.0 million. Prepayments and other current assets consist of prepaid expenses, receivable from the Bureau of Internal Revenue for uncollected IPO tax refund claim, business development, advances to suppliers and contractors, supplies inventory, creditable withholding taxes and other current assets. Prepayments and other current assets as of June 30, 2017 and December 31, 2016 were 1.8% and 1.3% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Total non-current assets increased by PHP 18.1 million or 6.8% from PHP 267.1 million as of December 31, 2016 to PHP 285.2 million as of June 30, 2017. Total non-current assets as of June 30, 2017 and December 31, 2016 were 11.7% and 9.2% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Investment in associate increased by PHP 0.7 million or 7.5% from PHP 9.8 million as of December 31, 2016 to PHP 10.5 million as of June 30, 2017, mainly due to equity income recognized on Hwa Kung Hong & Co., Ltd. (in Taiwan) at PHP 0.7 million in First Half 2017. Investment in associate as of June 30, 2017 and December 31, 2016 were 0.4% and 0.3% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Property and equipment-net increased by PHP 5.7 million or 21.1% from PHP 26.8 million as of December 31, 2016 to PHP 32.5 million as of June 30, 2017. Significantly in the case of Canada foreign office (IRCL), the Company recognized an increase of PHP 10.1 million on leasehold improvement in First Half 2017 on account of its acquisition of another branch office in Winnipeg and renovation of its branch office in Edmonton. This increase in acquisition cost was reduced however by higher cost of amortization on property and equipment. Property and equipment-net as of June 30, 2017 and December 31, 2016 were at 1.3% and 0.9% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Intangible assets-net increased by PHP 0.35 million or 0.3% from PHP 121.2 million as of December 31, 2016 to PHP 121.55 million as of June 30, 2017. Intangible assets consist of Goodwill which was higher by PHP 0.34 or 0.3% million as of June 30, 2017, Software costs–net which was lower by PHP 0.62 million or -12.7% and Patents, Trademarks and Copyrights at net book value of PHP 0.63 million. Increase in goodwill represents the rate adjustment on goodwill recognized by the Company on Singapore foreign office (IRSPL) in Q4 2016. The Parent Company has also recognized the cost of writing two versions (Tagalog and English) of the Company's corporate song, "I Remit Will Bring It Home" inclusive of package production and copyright at PHP 0.99 million. Intangible assets-net as of June 30, 2017 and December 31, 2016 were 5.0% and 4.2% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

No movement on Retirement asset at PHP 18.6 million as of December 31, 2016 and June 30, 2017. Retirement asset as of June 30, 2017 and December 31, 2016 were 0.8% and 0.6% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Deferred tax assets decreased by PHP 0.14 million or -0.8% from PHP 18.6 million as of December 31, 2016 to PHP 18.4 million as of June 30, 2017. Deferred tax assets as of June 30, 2017 and December 31, 2016 were at 0.8% and 0.6% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Other non-current assets increased by PHP 11.5 million or 15.9% from PHP 72.1 million as of December 31, 2016 to PHP 83.6 million as of June 30, 2017 essentially due to increases in input value added tax (VAT) and refundable deposits recognized this present period at PHP 8.8 million and PHP 2.7 million respectively. Other non-current assets include refundable deposits, receivable from the BIR and investment in PLDT. Other non-current assets as of June 30, 2017 and December 31, 2016 were 3.4% and 2.5% of the total assets as of June 30, 2017 and December 31, 2016, respectively.

Total liabilities decreased by PHP 481.0 million or -30.3% from PHP 1,586.9 million as of December 31, 2016 to PHP 1,105.9 million as of June 30, 2017. Total liabilities as of June 30, 2017 and December 31, 2016 were 45.3% and 54.7% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Total current liabilities decreased by PHP 481.0 million or -30.4% from PHP 1,579.8 million as of December 31, 2016 to PHP 1,098.8 million as of June 30, 2017 mainly due to decreases in loans payable by PHP 332.0 million, beneficiaries and other payables by PHP 140.1 million, and income tax payable by PHP 12.9 million, offset partly by the increase recognized on financial liability at PHP 4.0 million. Total current liabilities as of June 30, 2017 and December 31, 2016 were 45.0% and 54.4% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Financial liabilities at fair value through profit or loss (FVTPL) increased by PHP 4.0 million or 76.1% from PHP 5.1 million as of December 31, 2016 to PHP 9.1 million as of June 30, 2017 on account of higher foreign exchange rate applied in determining the mark to market value of forward contracts as of June 30, 2017. Financial liability at FVTPL as of June 30, 2017 and December 31, 2016 were 0.4% and 0.2% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Beneficiaries and other payables decreased by PHP 140.1 million or -56.5% from PHP 248.1 million as of December 31, 2016 to PHP 108.0 million as of June 30, 2017. Beneficiaries and other payables comprise mainly of payables to beneficiaries, payables to agents, couriers and trading clients, accrued expenses, payables to related parties, payables to government agencies and suppliers. Beneficiaries and other payables as of June 30, 2017 and December 31, 2016 were 4.4% and 8.5% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

No outstanding advances from stockholders as of June 30, 2017 and December 31, 2016.

Income tax payable decreased by PHP 12.9 million or -88.2% from PHP 14.6 million as of December 31, 2016 to PHP 1.7 million as of June 30, 2017 on account of lower taxable income recognized as of June 30, 2017. Income tax payable as of June 30, 2017 and December 31, 2016 were 0.1% and 0.5% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Interest-bearing loans payable decreased by PHP 332.0 million or -25.3% from PHP 1,312.0

million as of December 31, 2016 to PHP 980.0 million as of June 30, 2017 due to settlement of bank loans from previous year's outstanding volume. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 3.5% to 5.8% in First Half 2016. Loans payable as of June 30, 2017 and December 31, 2016 were 40.1% and 45.2% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Total non-current liabilities stood at PHP 7.1 million as of June 30, 2017 and December 31, 2016. No retirement liability was recognized as of December 31, 2016 and June 30, 2017. Total non-current liabilities as of June 30, 2017 and December 31, 2016 were at 0.3% and 0.2% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

The Company's stockholders' equity as of June 30, 2017 stood at PHP 1,333.5 million, higher by PHP 17.1 million or 1.3% against the year-end 2016 level at PHP 1,316.4 million, mainly due to net income recognized in the First Half of 2016 at PHP 5.6 million, increase in cumulative translation adjustment by PHP 12.2 million and increase in treasury stock by PHP 0.7 million. Total stockholders' equity as of June 30, 2017 and December 31, 2016 were 55.0% and 45.3% of the total liabilities and stockholders' equity as of June 30, 2017 and December 31, 2016, respectively.

Reports under SEC Form 17-C (Current Report) that were filed during the First Half 2017 covered by this report:

Date	Report
March 17, 2017	Resignation and Election of Officer "At the meeting of the Board of Directors held today, the Corporation accepted the resignation of Atty. Celine Melanie A. Dee as Assistant Corporate Secretary of the Corporation to take effect upon the qualification of her successor. In view of the foregoing resignation, the Board elected Atty. Ann Margaret K. Lorenzo as Assistant Corporate Secretary to replace Atty. Celine Melanie A. Dee, and to serve as such for the unexpired term of her predecessor, and until such time that her successor is duly elected and qualified."
June 23, 2017	Declaration of Cash Dividend "Please be advised that the Board of Directors of I-Remit, Inc. ("Corporation"), in its meeting on June 23, 2017, authorized the declaration of cash dividend of PHP 0.0328 per share, out of the Corporation's unrestricted retained earnings as of December 31, 2016, payable to all stockholders-of-record of the Corporation as of July 10, 2017. Payment date will be on August 3, 2017. The total amount of cash divided is approximately PHP 20,061,763.22 based on the Corporation's outstanding shares of 611,639,122 as of the end of trading on June 23, 2017."

For the first five months of 2017, personal remittances from Overseas Filipinos (OFs) totaled USD 12.6 billion registering a 5.2% growth year-on-year as announced by BSP Governor Nestor A. Espenilla, Jr. Personal remittances from land-based workers with work contracts of one year or more grew by 5.9% to compensate for the 0.6% decline in remittances from sea-based and land-based workers with work contracts of less than one year on the same period a year ago.

Cash remittances from OFs coursed through banks reached USD 2.3 billion in May 2017, a 5.5% increase from the level posted in the same period a year ago. This was boosted by the remittances from land-based (at USD 1.8 billion) and sea-based (at USD 0.5 billion) workers, representing 6.2% and 3.0% increase, respectively. By country source, the primary contributors to the growth in cash remittances for this month are the United Arab Emirates (U.A.E.) (with 1.5 percentage points contribution to growth), Canada and Saudi Arabia (each contributing 1.1 percentage points), and United States (0.8 percentage points).

On a year-to-date basis, cash remittances gained 4.5% growth, reaching USD 11.3 billion. Cash remittances from land-based workers grew by 5.9% to USD 9.0 billion, while transfers from sea-based workers declined by 0.6% to USD 2.3 billion. Cash remittances coming from the United States of America (USA), Saudi Arabia, United Arab Emirates (UAE), Singapore, Japan, United Kingdom, Qatar, Kuwait, Canada and Germany comprised about 80% of total cash remittances in the first five months of 2017.

The BSP expects cash remittances from Filipinos working and living abroad to reach another record-high of USD 28 billion by the end of the year. The BSP kept the 4% remittances growth target for 2017, although the value of the updated forecast was higher than the earlier projection of USD 27.7 billion.

In May 2017, The Philippine Overseas Employment Administration, as directed by the DOLE Secretary, has resumed processing of applications for exemption by workers hired directly by foreign employers. Labor Secretary Silvestre Bello III ordered the POEA and the Philippine Overseas Labor Offices (POLOs) to continue the processing and issuance of overseas employment certificates (OECs) subject to the requirements as set forth by the provisions of the Revised POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Filipino workers of 2016. Last April 2017, Secretary Bello suspended the issuance of OECs to direct-hire workers over reports of alleged irregularities in the processing of exit clearance of the said workers.

Furthermore, Labor Secretary Bello III last June 2017 lifted the moratorium on the deployment of Filipino workers to Qatar upon consultation with the Department of Foreign Affairs and upon recommendation of the Philippine Overseas Labor Office. Secretary Bello previously ordered the suspension in the deployment of OFWs to Qatar to secure the welfare and security of OFWs in case of any eventuality after some neighboring Arab states cut diplomatic ties with the Gulf state.

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

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	0.4%	2.9%
Return on Assets (ROA)	Net income* over average total assets during the period	0.2%	1.4%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	0.0091	0.0607
Sales Growth	Total transaction value in USD in present period over the previous year	30%	8%
Gross Income	Revenue less total cost of services (PHP millions)	226.9	494.3
Current ratio	Total current assets over total current liabilities	1.96	1.67
Solvency ratio	Net income plus depreciation over total liabilities	0.01	0.03
Solvency ratio	Total assets over total liabilities	2.21	1.83
Solvency ratio	Total stockholders' equity over total liabilities	1.21	0.83
Debt-to equity ratio	Total liabilities over total stockholders' equity	0.83	1.21
Asset-to-equity ratio	Total assets over total stockholders' equity	1.83	2.21
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	1.42	2.28

* 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, 2017 and for the year ended December 31, 2016 were PHP 0.0091 and PHP 0.0607, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-161%	1%
Return on Assets (ROA)	Net income over average total assets during the period	-10%	0.14%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-29.44	0.29
Sales Growth	Total transaction value in USD in present period over the previous year	9.76%	-0.52%
Gross Income	Revenue less total cost of services (PHP millions)	35.8	81.0

Lucky Star Management Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-1%	12%
Return on Assets (ROA)	Net income over average total assets during the period	0.2%	-6%
Earnings per Share (EPS)	Net income over average number of outstanding shares	0.17	-3.51
Sales Growth	Total transaction value in USD in present period over the previous year	3%	-6%
Gross Income	Revenue less total cost of services (PHP millions)	7.5	11.0

IRemit Global Remittance Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	226%	66%
Return on Assets (ROA)	Net income over average total assets during the period	-4%	-7%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-4.52	-11.01
Sales Growth	Total transaction value in USD in present period over the previous year	-6%	-7%
Gross Income	Revenue less total cost of services (PHP millions)	31.2	69.0

I-Remit Australia Pty Ltd

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.18%	-6.19%
Return on Assets (ROA)	Net income over average total assets during the period	0.1%	-3.7%
Earnings per Share (EPS)	Net income over average number of outstanding shares	3,357.28	-113,860.47
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.1	0.3

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	80%	172%
Return on Assets (ROA)	Net income over average total assets during the period	-14%	-9%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-61.45	-39.85
Sales Growth	Total transaction value in USD in present period over the previous year	-16.1%	-8.1%
Gross Income	Revenue less total cost of services (PHP millions)	10.6	29.1

I-Remit New Zealand Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-8%	3%
Return on Assets (ROA)	Net income over average total assets during the period	17%	-7%
Earnings per Share (EPS)	Net income over average number of outstanding shares	1,644.21	-701.96
Sales Growth	Total transaction value in USD in present period over the previous year	-	-100%
Gross Income	Revenue less total cost of services (PHP millions)	-	-0.003

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-18%	2%
Return on Assets (ROA)	Net income over average total assets during the period	1,404.64%	-116.03%
Earnings per Share (EPS)	Net income over average number of outstanding shares	48.29	-5.48
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	-0.02	-0.05

Power Star Asia Group Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	5%	5%
Return on Assets (ROA)	Net income over average total assets during the period	5%	5%
Earnings per Share (EPS)	Net income over average number of outstanding shares	32.62	27.43
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	5.3	6.8

K.K. I-Remit Japan

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	10%	188%
Return on Assets (ROA)	Net income over average total assets during the period	6%	55%
Earnings per Share (EPS)	Net income over average number of outstanding shares	781.45	14,116.13
Sales Growth	Total transaction value in USD in present period over the previous year	1%	20%
Gross Income	Revenue less total cost of services (PHP millions)	15.2	29.7

I-Remittance Singapore Pte. Ltd.

Performance Indicator	Definition	June 30, 2017 (Six Months)	Dec. 31, 2016 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	332%	-123%
Return on Assets (ROA)	Net income over average total assets during the period	-7%	-8%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-38.95	-23.99
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	12.80	12.97

June 30, 2017 vs. June 30, 2016

I-Remit realized a consolidated net income of PHP 5.6 million in First Half 2017, PHP 35.0 million or 86.3% lower than the consolidated net income of PHP 40.6 million in First Half 2016. The consolidated net income in First Half 2017 and First Half 2016 were 1.5% and 11.7% of the First Half 2017 and First Half 2016 revenues, respectively.

Revenues increased by PHP 34.23 million or 9.9% from PHP 346.34 million in First Half 2016 to PHP 380.57 million in First Half 2017 mainly due to higher delivery fees, offset partly by lower foreign currency gains in first Half 2017. Delivery fees increased by PHP 53.7 million or 21.1% from PHP 254.9 million in First Half 2016 to PHP 308.6 million in First Half 2017 due to increase in USD remittance volume by 19.7% and average foreign exchange rate from USD to PHP at PHP 46.88 as of June 30, 2016 and PHP 49.76 as of June 30, 2017. In the opposite, a decrease of PHP 1.3 million or -2% on foreign exchange gain was realized from trading activities due to lower average foreign exchange margin applied on traded foreign currencies in First Half 2017 at 0.060 from 0.078 in First Half 2016. Management fees and other fees decreased by PHP 18.0 million or -77.2% from PHP 23.8 in First Half 2016 to PHP 5.8 million in First Half 2017 as a result of adjusting the management fee due to Power Star Asia Group Limited (PSAGL) from 30% last year to 10% this year of the total realized foreign exchange gains. PSAGL is a subsidiary of the Parent Company operating in Hong Kong with the primary purpose of providing treasury advice and supervision on the trading activities of I Remit, Inc.

Transaction count increased by 19.70% from 1.54 million in First Half 2016 to 1.85 million in First Half 2017. USD remittance volume increased by 30.24% from USD 624 million in First Half 2016 to USD 813 million in First Half 2017. Of the total transaction count in First Half 2017, the percentage contributions per region were as follows: Asia-Pacific, 36%; Middle East, 43%; North America, 12%; and Europe, 9%. In terms of USD remittance volume, the regional contributions were as follows: Asia-Pacific, 33%; Middle East, 45%; North America, 12%; and Europe, 9%.

Cost of services increased by PHP 31.9 million or 26.3% from PHP 121.7 million (restated from PHP 111.6 million) in First Half 2016 to PHP 153.6 million in First Half 2017, consequentially due to increase in transaction count in First Half 2017, resulting to higher delivery charges, bank charges, finance costs and other direct costs by PHP 3.1 million or 48.5%, PHP 22.7 million or 26.0%, PHP 5.3 million or 28.7% and PHP 0.8 million or 8.4%, respectively from First Half 2016. Cost of services in First Half 2016 was restated to include pick up charges for cash in vault funds from foreign offices to their respective banks. Pick up charges were classified under operating expenses in the previous years.

Notably on bank service charges, increase at 26.0% was consequential to the increase in transaction count by 19.7% in First Half 2017. Bank service charges were 28.9% and 25.2% of the total revenue in First Half 2017 and First Half 2016, respectively. Increase in Finance costs at 28.7% was the result of higher utilization of credits lines due to deferred collection of receivables from remittance agents and higher interest rate on bank loans. Interest rate on loans increased from 3.15% to 5.6% in First Half 2016 to 3.5% to 5.8% in First Half 2017. Finance costs were 6.3% and 5.4% of the total revenue in First Half 2017 and First Half 2016, respectively.

Other direct costs represent all other costs incurred in connection with the fulfillment process of remittance obligations which include salaries and wages of personnel in charge of remittance processing and fulfillment, and documentary stamp tax paid on loans that were availed and renewed by the Company in fulfilling its obligations to beneficiaries. Other direct costs were 2.6% and 2.7% of the total revenue in First Half 2017 and First half 2016.

The Company's gross profit increased by PHP 2.3 million or 1.0% from PHP 224.7 million in First Half 2016 to PHP 227.0 million in First Half 2017. The gross profit in First Half 2017 and First Half 2016 were 59.6% and 64.9% of the First Half 2017 and First Half 2016 revenues, respectively.

Net trading gains increased by PHP 7.342 million or 558.3% from PHP 1.315 million in First Half 2016 to PHP 8.657 million in First Half 2017 mainly due to higher gains realized from the sale of debt and equity securities by Power Star Asia Group Limited (PSAGL) in First Half 2017. Net trading gains in First Half 2017 and First Half 2016 were 2.3% and 0.4% of the revenues recognized in First Half 2017 and First Half 2016, respectively.

Other income decreased by PHP 18.1 million or -31.6% from PHP 57.4 million in First Half 2016 to PHP 39.3 million in First Half 2017 significantly due to mark-to-market valuation of forward contracts resulting to unrealized foreign exchange gain of PHP 20.0 million in First Half 2017, offset partly by lower income from other sources. Other income in First Half 2017 and First Half 2016 were 10.3% and 16.6% of the revenues recognized in First Half 2017 and First Half 2016.

Total operating expenses was higher by PHP 29.6 million or 12.5% from PHP 236.0 million in First Half 2016 (amount restated from PHP 239.6 million) to PHP 265.6 million in First Half 2017 mainly on account of higher salaries, wages and employee benefits, marketing expense, depreciation and amortization, communication, light and water, photocopying and supplies, representation and bad debts, offset partly by lower retirement benefit expense and transportation and travel in First Half 2017. Operating expenses in First Half 2017 was restated to exclude pick up charges for cash in vault funds from foreign offices to their respective bank accounts. Pick up charges were classified under operating expenses in the previous years. Total operating expenses in First Half 2017 and First Half 2016 were 70.0% and 68.1% of the total revenues in First Half 2017 and First Half 2016, respectively.

Salaries, wages and employee benefits were higher by PHP 14.43 million or 12.9% from PHP 112.13 million in First Half 2016 to PHP 126.56 million in First Half 2017 due to annual salary increase implemented by the Company in Q3 2016 and higher health care benefit utilization in First Half 2017.

Marketing expenses also increased by PHP 1.6 million or 17.1% on account of various promos and sponsorship programs executed in First Half 2017 to improve the present year's transaction volume.

Depreciation and amortization increased by PHP 2.1 million or 42.2% from First Half 2016 on account of new acquisition of property, plant and equipment in First Half 2017. Leasehold improvement in particular, has increased significantly due to the construction of a new branch office in Winnipeg for Canada foreign office (IRCL) and renovation of its branch office in Edmonton.

Professional fees were up by PHP 1.8 million due to consultation expenses recognized by the Company's new subsidiary office in Singapore (I- Remittance Singapore Pte. Ltd.), which operation officially in First Half 2017.

Communication, light and water increased by PHP 1.7 million or 15.0% due mainly on the increase in subscription fees with Source Telecom, PLDT IGate, Direct internet, Bloomberg and Reuters.

Rental expense increased significantly by PHP 4.1 million or 12.6% due to annual renewal of lease contracts and additional lease contract recognized by Canada foreign office for its new branch office in Winnipeg, which operation started in March 13, 2017.

Representation expenses also increased by PHP 2.1 million or 56.5% on account of professional fees paid in First Half 2017 for various legal proceedings and AML Compliance Effectiveness Review.

Bad debt expense was up by PHP 2.2 million or 33.5% due to additional accounts classified as uncollectible this year by the Parent Company and its foreign offices.

On the other hand, retirement benefits and transportation and travel expenses were down by PHP 1.4 million and PHP 2.5 million, respectively in First Half 2017. No accrual for retirement benefit was recognized and fewer business trips were recorded in First Half 2017.

Equity in net earnings of an associate increased by PHP 0.2 million or 47.6% from PHP 0.5 million in First Half 2016 to PHP 0.7 million in First Half 2017. Equity in net earnings of an associate in First Half 2017 and First Half 2016 were 0.19% and 0.14% of the total revenues in First Half 2017 and First Half 2016, respectively.

The total assets of the Company increased by PHP 7.6 million or 0.3% to PHP 2.439.4 million as of June 30, 2017 from PHP 2,431.8 million as of June 30, 2016.

Total current assets decreased by PHP 40.6 million or -1.9% to PHP 2,154.2 million as of June 30, 2017 from PHP 2,194.8 million as of June 30, 2016. Total current assets as of June 30, 2017 and June 30, 2016 were 88.3% and 90.3% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Cash and cash equivalents decreased by PHP 59.2 million or -4.6% to PHP 1,233.9 million as of June 30, 2017 from PHP 1,293.1 million as of June 30, 2016. Cash and cash equivalents as of June 30, 2017 and June 30, 2016 were 50.6% and 53.2% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Trade and other receivables-net decreased by PHP 10.5 million or -1.8% to PHP 573.2 million as of June 30, 2017 from PHP 583.7 million as of June 30, 2016, significantly due to collection of deferred accounts in 2016 and improved collection initiatives from foreign offices and other related parties. Trade and other receivables-net as of June 30, 2017 and June 30, 2016 were

23.5% and 24.0% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Financial assets at fair value through profit or loss (FVTPL), which consist of forward contracts and investments in private debt and equity securities listed overseas and held for trading, stood at PHP 303.0 million as of June 30, 2017, increased by PHP 22.4 million or 8.0% from the PHP 280.6 million as of June 30, 2016. Mark-to-market valuation of forward contracts in First Half 2017 amounted to PHP 4.2 million, lower by PHP 40.0 million or -90.4% from PHP 44.2 million as of June 30, 2016. The Company changed the accounting treatment of forward contracts in August 2015 as audited by the *Bangko Sentral ng Pilipinas* (BSP) from regular to off-book account subject to mark-to-market valuation for each reporting period and classified under financial assets at fair value through profit or loss. Debt security investment held for trading by Power Star Asia Group Limited increased by PHP 75.5 million or 45.1% from PHP 167.2 million as of June 30, 2016 to PHP 242.7 million as of June 30, 2017 while equity investment decreased by PHP 13.1 million or 18.9% from PHP 69.2 million as of June 30, 2016 to PHP 56.1 million as of June 30, 2017. Financial assets at FVTPL as of June 30, 2017 and June 30, 2016 were 12.4% and 11.5% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Prepayments and other current assets increased by PHP 6.6 million or 17.7% from PHP 37.5 million as of June 30, 2016 to PHP 44.1 million as of June 30, 2017. Prepayments and other current assets consist of prepaid expenses, receivable from the Bureau of Internal Revenue for uncollected IPO tax refund claim, advances to suppliers and contractors, supplies inventory, creditable withholding taxes and other current assets. Prepayments and other current assets as of June 30, 2017 and June 30, 2016 were 1.8% and 1.5% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Total non-current assets increased by PHP 48.2 million or 20.4% to PHP 285.2 million as of June 30, 2017 from PHP 237.0 million as of June 30, 2016. Total non-current assets as of June 30, 2017 and June 30, 2016 were 11.7% and 9.7% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Investment in associate increased by PHP 1.56 million or 17.4% from PHP 8.97 million as of June 30, 2016 to PHP 10.53 million as of June 30, 2017. The increase in investment represents equity earnings from the Company's associate, Hwa Kung Hong & Co., Ltd. (in Taiwan). Investment as of June 30, 2017 and June 30, 2016 were constant at 0.4% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Property and equipment-net increased by PHP 4.0 million or 14.1% from PHP 28.5 million as of June 30, 2016 to PHP 32.5 million as of June 30, 2017. Property and equipment-net as of June 30, 2017 and June 30, 2016 were 1.3% and 1.2% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Intangible assets-net increased by PHP 4.7 million or 4.0% from PHP 116.8 million as of June 30, 2016 to PHP 121.5 million as of June 30, 2017. Intangible assets consist of Goodwill, Software and Patents, Trademarks & Copyrights. Goodwill stood at PHP 116.67 million as of June 30, 2017, higher by PHP 5.23 million or 4.75% from PHP 111.44 million as of June 30, 2016. Increase in goodwill represents the goodwill recognized by the Parent Company on I-Remit Singapore Pte. Ltd. (IRSPL) at SGD 142,794.75 or PHP 5,235,251.17. Software costs–net decreased by PHP 1.2 million or -21.3% from PHP 5.4 million as of June 30, 2016 to PHP 4.2 million as of June 30, 2017 on account of continuous amortization of software costs. The Parent Company has recognized the cost of writing two versions (Tagalog and English) of the Company's corporate song, "I Remit Will Bring It Home" inclusive of package production and copyright at PHP 0.99 million under Patents, Trademarks and Copyrights, with a net value of PHP 0.6 million as of June 30, 2017. Intangible assets-net as of June 30, 2017 and June 30, 2016 were 5.0% and 4.8% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Retirement asset increased by PHP 8.4 million or 82.0% from PHP 10.2 million as of June 30, 2016 to PHP 18.6 million as of June 30, 2017. Based on the latest actuarial valuation dated December 31, 2016, the Company recognized additional re-measurement gain on the retirement plan, thus increasing the retirement asset by PHP 8.4 as of June 30, 2017. Retirement asset as of June 30, 2017 and June 30, 2016 were 0.8% and 0.4% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Deferred tax assets decreased by PHP 7.7 million or 71.8% from PHP 10.7 million as of June 30, 2016 to PHP 18.4 million as of June 30, 2017. Deferred tax assets as of June 30, 2017 and June 30, 2016 were 0.8% and 0.4% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Other non-current assets increased by PHP 21.9 million or 35.4% from PHP 61.7 million as of June 30, 2016 to PHP 83.6 million as of June 30, 2017. Other non-current assets consist of refundable deposits, with a recorded increase of PHP 4.0 million or 13.5% from PHP 30.1 million as of June 30, 2016 to PHP 34.1 million as of June 30, 2017, and creditable input VAT with a recorded increase of PHP 17.8 million or 56.5% from PHP 31.6 million as of June 30, 2016 to PHP 49.4 million as of June 30, 2017. Other non-current assets as of June 30, 2017 and June 30, 2016 were 3.4% and 2.5% of the total assets as of June 30, 2017 and June 30, 2016, respectively.

Total liabilities decreased by PHP 35.8 million or -3.1% to PHP 1,105.9 million as of June 30, 2017 from PHP 1,141.7 million as of June 30, 2016. Total liabilities as of June 30, 2017 and June 30, 2016 were 45.3% and 46.9% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Total current liabilities decreased by PHP 38.8 million or -3.4% to PHP 1,098.8 million as of June 30, 2017 from PHP 1,137.6 million as of June 30, 2016. Total current liabilities as of June 30, 2017 and June 30, 2016 were 45.0% and 46.8% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Financial liabilities at fair value through profit or loss (FVTPL) which consist of forward contracts, stood at PHP 9.08 million as of June 30, 2017, decreased by PHP 3.9 million or -30.1% from PHP 12.98 million as of June 30, 2016. Financial liabilities at FVTPL as of June 30, 2017 and June 30, 2016 were 0.4% and 0.5% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Beneficiaries and other payables decreased by PHP 111.2 million or -50.7% to PHP 108.0 million as of June 30, 2017 from PHP 219.2 million as of June 30, 2016. Beneficiaries and other payables comprise mainly of payable to beneficiaries, payable to agents, couriers and trading clients, accrued expenses, payable to related parties, and payable to government agencies and suppliers. Payable to beneficiaries increased by PHP 5.4 million or 24.6% while significant decreases were noted on advances from agents, couriers and trading clients by PHP 60.0 million, accrued expenses by PHP 1.8 million, payable to suppliers by PHP 35.7 million and dividends payable by PHP 19.6 million. Unlike the previous year, the Company declared dividends payable to its stockholders on record on July 10, 2017. Beneficiaries and other payables as of June 30, 2017 and June 30, 2016 were 4.4% and 9.0% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

No advances from stockholders as of June 30, 2017 and June 30, 2016.

Income tax payable decreased by PHP 3.6 million or -67.7% from PHP 5.3 million as of June 30, 2016 to PHP 1.7 million as of June 30, 2017 mainly due to lower taxable income recognized in First Half 2017. Income tax payable as of June 30, 2017 and June 30, 2016 was 0.1% and 0.2% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Interest bearing loans increased by PHP 80.0 million or 8.9% to PHP 980.0 as of June 30, 2017 from PHP 900.0 million as of June 30, 2016. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 3.15% to 5.6% per annum in First Half 2016 and from 3.50 to 5.8 in First Half 2017. The Company had more bank loans in First Half 2017 due to higher transaction volume recognized at 19.7%. Loans payable as of June 30, 2017 and June 30, 2016 were 40.2% and 37.0% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Total non-current liabilities increased by PHP 3.0 million or 71.0% from PHP 4.1 million as of June 30, 2016 to PHP 7.1 million as of June 30, 2017. No retirement liability was recognized as of June 30, 2016 and June 30, 2017, while deferred tax liabilities went up by PHP 3.0 million or 71.0% from PHP 4.1 million as of June 30, 2016 to PHP 7.1 million as of June 30, 2017. Total non-current liabilities as of June 30, 2017 and June 30, 2016 were 0.3% and 0.2% of the total liabilities and stockholder's equity as of June 30, 2017 and June 30, 2016, respectively.

The Company's stockholders' equity as of June 30, 2017 stood at PHP 1,333.5 million, higher by PHP 43.4 million or 3.4% against the June 30, 2016 level of PHP 1,290.1 million mainly due to higher positive cumulative translation adjustment at PHP 36.0 million and re-measurement adjustment on retirement fund at PHP 6.8 million recognized as of June 30, 2017. Total stockholders' equity as of June 30, 2017 and June 30, 2016 were 54.7% and 53.1% of the total liabilities and stockholders' equity as of June 30, 2017 and June 30, 2016, respectively.

Reports under SEC Form 17-C (Current Report) that were filed during the First Half 2017 covered by this report:

Date	Report
March 17, 2017	Resignation and Election of Officer "At the meeting of the Board of Directors held today, the Corporation accepted the resignation of Atty. Celine Melanie A. Dee as Assistant Corporate Secretary of the Corporation to take effect upon the qualification of her successor. In view of the foregoing resignation, the Board elected Atty. Ann Margaret K. Lorenzo as Assistant Corporate Secretary to replace Atty. Celine Melanie A. Dee, and to serve as such for the unexpired term of her predecessor, and until such time that her successor is duly elected and qualified."
June 23, 2017	Declaration of Cash Dividend "Please be advised that the Board of Directors of I-Remit, Inc. ("Corporation"), in its meeting on June 23, 2017, authorized the declaration of cash dividend of PHP 0.0328 per share, out of the Corporation's unrestricted retained earnings as of December 31, 2016, payable to all stockholders-of-record of the Corporation as of July 10, 2017. Payment date will be on August 3, 2017.

> The total amount of cash divided is approximately PHP 20,061,763.22 based on the Corporation's outstanding shares of 611,639,122 as of the end of trading on June 23, 2017."

For the first five months of 2017, personal remittances from Overseas Filipinos (OFs) totaled USD 12.6 billion registering a 5.2% growth year-on-year as announced by BSP Governor Nestor A. Espenilla, Jr. Personal remittances from land-based workers with work contracts of one year or more grew by 5.9% to compensate for the 0.6% decline in remittances from sea-based and land-based workers with work contracts of less than one year on the same period a year ago.

Cash remittances from OFs coursed through banks reached USD 2.3 billion in May 2017, a 5.5% increase from the level posted in the same period a year ago. This was boosted by the remittances from land-based (at USD 1.8 billion) and sea-based (at USD 0.5 billion) workers, representing 6.2% and 3.0% increase, respectively. By country source, the primary contributors to the growth in cash remittances for this month are the United Arab Emirates (U.A.E.) (with 1.5 percentage points contribution to growth), Canada and Saudi Arabia (each contributing 1.1 percentage points), and United States (0.8 percentage points).

On a year-to-date basis, cash remittances gained 4.5% growth, reaching USD 11.3 billion. Cash remittances from land-based workers grew by 5.9% to USD 9.0 billion, while transfers from sea-based workers declined by 0.6% to USD 2.3 billion. Cash remittances coming from the United States of America (USA), Saudi Arabia, United Arab Emirates (UAE), Singapore, Japan, United Kingdom, Qatar, Kuwait, Canada and Germany comprised about 80% of total cash remittances in the first five months of 2017.

The BSP expects cash remittances from Filipinos working and living abroad to reach another record-high of USD 28 billion by the end of the year. The BSP kept the 4% remittances growth target for 2017, although the value of the updated forecast was higher than the earlier projection of USD 27.7 billion.

In May 2017, The Philippine Overseas Employment Administration, as directed by the DOLE Secretary, has resumed processing of applications for exemption by workers hired directly by foreign employers. Labor Secretary Silvestre Bello III ordered the POEA and the Philippine Overseas Labor Offices (POLOs) to continue the processing and issuance of overseas employment certificates (OECs) subject to the requirements as set forth by the provisions of the Revised POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Filipino workers of 2016. Last April 2017, Secretary Bello suspended the issuance of OECs to direct-hire workers over reports of alleged irregularities in the processing of exit clearance of the said workers.

Furthermore, Labor Secretary Bello III last June 2017 lifted the moratorium on the deployment of Filipino workers to Qatar upon consultation with the Department of Foreign Affairs and upon recommendation of the Philippine Overseas Labor Office. Secretary Bello previously ordered the suspension in the deployment of OFWs to Qatar to secure the welfare and security of OFWs in case of any eventuality after some neighboring Arab states cut diplomatic ties with the Gulf state.

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

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	0.4%	3.2%
Return on Assets (ROA)	Net income* over average total assets during the period	0.2%	1.7%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	0.0091	0.0664
Sales Growth	Total transaction value in USD in present period over the same period in the previous year	30%	-3%
Gross Income	Revenue less total cost of services (PHP millions)	226.9	228.2
Current ratio	Total current assets over total current liabilities	1.96	1.93
Solvency ratio	Net income plus depreciation over total liabilities	0.01	0.04
Solvency ratio	Total assets over total liabilities	2.21	2.13
Solvency ratio	Total stockholders' equity over total liabilities	1.21	1.13
Debt-to equity ratio	Total liabilities over total stockholders' equity	0.83	0.89
Asset-to-equity ratio	Total assets over total stockholders' equity	1.83	1.89
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	1.42	3.57

* 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, 2017 and June 30, 2016 are P 0.0091 and P 0.0664, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-161%	-10%
Return on Assets (ROA)	Net income over average total assets during the period	-10%	-1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-29.44	-2.99
Sales Growth	Total transaction value in USD in present period over the previous year	9.76%	-7%
Gross Income	Revenue less total cost of services (PHP millions)	35.8	38.6

Lucky Star Management Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-1%	40%
Return on Assets (ROA)	Net income over average total assets during the period	0.2%	-23%
Earnings per Share (EPS)	Net income over average number of outstanding shares	0.17	-12.84
Sales Growth	Total transaction value in USD in present period over the previous year	3%	10%
Gross Income	Revenue less total cost of services (PHP millions)	7.5	4.7

IRemit Global Remittance Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	226%	22%
Return on Assets (ROA)	Net income over average total assets during the period	-4%	-1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-4.52	-2.61
Sales Growth	Total transaction value in USD in present period over the previous year	-6%	-5%
Gross Income	Revenue less total cost of services (PHP millions)	31.2	32.7

I-Remit Australia Pty Ltd

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.18%	-4.37%
Return on Assets (ROA)	Net income over average total assets during the period	0.1%	-2.6%
Earnings per Share (EPS)	Net income over average number of outstanding shares	3,357.28	-80,504.11
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.1	-0.1

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	80%	159%
Return on Assets (ROA)	Net income over average total assets during the period	-14%	-6%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-61.45	-24.50
Sales Growth	Total transaction value in USD in present period over the previous year	-16.1%	-6%
Gross Income	Revenue less total cost of services (PHP millions)	10.6	14.0

I-Remit New Zealand Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-8%	-11%
Return on Assets (ROA)	Net income over average total assets during the period	17%	20%
Earnings per Share (EPS)	Net income over average number of outstanding shares	1,644.21	2,095.95
Sales Growth	Total transaction value in USD in present period over the previous year	-	-100%
Gross Income	Revenue less total cost of services (PHP millions)	-	-0.001

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-18%	-20%
Return on Assets (ROA)	Net income over average total assets during the period	1,404.64%	862%
Earnings per Share (EPS)	Net income over average number of outstanding shares	48.29	50.41
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	-0.02	-0.02

Power Star Asia Group Limited

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	5%	5%
Return on Assets (ROA)	Net income over average total assets during the period	5%	5%
Earnings per Share (EPS)	Net income over average number of outstanding shares	32.62	26.15
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	5.3	23.4

K.K. I-Remit Japan

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	10%	171%
Return on Assets (ROA)	Net income over average total assets during the period	6%	51%
Earnings per Share (EPS)	Net income over average number of outstanding shares	781.45	12,522.65
Sales Growth	Total transaction value in USD in present period over the previous year	1%	13%
Gross Income	Revenue less total cost of services (PHP millions)	15.2	13.4

I-Remittance Singapore Pte. Ltd.

Performance Indicator	Definition	June 30, 2017 (Six Months)	June 30, 2016 (Six Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	332%	-8%
Return on Assets (ROA)	Net income over average total assets during the period	-7%	-2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-38.95	-2.36
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	12.80	-0.03

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 34 to 35.

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 29 to 32.

   (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 33.

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

   Please refer to pages 34 to 35.

   (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 page 33.

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 fair value through profit or loss' (FVTPL), loans and receivables, held-to-maturity (HTM) investments, available-for-sale (AFS) investments, financial liabilities at FVTPL 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 FVTPL. 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 de-recognition, 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 de-recognition 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, 2017 and December 31, 2016, the Group has no AFS investments, HTM investments and financial liabilities at FVTPL.

Subsequent Measurement

Financial assets at FVTPL

Financial assets at FVTPL 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; or on initial recognition they are part of a portfolio of identified financial instruments that the Group manages together and have a recent actual pattern of short-term profit-taking; or they are derivatives that are not designated and effective as hedging instruments. 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 FVTPL 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', 'Trade and Other Receivables' and refundable deposits included under 'Other non-current assets'.

Other financial liabilities
Issued financial instruments or their components, which are not designated as at FVTPL, 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 non-current liabilities.

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

Determination of fair value
The fair values of financial assets and financial liabilities are determined as follows:

- Due to short-term nature of *Trade and other receivables, Refundable deposits, Beneficiaries and other payables (excluding payable to government agencies), Advances from stockholders and Loans payable*, their carrying amounts approximate their fair values.
- The fair value of *Financial asset at FVTPL* is based on quoted price in an active market while the fair value of *Financial liability at FVTPL* is based on closing exchange rate.

De-recognition 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 de-recognition 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 is 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 assets and settle the liabilities simultaneously.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is 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:

Trade and other receivables, Refundable deposits, Beneficiaries and other payables (excluding payable to government agencies), advances from stockholders and Interest-bearing loans - carrying amounts approximate fair values due to the relatively short-term maturities of these instruments.

Financial assets at FVTPL - fair values are based on quoted active market prices.
Financial liabilities at FVTPL - fair values are based on closing exchange rate.

<u>Fair Value Hierarchy</u>
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, 2017 and December 31, 2016, the financial instruments carried at fair value only pertains to the Group's financial assets at FVTPL, 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 2017 and 2016.

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, 2017 and December 31, 2016.
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 FVTPL 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, 2017 and December 31, 2016, 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.

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, 2016.

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, 2017 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, 2016.

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, 2017.

By:

HARRIS D. JACILDO
President & Chief Operating Officer