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 EDSEL 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)

September 30, 2012

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 **September 30, 2012**

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, 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
Common Stock	**598,162,800 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

		Unaudited **Sept. 30, 2012**		Audited **Dec. 31, 2011**
ASSETS				
Current Assets				
Cash and cash equivalents	₱	941,241,416	₱	891,235,623
Financial assets at fair value through profit or loss		196,284,479		125,226,264
Accounts receivable		886,536,203		933,545,989
Other receivables		52,034,798		114,431,259
Other current assets		19,919,819		28,928,836
Total Current Assets		**2,096,016,715**		**2,093,367,971**
Noncurrent Assets				
Investments in associates		18,384,542		23,064,091
Property and equipment		23,235,732		19,207,458
Goodwill		91,381,570		92,655,340
Deferred tax asset		6,969,657		4,980,348
Software costs		1,430,405		1,450,944
Retirement asset		0		368,394
Other noncurrent assets		36,258,411		38,904,367
Total Noncurrent Assets		**177,660,317**		**180,630,942**
	₱	**2,273,677,032**	₱	**2,273,998,913**
LIABILITIES AND EQUITY				
Current Liabilities				
Beneficiaries and other payables	₱	455,158,762	₱	240,081,152
Income tax payable		13,096,028		6,563,877
Interest-bearing loans		535,475,000		666,000,000
Total Current Liabilities		**1,003,729,790**		**912,645,029**
Noncurrent Liabilities				
Retirement liability		1,539,611		0
Deferred tax liability		68,066		31,969
Total Noncurrent Liabilities		**1,607,677**		**31,969**
Total Liabilities		**1,005,337,467**		**912,676,998**
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		378,540,522		440,654,359
Cumulative translation adjustment		(52,837,427)		(35,303,514)
Treasury stock		(66,321,808)		(52,987,208)
		1,268,339,565		**1,361,321,915**
Noncontrolling Interest		**0**		**0**
Total Equity		**1,268,339,565**		**1,361,321,915**
	₱	**2,273,677,032**	₱	**2,273,998,913**

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

	Unaudited **Jan. 1 to Sept. 30, 2012**	Unaudited **Jan. 1 to Sept. 30, 2011**	Unaudited **July 1 to Sept. 30, 2012**	Unaudited **July 1 to Sept. 30, 2011**
REVENUE				
Delivery fees	₱ 406,646,682	₱ 381,317,851	₱ 138,177,975	₱ 128,588,874
Realized foreign exchange gains - net	178,924,046	224,639,289	64,857,677	63,998,176
Other fees	588,496	812,398	424,720	359,486
	586,159,224	**606,769,538**	**203,460,372**	**192,946,536**
COSTS OF SERVICES				
Bank charges	146,207,009	137,119,782	49,073,915	46,782,191
Delivery charges	9,739,170	11,269,776	3,400,034	3,631,022
	155,946,179	**148,389,558**	**52,473,949**	**50,413,213**
GROSS INCOME	**430,213,045**	**458,379,980**	**150,986,423**	**142,533,323**
OTHER OPERATING INCOME (LOSS)				
Net trading gains (loss)	14,090,631	(3,072,557)	8,002,053	(6,609,106)
Other income	6,173,019	35,304,899	842,264	12,733,271
	20,263,650	**32,232,342**	**8,844,317**	**6,124,165**
OPERATING EXPENSES				
Salaries, wages and employee benefits	185,345,687	180,395,367	67,592,660	50,405,553
Rental	43,951,768	43,346,078	15,665,895	14,730,990
Marketing	32,122,769	25,724,599	15,007,120	9,596,329
Professional fees	23,637,839	32,772,146	10,146,968	10,053,599
Transportation and travel	13,273,083	18,765,277	5,198,696	5,864,336
Communication, light and water	20,947,278	17,471,270	8,145,296	5,125,861
Photocopying and supplies	7,607,604	7,846,830	2,646,828	2,546,405
Depreciation and amortization	8,153,228	9,459,516	2,759,628	3,035,047
Entertainment, amusement and recreation	5,198,824	3,936,281	972,445	1,809,909
Other operating expenses	21,824,873	28,184,025	7,273,106	13,371,665
	362,062,953	**367,901,389**	**135,408,642**	**116,539,694**
TOTAL OPERATING INCOME	**88,413,742**	**122,710,933**	**24,422,098**	**32,117,794**
Equity in net earnings of associates	217,021	376,351	(730,897)	(1,027,246)
Interest income	9,150,955	11,196,028	3,105,495	3,386,916
Interest expense	(20,677,111)	(29,620,646)	(7,272,928)	(13,136,783)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**77,104,607**	**104,662,666**	**19,523,768**	**21,340,681**
PROVISION FOR INCOME TAX	**19,237,591**	**29,250,373**	**6,453,758**	**7,654,248**
INCOME FROM CONTINUING OPERATIONS	**57,867,016**	**75,412,293**	**13,070,010**	**13,686,433**
INCOME (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	**0**	**0**	**0**	**0**
NET INCOME	₱ **57,867,016**	₱ **75,412,293**	₱ **13,070,010**	₱ **13,686,433**
Attributable to:				
Equity holders of the Parent Company	₱ 57,867,016	₱ 86,845,017	₱ 13,070,010	₱ 14,877,197
Noncontrolling interest	0	(11,432,724)	0	(1,190,764)
	₱ **57,867,016**	₱ **75,412,293**	₱ **13,070,010**	₱ **13,686,433**
Basic/Dilutive Earnings Per Share Attributable to Equity Holders of the Parent Company	₱ **0.10**	₱ **0.14**	₱ **0.02**	₱ **0.02**

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

		Unaudited **Jan. 1 to** **Sept. 30, 2012**		Unaudited **Jan. 1 to** **Sept. 30, 2011**		Unaudited **July 1 to** **Sept. 30, 2012**		Unaudited **July 1 to** **Sept. 30, 2011**
Net Income	₱	**57,867,016**	₱	**75,412,293**	₱	**13,070,010**	₱	**13,686,433**
Other Comprehensive Income (Loss)								
Translation adjustment during the period		(17,533,913)		(1,485,968)		950,811		658,722
Total Comprehensive Income for the Period	₱	**40,333,103**	₱	**73,926,324**	₱	**14,020,821**	₱	**14,345,155**
Total Comprehensive income attributable to:								
Equity holders of the Parent Company	₱	40,333,103	₱	85,359,049	₱	14,020,821	₱	13,653,055
Noncontrolling interest		0		(11,432,724)		0		692,100
	₱	**40,333,103**	₱	**73,926,325**	₱	**14,020,821**	₱	**14,345,155**

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

		Unaudited **Jan. 1 to Sept. 30, 2012**		Unaudited **Jan. 1 to Sept. 30, 2011**
CAPITAL FUNDS, BEGINNING	₱	**1,361,321,915**	₱	**1,271,902,623**
Net Income for the Period		57,867,016		86,845,017
Translation Adjustment for the Period		(17,533,913)		(1,485,968)
Total Comprehensive Income for the Period		40,333,103		85,359,048
Cash Dividends		(119,980,856)		0
Acquisition of Minority Interest		0		(11,432,724)
Purchase of Own Stock		(13,334,600)		(11,170,455)
Other Equity Adjustment		3		(11,097,281)
CAPITAL FUNDS, ENDING	₱	**1,268,339,565**	₱	**1,323,561,211**

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

		Unaudited **Jan. 1 to** **Sept. 30, 2012**		Unaudited **Jan. 1 to** **Sept. 30, 2011**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax from continuing operations	₱	77,104,607	₱	104,662,666
Income (loss) before tax from discontinued operations		0		0
Income before tax		77,104,607		104,662,666
Adjustments for:				
Interest expense		20,677,111		29,620,646
Unrealized market valuation (gain) loss on financial instruments at fair value through profit or loss		(29,101,935)		39,052,126
Depreciation and amortization		8,153,228		9,742,140
Interest income		(9,150,955)		(11,196,028)
Equity in net earnings of associates		(217,021)		(376,351)
Unrealized foreign exchange gain - net		(3,064,563)		8,321,898
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in the amounts of:				
Financial Assets at FV through PL		(41,956,280)		(61,174,334)
Accounts receivables		50,074,349		(465,277,190)
Other receivables		62,657,167		(50,856,509)
Other current assets		9,009,017		12,265,082
Retirement asset		368,394		0
Increase (Decrease) in the amounts of:				
Beneficiaries and other payables		215,675,730		184,112,739
Retirement liability		1,539,611		0
Net cash used in operations		361,768,460		(201,103,115)
Income taxes paid		(14,658,652)		(34,641,052)
Interest received		8,890,249		11,037,036
Interest paid		(21,275,231)		(29,771,284)
Net cash provided by (used in) operating activities		**334,724,826**		**(254,478,416)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Noncontrolling interest in subsidiaries		0		(11,097,281)
Property and equipment		(12,096,880)		(4,891,706)
Software cost		(718,187)		(1,282,248)
Decrease (increase) in other noncurrent assets		2,645,956		4,385,809
Proceeds from disposals of property and equipment		65,275		0
Dividends received from associate		4,896,570		0
Net cash used in investing activities		**(5,207,266)**		**(12,885,426)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of:				
Short-term loans payable		(666,000,000)		(877,000,000)
Buy-back of shares		(13,334,600)		(11,170,455)
Cash dividends		(119,980,856)		0
Proceeds from short-term loans payable		535,475,000		888,000,000
Net cash provided by (used in) financing activities		**(263,840,456)**		**(170,455)**
EFFECT OF CHANGE IN FOREIGN EXCHANGE RATE TO CASH AND CASH EQUIVALENTS		**(15,671,312)**		**(2,079,449)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		**50,005,793**		**(269,613,745)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**891,235,623**		**883,817,947**
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱	**941,241,416**	₱	**614,204,202**

I-REMIT, INC. AND SUBSIDIARIES
Aging of Consolidated Receivables
Unaudited
September 30, 2012

	Total	Current	2-30 Days	31-60 Days	Over 60 Days
Agents	₱ 885,044,895	₱ 885,044,895	₱ -	₱ -	₱ -
Couriers	9,889,705	-	9,889,705	-	-
Related Parties	12,034,146	-	-	-	12,034,146
Others	31,602,255	-	-	-	31,602,255
	₱ 938,571,001	₱ 885,044,895	₱ 9,889,705	₱ -	₱ 43,636,401

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 September 30, 2012 (unaudited) and December 31, 2011 (audited);

b. Unaudited Comparative Consolidated Statements of Income for the nine (9) months ended September 30, 2012 and September 30, 2011, and for three (3) months from July 1, 2012 to September 30, 2012 and from July 1, 2011 to September 30, 2011;

c. Unaudited Comparative Consolidated Statements of Comprehensive Income for the nine (9) months ended September 30, 2012 and September 30, 2011, and for three (3) months from July 1, 2012 to September 30, 2012 and from July 1, 2011 to September 30, 2011;

d. Unaudited Comparative Consolidated Statements of Changes in Equity for the nine (9) months ended September 30, 2012 and September 30, 2011;

e. Unaudited Comparative Consolidated Statements of Cash Flows for the nine (9) months ended September 30, 2012 and September 30, 2011;

f. Unaudited Aging of Consolidated Receivables as of September 30, 2012.

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

September 30, 2012 vs. December 31, 2011

The total assets of the Company decreased by PHP 0.3 million or -0.01% to PHP 2,273.7 million as of September 30, 2012 against PHP 2,274.0 million as of December 31, 2011.

Cash and cash equivalents increased by PHP 50.0 million or 5.6% from PHP 891.2 million as of December 31, 2011 to PHP 941.2 million as of September 30, 2012. Cash and cash equivalents as of September 30, 2012 and December 31, 2011 are 41.4% and 39.2% of the total assets as of September 30, 2012 and December 31, 2011, respectively. Financial assets at FVPL, which consist of investments in private debt securities (listed overseas) held for trading, increased by PHP 71.1 million or 56.7% from PHP 125.2 million as of December 31, 2011 to PHP 196.3 million as of September 30, 2012 mainly due to the increase in bond and stock investments of Power Star Asia Group Limited. Financial assets at FVPL as of September 30, 2012 and December 31, 2011 are 8.6% and 5.5% of the total assets as of September 30, 2012 and December 31, 2011, respectively. Accounts receivable decreased by PHP 47.0 million or -5.0% from PHP 933.5 million as of December 31, 2011 to PHP 886.5 million as of September 30, 2012. Accounts receivable as of September 30, 2012 and December 31, 2011 are 39.0% and 41.1% of the total assets as of September 30, 2012 and December 31, 2011, respectively. Other receivables decreased by PHP 62.4 million or 54.5% from PHP 114.4 million as of December 31, 2011 to PHP 52.0 million as of September 30, 2012 mainly due to operational funding extended to IREMIT Remittance Consulting GmbH. Other receivables as of September 30, 2012 and December 31, 2011 are 2.3% and 5.0% of the total assets as of September 30, 2012 and December 31, 2011, respectively. Other current assets decreased by PHP 9.0 million or -31.1% from PHP 28.9 million as of December 31, 2011 to PHP 19.9 million as of September 30, 2012 mainly due to full amortization of prepaid expenses from the previous year and year-end reclassification of PHP13.16 million receivable from BIR for the IPO Tax refund to other receivables by SGV.

Investments in associates decreased by PHP 4.7 million or -20.3% from PHP 23.1 million as of December 31, 2011 to PHP 18.4 million as of September 30, 2012 mainly due to equity income for IRemit Singapore Pte Ltd at PHP -4.38 million (net of dividend income share of the Parent Company at PHP 4.9 million) and Hwa Kung Hong & Co. Ltd. at PHP 0.43 million. Property and equipment-net increased by PHP 4.0 million or 21.0% from PHP 19.2 million as of December 31, 2011 to PHP 23.2 million as of September 30, 2012 mainly due to capital investment on storage and server for IT related projects. Goodwill decreased by PHP 1.3 million or -1.4% from PHP 92.7 million as of December 31, 2011 to PHP 91.4 million as of September 30, 2012 due to foreign exchange adjustment. Deferred tax asset increased by PHP 2.0 million or 39.9% from PHP 5.0 million as of December 31, 2011 to PHP 7.0 million as of September 30, 2012 mainly due to increase in net loss for I-Remit New Zealand Limited at PHP 0.874 million and Lucky Star Management Limited at PHP 0.445 million. Software costs–net decreased by PHP 0.02 million or -1.4% from PHP 1.45 million as of December 31, 2011 to PHP 1.43 million as of September 30, 2012. Other noncurrent assets decreased by PHP 2.6 million or -6.8% from PHP 38.9 million as of December 31, 2011 to PHP 36.3 million as of September 30, 2012.

Total liabilities increased by PHP 92.6 million or 10.2% from PHP 912.7 million as of December 31, 2011 to PHP 1,005.3 million as of September 30, 2012. Total liabilities as of September 30, 2012 and December 31, 2011 are 44.2% and 40.1% of the total liabilities and equity as of September 30, 2012 and December 31, 2011, respectively.

Current liabilities increased by PHP 91.1 million or 10.0% from PHP 912.6 million as of December 31, 2011 to PHP 1,003.7 million as of September 30, 2012 mainly due to the increase in Beneficiaries and other payables by PHP 215.1 million or 89.6% from PHP 240.1 million as of December 31, 2011 to PHP 455.2 million as of September 30, 2012 consequential to the increase in remittance transaction and accrual of expenses incidental to the delivery of remittances to beneficiaries. Interest-bearing loans decreased by PHP 130.5 million or -19.6% from PHP 666.0 million as of December 31, 2011 to PHP 535.5 million as of September 30, 2012. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 5% to 7.125% per annum in Year-to-date September 30, 2012 and 5.0% to 7.0% in 2011. Total current liabilities as of September 30, 2012 and December 31, 2011 are 44.1% and 40.1% of the total liabilities and equity as of September 30, 2012 and December 31, 2011, respectively.

Accounts payable and other liabilities increased by PHP 221.6 million or 89.8% to PHP 468.2 million as of September 30, 2012 compared with PHP 246.6 million as of December 31, 2011. Accounts payable and other liabilities as of September 30, 2012 and December 31, 2011 are 20.6% and 10.8% of the total liabilities and equity as of September 30, 2012 and December 31, 2011, respectively. Accounts payable and other liabilities comprised mainly of payables to beneficiaries of PHP 369.6 million, payables to agents, couriers and trading clients of PHP 45.1 million, accrued expenses of PHP 33.9 million and income tax payable of PHP 13.1 million.

Noncurrent liabilities amounting to PHP 1.61 million as of September 30, 2012 consist of retirement liability of PHP 1.54 million and deferred tax liability of PHP 0.07 million. Retirement liability represents balance in accrual of retirement expense for the period after applying the retirement asset of PHP 0.37 million in December 31, 2011.

The Company's stockholders' equity as of September 30, 2012 stood at PHP 1.268 billion, lower by PHP 93.0 million or -6.8% against the year-end 2011 level of PHP 1.361 billion mainly due to cash dividend of PHP 119.98 million, additional buy-back of 4,690,000 shares, partly offset by the higher net income. Total stockholders' equity as of September 30, 2012 and December 31, 2011 are 55.8% and 59.9% of the total liabilities and equity as of September 30, 2012 and December 31, 2011, respectively.

On July 5, 2012, the following principal shareholders have purchased a total of 16,554,000 shares of the Company from the market at PHP 2.71 per share:

Principal Shareholder	Number of Shares Purchased	Total Shares Before the Purchase	% To Total I/O Shares Before the Purchase *	Total Shares After the Purchase	% To Total I/O Shares After the Purchase *
JTKC Equities, Inc.	10,542,000	**116,611,247	19.3897%	**127,153,247	21.1426%
Surewell Equities, Inc.	5,202,000	134,248,290	22.3223%	139,450,290	23.1873%
JPSA Global Services Co.	810,000	18,700,000	3.1094%	19,510,000	3.2441%

* Percentage of total shares held by the principal shareholders to total issued and outstanding (I/O) shares before and after the purchase.

** Includes 47,771,295 certificated shares.

The Company's capital structure and the number of shares owned by the public before and after the said purchases on July 5, 2012 are as follows:

	Total Shares Before the Purchase	Total Shares After the Purchase
Number of Issued and Listed Shares	617,725,800	617,725,800
Less: Number of Treasury Shares	16,318,000	16,318,000
Number of Outstanding Shares	601,407,800	601,407,800
Less: Total Principal Shareholders and Directors' Shares	443,819,694	460,373,694
Total Number of Shares Owned by the Public	157,588,106	141,034,106
Public Ownership Percentage	26.2032%	23.4507%

I-Remit, Inc. has signed a Distribution Fulfillment Services Agreement with Small World Financial Services Group Ltd ("Small World") effective July 30, 2012. The said agreement allows a tie-up of the two (2) companies in offering money remittance services to Filipino workers, immigrants and other nationalities in Spain who intend to remit money to their beneficiaries in the Philippines Small World's product range includes money remittance, foreign exchange trading, check cashing and prepaid cards. With over 50 years of retail financial services experience, its head office is located in London, United Kingdom and it is duly licensed or authorized to conduct business in over 100 countries worldwide. In July 2011, Small World merged with Choice Money Transfer Inc., an I-Remit partner and a fast growing money remittance company. The merger placed Small World in the top tier of the world's largest money remittance organizations.

On September 21, 2012, the Company's Board of Directors has approved the proposal to buy back from the market a total of 10 million shares of the Company. The Company files the required reports of such purchases as these are made.

The Philippine Overseas Employment Administration revealed continued demand for skilled Filipino workers. For the period January to September 2012, a total of 231,316 job orders mostly for service, production, and professional, technical and related workers were processed in response to the manpower requirements in Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, and Taiwan. The POEA also reported that workers with processed contracts and those awaiting deployment reached 1.081 million in the first semester of 2012. However, this was lower by about 35% compared to the level recorded in the same period last year.

The POEA also announced that it is accepting qualified individuals to serve as the fifth batch of workers bound for Japan since the Japan-Philippines Economic Partnership Agreement took effect in December 11, 2008. Taiwan is also looking at the Philippines to supply around 5,000 fishermen for its fishing fleet.

In October, the POEA adopted a resolution allowing the deployment of Filipino workers to Jordan and Lebanon. Several years ago, the Philippine government banned the deployment of household service workers to Jordan due to high incidence of worker abuse.

On October 1, 2012, the ban on the hiring of Filipino domestic helpers for Saudi Arabia was lifted. The kingdom stopped in early 2011 the processing of applications due to disagreements on wages.

Filipino au pairs have started arriving in Belgium after the ban was lifted last February. In 1998, a ban on au pairs bound for Europe was imposed due to isolated cases of abuse of the system. In 2010, the ban was lifted in Norway, Denmark, and Switzerland.

The Department of Labor and Employment (DOLE) also announced that highly-skilled overseas Filipino workers can work in Canada after its province of Alberta expanded its Temporary Foreign Worker Pilot project last July. Alberta employers have been allowed to hire highly skilled foreign workers in certain in-demand occupations.

The POEA governing board also approved a resolution restricting deployment to 15 countries found not compliant with the requirements of the amended Migrant Workers Act starting July 15. These countries are Afghanistan, Chad, Cuba, North Korea, Eritrea, Haiti, Lebanon, Mali, Mauritania, Nepal, Niger, Palestine, Somalia, Uzbekistan, and Zimbabwe.

In July, the Monetary Board reduced the key rates of the Bangko Sentral ng Pilipinas (BSP) by 25 basis points, bringing these to a new record low of 3.75% to control the continued slide in inflation which is projected to breach the target of between 3% and 5% on the downside. The Monetary Board expects more capital inflows shifting from the troubled European financial markets. The Philippines is attracting money from sustained deleveraging on both corporate and private banks in Europe and the US. The net inflow of foreign portfolio investments or “hot” money reached USD407.42 million in September, up by 171% from the $150.05 million registered in the same month last year. The September figure brought the total net inflow of foreign portfolio investments to USD2.63 billion in the first nine months of the year—down by 18% from the USD3.21 billion reported in the same period a year ago.

In September 2012, the peso per US dollar rate averaged PHP41.7490 against the PHP43.0256 in the same month in 2011. On November 9, 2012, the peso closed at PHP41.05 to the dollar, its highest in four (4) years.

The BSP reported that personal remittances increased by 5.6% at USD2.001 billion in August 2012, rising by 7.9% year-on-year against the USD1.855 billion of inflows in the same month in 2011. For the eight-month period January to August 2012, personal remittances increased by 5.6% at USD15.281 billion relative to the USD14.467 billion inflows in the same period in 2011. The BSP forecasts remittances to grow by 5% this year in view of the debt crisis in Europe and sluggish growth in the United States. In 2011, remittances rose by 7.2% to USD20.1 billion, slightly surpassing BSP’s 7% projection.

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

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	4%	10%
Return on Assets (ROA)	Net income* over average total assets during the period	2%	5%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	PHP 0.10	PHP 0.22
Sales Growth	Total transaction value in USD in present period over the previous year	26%	11%
Gross Income	Revenue less total cost of services (PHP millions)	430.2	588.4
Current ratio	Total current assets over total current liabilities	2.09	2.29
Solvency ratio	Net income plus depreciation over total liabilities	0.07	0.16
Solvency ratio	Total assets over total liabilities	2.26	2.49
Solvency ratio	Total stockholders' equity over total liabilities	1.26	1.49
Debt-to equity ratio	Total liabilities over total stockholders' equity	0.79	0.67
Asset-to-equity ratio	Total assets over total stockholders' equity	1.79	1.67
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	4.73	5.49

* 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 September 30, 2012 and for the year ended December 31, 2011 are PHP 0.10 and PHP 0.23, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	2%	56%
Return on Assets (ROA)	Net income over average total assets during the period	0.7%	22%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 2.01	PHP 43.64
Sales Growth	Total transaction value in USD in present period over the previous year	7%	2%
Gross Income	Revenue less total cost of services (PHP millions)	71.1	92.6

Lucky Star Management Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-47%	-3%
Return on Assets (ROA)	Net income over average total assets during the period	-17%	-1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 17.54)	(PHP 1.33)
Sales Growth	Total transaction value in USD in present period over the previous year	34%	-25%
Gross Income	Revenue less total cost of services (PHP millions)	8.5	17.0

IRemit Global Remittance Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-480%	-767%
Return on Assets (ROA)	Net income over average total assets during the period	-6%	-33%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 47,138.44)	(PHP 108,090.79)
Sales Growth	Total transaction value in USD in present period over the previous year	45%	28%
Gross Income	Revenue less total cost of services (PHP millions)	54.0	50.7

I-Remit Australia Pty Ltd

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.18%	0.4%
Return on Assets (ROA)	Net income over average total assets during the period	0.07%	0.2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 3,685.53	PHP 7,306.00
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.1	0.6

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	9%	6%
Return on Assets (ROA)	Net income over average total assets during the period	0.9%	1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 4.44	PHP 3.02
Sales Growth	Total transaction value in USD in present period over the previous year	25%	11%
Gross Income	Revenue less total cost of services (PHP millions)	28.0	34.6

I-Remit New Zealand Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	28%	40%
Return on Assets (ROA)	Net income over average total assets during the period	-19%	-24%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 3,056.87)	(PHP 3,046.61)
Sales Growth	Total transaction value in USD in present period over the previous year	23%	23%
Gross Income	Revenue less total cost of services (PHP millions)	1.3	5.3

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-173%	194%
Return on Assets (ROA)	Net income over average total assets during the period	-24%	14%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 157.67)	PHP 141.86
Sales Growth	Total transaction value in USD in present period over the previous year	-87%	-20%
Gross Income	Revenue less total cost of services (PHP millions)	0.7	0.5

Power Star Asia Group Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	21%	30%
Return on Assets (ROA)	Net income over average total assets during the period	21%	29%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 58.92	PHP 66.53
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	44.2	70.4

K. K. I-Remit Japan

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Dec. 31, 2011 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	315%	-
Return on Assets (ROA)	Net income over average total assets during the period	-124%	-
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 143,681.92)	-
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.4	-

September 30, 2012 vs. September 30, 2011

I-Remit realized a consolidated net income of PHP 57.9 million in Year-to-date September 30, 2012, PHP 17.5 million lower or -23.3% of the consolidated net income of PHP 75.4 million in Year-to-date September 30, 2011. The consolidated net income in Year-to-date September 30, 2012 and Year-to-date September 30, 2011 are 9.9% and 12.4% of the Year-to-date September 30, 2012 and Year-to-date September 30, 2011 revenue, respectively.

Revenues decreased by PHP 20.6 million or -3.4% to PHP 586.2 million in Year-to-date September 30, 2012 from PHP 606.8 million in Year-to-date September 30, 2011 mainly due to significant losses incurred from the sale of USD inventory, partly offset by higher delivery fees on account of higher transaction volume. Accordingly, the Company's gross income decreased by PHP 28.2 million or -6.1% from PHP 458.4 million in Year-to-date September 30, 2011 to PHP 430.2 million in Year-to-date September 30, 2012. The gross income in Year-to-date September 30, 2012 and Year-to-date September 30, 2011 are 73.4% and 75.5% of the Year-to-date September 30, 2012 and Year-to-date September 30, 2011 revenue, respectively.

Transaction count increased by 10.0% from 2,058,756 in Year-to-date September 30, 2011 to 2,265,087 in Year-to-date September 30, 2012. USD remittance volume increased by 25.9% from USD 973.4 million in Year-to-date September 30, 2011 to USD 1,225.8 million in Year-to-date September 30, 2012. Of the total transaction count in Year-to-date September 30, 2012, the percentage contributions per region are as follows: Asia-Pacific, 42%; Middle East, 30%; North America, 13%; and Europe, 12%. In terms of USD remittance volume, the regional contributions are as follows: Asia-Pacific, 31%; Middle East, 17%, North America, 12%, and Europe, 11%.

Other operating income decreased by PHP 12.0 million from PHP 32.2 million in Year-to-date September 30, 2011 to PHP 20.3 million in Year-to-date September 30, 2012. Year-to-date September 30, 2011 other income includes refund of GST previously paid by International Remittance (Canada) Limited and Worldwide Exchange Pty Ltd to the government of Canada and Australia, respectively, since both entities are exempt from paying GST. Net trading gains increased by PHP 17.2 million or 558.6% from PHP -3.1 million in Year-to-date September 30, 2011 to PHP 14.1 million in Year-to-date September 30, 2012 mainly due to the revaluation of investment on bonds resulting to unrealized FX Loss of PHP 3.5 million as at September 30, 2011 and unrealized FX Gain of PHP 10.0 million along with realized capital gains earned from the sale of bonds at PHP 4.0 million by Power Star Asia Group Limited as at September 30, 2012.

Total operating expenses was lower by PHP 5.8 million or -1.6% from PHP 367.9 million in Year-to-date September 30, 2011 to PHP 362.1 million in Year-to-date September 30, 2012 mainly on account of lower professional fees, transportation and travel, depreciation and amortization, photocopying and supplies and other operating expenses. These were partly offset by higher marketing expenses, salaries, wages and employee benefits, communication, light and water, entertainment, amusement and recreation and rental expenses. Professional fees in Year-to-date September 30, 2011 were higher due to audit fee paid to the external auditor of Italy office and honorarium for the minority stockholder of Austria office. Transportation and travel is lower in Year-to-date September 30, 2012 mainly due to lesser number of business trips. Depreciation and amortization were lower in Year-to-date September 30, 2012 mainly due to the end of amortization for the renovation of the offices of the Parent Company at Discovery Centre Building. Photocopying and supplies expenses were lower in Year-to-date September 30, 2012 mainly due to continuous cost-cutting measures observed by the Parent Company and all its foreign subsidiaries. Entertainment, amusement and recreation expenses in Year-to-date September 30, 2012 were higher mainly due the business development in Japan, Kuwait, Saudi Arabia and Oman. Marketing expense in Year-to-date September 30, 2012 was higher mainly due to various sponsorship events and advertisements for IRemit Global Remittance Limited. Total operating expenses in Year-to-date September 30, 2012 and Year-to-date September 30, 2011 are 61.8% and 60.6% of the Year-to-date September 30, 2012 and Year-to-date September 30, 2011 revenue, respectively.

Interest income was lower in Year-to-date September 30, 2012 by PHP 2.0 million from PHP 11.2 million in Year-to-date September 30, 2011 to PHP 9.2 million in Year-to-date September 30, 2012 mainly due to the decrease on interest income from nostro accounts and decrease on PDS rate applied from 43.72 to 41.70. Interest expense was lower in Year-to-date September 30, 2012 by PHP 8.9 million from PHP 29.6 million in Year-to-date September 30, 2011 to PHP 20.7 million in Year-to-date September 30, 2012 mainly due to lower outstanding loans from PHP 888.0 million as of September 30, 2011 to PHP 535.5 million as of September 30, 2012.

The total assets of the Company decreased by PHP 325.0 million or -12.5% to PHP 2.273 billion as of September 30, 2012 against PHP 2.598 billion as of September 30, 2011. Cash and cash equivalents increased by PHP 327.0 million or 53.2% from PHP 614.2 million as of September 30, 2011 to PHP 941.2 million as of September 30, 2012. Cash and cash equivalents as of September 30, 2012 and September 30, 2011 are 41.4% and 23.6% of the total assets as of September 30, 2012 and September 30, 2011, respectively. Financial assets at FVPL, which consist of investments in private debt securities (listed overseas) held for trading, stood at PHP 196.3 million as of September 30, 2012, an increase of PHP 71.3 million or 57.0% against PHP 125.0 million as of September 30, 2011 mainly due to the increase in bonds and stock investments of Power Star Asia Group Limited. Financial assets at FVPL as of September 30, 2012 and September 30, 2011 are 8.6% and 4.8% of the total assets as of September 30, 2012 and September 30, 2011, respectively. Accounts receivable decreased by PHP 629.7 million or -41.5% from PHP 1,516.3 million as of September 30, 2011 to PHP 886 billion as of September 30, 2012. Accounts receivable as of September 30, 2012 and September 30, 2011 are 39.0% and 58.3% of the total assets as of September 30, 2012 and September 30, 2011, respectively. Other receivables decreased by PHP 80.3 million or -60.7% from PHP 132.3 million as of September 30, 2011 to PHP 52.0 million as of September 30, 2012. Other receivable as of September 30, 2012 and September 30, 2011 are 2.3% and 5.1% of the total assets as of September 30, 2012 and September 30, 2011, respectively. Other current assets decreased by PHP 4.2 million or -17.3% from PHP 24.1 million as of September 30, 2011 to PHP 19.9 million as of September 30, 2012 mainly due to full amortization of prepaid expenses from the previous year.

Investments in associates decreased by PHP 5.1 million or -21.6% from PHP 23.5 million as of September 30, 2011 to PHP 18.4 million as of September 30, 2012. Property and equipment-net increased by PHP 0.2 million or 0.8% from PHP 23.0 million as of September 30, 2011 to PHP 23.2 million as of September 30, 2012. Goodwill decreased by PHP 3.1 million or -3.2% from PHP 94.5 million as of September 30, 2011 to PHP 91.4 million as of September 30, 2012 due to foreign exchange adjustment. Deferred tax asset increased by PHP 1.5 million or 26.5% from PHP 5.5 million as of September 30, 2011 to PHP 7.0 million as of September 30, 2012. Software costs–net decreased by PHP 0.3 million or -16.7% from PHP 1.7 million as of September 30, 2011 to PHP 1.4 million as of September 30, 2012. Other noncurrent assets decreased by PHP 2.3 million or -6.1% from PHP 38.6 million as of September 30, 2011 to PHP 36.3 million as of September 30, 2012.

Total liabilities decreased by PHP 269.8 million or -21.2% from PHP 1.275 billion as of September 30, 2011 to PHP 1.005 billion as of September 30, 2012. Total liabilities as of September 30, 2012 and September 30, 2011 are 44.2% and 49.1% of the total liabilities and equity as of September 30, 2012 and September 30, 2011, respectively.

Current liabilities decreased by PHP 270.6 million or -21.2% from PHP 1.274 billion as of September 30, 2011 to PHP 1.003 billion as of September 30, 2012 mainly due to the decrease in interest-bearing loans by PHP 352.5 million or -39.7% from PHP 888.0 million as of September 30, 2011 to PHP 535.5 million as of September 30, 2012. Interest-bearing loans consist of unsecured, short-term peso-denominated loans from various local financial institutions with interest rates ranging from 5% to 7.125% per annum in Year-to-date September 30, 2012 and 5.0% to 7.75% in Year-to-date September 30, 2011. These were partly offset by the increase in beneficiaries and other payables by PHP 71.7 million or 18.7% from PHP 383.5 million as of September 30, 2011 to PHP 455.2 million as of September 30, 2012 as well as to income tax payable by PHP 10.2 million or 358.5% from PHP 2.9 million as of September 30, 2011 to PHP 13.1 million as of September 30, 2012. Total current liabilities as of September 30, 2012 and September 30, 2011 are 44.1% and 49.0% of the total liabilities and equity as of September 30, 2012 and September 30, 2011, respectively.

Accounts payable and other liabilities increased by PHP 81.9 million or 21.2% to PHP 468.2 million as of September 30, 2012 compared with PHP 386.3 million as of September 30, 2011. Accounts payable and other liabilities as of September 30, 2012 and September 30, 2011 are 20.6% and 14.9% of the total liabilities and equity as of September 30, 2012 and September 30, 2011, respectively. Accounts payable and other liabilities comprise mainly of payables to beneficiaries of PHP 369.6 million, payables to agents, couriers and trading clients of PHP 45.1 million, accrued expenses of PHP 33.9 million and income tax payable of PHP 13.1 million.

Noncurrent liabilities amounting to PHP 1.61 million as of September 30, 2012 consist of retirement liability of PHP 1.54 million and deferred tax liability of PHP 0.07 million. Retirement liability represents balance in accrual of retirement expense for the period after applying the retirement asset of PHP 0.37 million in December 31, 2011.

The Company's stockholders' equity as of September 30, 2012 stood at PHP 1.268 billion, lower by PHP 55.2 million or -4.2% against the September 30, 2011 level of PHP 1.323 billion mainly due to cash dividend of PHP 119.98 million and lower net income. Total stockholders' equity as of September 30, 2012 and September 30, 2011 are 55.8% and 50.9% of the total liabilities and equity as of September 30, 2012 and September 30, 2011, respectively.

On July 5, 2012, the following principal shareholders have purchased a total of 16,554,000 shares of the Company from the market at PHP 2.71 per share:

Principal Shareholder	Number of Shares Purchased	Total Shares Before the Purchase	% To Total I/O Shares Before the Purchase *	Total Shares After the Purchase	% To Total I/O Shares After the Purchase *
JTKC Equities, Inc.	10,542,000	**116,611,247	19.3897%	**127,153,247	21.1426%
Surewell Equities, Inc.	5,202,000	134,248,290	22.3223%	139,450,290	23.1873%
JPSA Global Services Co.	810,000	18,700,000	3.1094%	19,510,000	3.2441%

* Percentage of total shares held by the principal shareholders to total issued and outstanding (I/O) shares before and after the purchase.

** Includes 47,771,295 certificated shares.

The Company's capital structure and the number of shares owned by the public before and after the said purchases on July 5, 2012 are as follows:

	Total Shares Before the Purchase	Total Shares After the Purchase
Number of Issued and Listed Shares	617,725,800	617,725,800
Less: Number of Treasury Shares	16,318,000	16,318,000
Number of Outstanding Shares	601,407,800	601,407,800
Less: Total Principal Shareholders and Directors' Shares	443,819,694	460,373,694
Total Number of Shares Owned by the Public	157,588,106	141,034,106
Public Ownership Percentage	26.2032%	23.4507%

I-Remit, Inc. has signed a Distribution Fulfillment Services Agreement with Small World Financial Services Group Ltd ("Small World") effective July 30, 2012. The said agreement allows a tie-up of the two (2) companies in offering money remittance services to Filipino workers, immigrants and other nationalities in Spain who intend to remit money to their beneficiaries in the Philippines Small World's product range includes money remittance, foreign exchange trading, check cashing and prepaid cards. With over 50 years of retail financial services experience, its head office is located in London, United Kingdom and it is duly licensed or authorized to conduct business in over 100 countries worldwide. In July 2011, Small World merged with Choice Money Transfer Inc., an I-Remit partner and a fast growing money remittance company. The merger placed Small World in the top tier of the world's largest money remittance organizations.

On September 21, 2012, the Company's Board of Directors has approved the proposal to buy back from the market a total of 10 million shares of the Company. The Company files the required reports of such purchases as these are made.

The Philippine Overseas Employment Administration revealed continued demand for skilled Filipino workers. For the period January to September 2012, a total of 231,316 job orders mostly for service, production, and professional, technical and related workers were processed in response to the manpower requirements in Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, and Taiwan. The POEA also reported that workers with processed contracts and those awaiting deployment reached 1.081 million in the first semester of 2012. However, this was lower by about 35% compared to the level recorded in the same period last year.

The POEA also announced that it is accepting qualified individuals to serve as the fifth batch of workers bound for Japan since the Japan-Philippines Economic Partnership Agreement took effect in December 11, 2008. Taiwan is also looking at the Philippines to supply around 5,000 fishermen for its fishing fleet.

In October, the POEA adopted a resolution allowing the deployment of Filipino workers to Jordan and Lebanon. Several years ago, the Philippine government banned the deployment of household service workers to Jordan due to high incidence of worker abuse.

On October 1, 2012, the ban on the hiring of Filipino domestic helpers for Saudi Arabia was lifted. The kingdom stopped in early 2011 the processing of applications due to disagreements on wages.

Filipino au pairs have started arriving in Belgium after the ban was lifted last February. In 1998, a ban on au pairs bound for Europe was imposed due to isolated cases of abuse of the system. In 2010, the ban was lifted in Norway, Denmark, and Switzerland.

The Department of Labor and Employment (DOLE) also announced that highly-skilled overseas Filipino workers can work in Canada after its province of Alberta expanded its Temporary Foreign Worker Pilot project last July. Alberta employers have been allowed to hire highly skilled foreign workers in certain in-demand occupations.

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In July, the Monetary Board reduced the key rates of the Bangko Sentral ng Pilipinas (BSP) by 25 basis points, bringing these to a new record low of 3.75% to control the continued slide in inflation which is projected to breach the target of between 3% and 5% on the downside. The Monetary Board expects more capital inflows shifting from the troubled European financial markets. The Philippines is attracting money from sustained deleveraging on both corporate and private banks in Europe and the US. The net inflow of foreign portfolio investments or “hot” money reached USD407.42 million in September, up by 171% from the $150.05 million registered in the same month last year. The September figure brought the total net inflow of foreign portfolio investments to USD2.63 billion in the first nine months of the year—down by 18% from the USD3.21 billion reported in the same period a year ago.

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The BSP reported that personal remittances increased by 5.6% at USD2.001 billion in August 2012, rising by 7.9% year-on-year against the USD1.855 billion of inflows in the same month in 2011. For the eight-month period January to August 2012, personal remittances increased by 5.6% at USD15.281 billion relative to the USD14.467 billion inflows in the same period in 2011. The BSP forecasts remittances to grow by 5% this year in view of the debt crisis in Europe and sluggish growth in the United States. In 2011, remittances rose by 7.2% to USD20.1 billion, slightly surpassing BSP’s 7% projection.

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Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	4%	6%
Return on Assets (ROA)	Net income* over average total assets during the period	2%	3%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	PHP 0.10	PHP 0.12
Sales Growth	Total transaction value in USD in present period over the same period in the previous year	26%	10%
Gross Income	Revenue less total cost of services (PHP millions)	430.2	458.4
Current ratio	Total current assets over total current liabilities	2.09	1.89
Solvency ratio	Net income plus depreciation over total liabilities	0.07	0.07
Solvency ratio	Total assets over total liabilities	2.26	2.03
Solvency ratio	Total stockholders' equity over total liabilities	1.26	1.04
Debt-to equity ratio	Total liabilities over total stockholders' equity	0.79	0.97
Asset-to-equity ratio	Total assets over total stockholders' equity	1.79	1.96
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	4.73	4.53

* 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 September 30, 2012 and September 30, 2011 are P 0.10 and P 0.14, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	2%	63%
Return on Assets (ROA)	Net income over average total assets during the period	0.7%	29%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 2.01	PHP 50.71
Sales Growth	Total transaction value in USD in present period over the previous year	7%	5%
Gross Income	Revenue less total cost of services (PHP millions)	71.1	70.5

Lucky Star Management Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-47%	9%
Return on Assets (ROA)	Net income over average total assets during the period	-17%	4%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 17.54)	PHP 4.54
Sales Growth	Total transaction value in USD in present period over the previous year	34%	-26%
Gross Income	Revenue less total cost of services (PHP millions)	8.5	14.3

IRemit Global Remittance Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-480%	-73%
Return on Assets (ROA)	Net income over average total assets during the period	-6%	-11%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 47,138.44)	(PHP 35,347.33)
Sales Growth	Total transaction value in USD in present period over the previous year	45%	20%
Gross Income	Revenue less total cost of services (PHP millions)	54.0	34.4

I-Remit Australia Pty Ltd

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.18%	0.5%
Return on Assets (ROA)	Net income over average total assets during the period	0.07%	0.2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 3,685.53	PHP 9,415.24
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	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	9%	54%
Return on Assets (ROA)	Net income over average total assets during the period	0.9%	11%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 4.44	PHP 33.55
Sales Growth	Total transaction value in USD in present period over the previous year	25%	14%
Gross Income	Revenue less total cost of services (PHP millions)	28.0	25.7

I-Remit New Zealand Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	28%	31%
Return on Assets (ROA)	Net income over average total assets during the period	-19%	-17%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 3,056.87)	(PHP 2,249.57)
Sales Growth	Total transaction value in USD in present period over the previous year	23%	32%
Gross Income	Revenue less total cost of services (PHP millions)	1.3	4.5

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-173%	190%
Return on Assets (ROA)	Net income over average total assets during the period	-24%	-110%
Earnings per Share (EPS)	Net income over average number of outstanding shares	(PHP 157.67)	(PHP 650.70)
Sales Growth	Total transaction value in USD in present period over the previous year	-87%	44%
Gross Income	Revenue less total cost of services (PHP millions)	0.7	8.4

Power Star Asia Group Limited

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	21%	24%
Return on Assets (ROA)	Net income over average total assets during the period	21%	23%
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 58.92	PHP 52.09
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	44.2	57.5

K. K. I-Remit Japan

Performance Indicator	Definition	Sept. 30, 2012 (Nine Months)	Sept. 30, 2011 (Nine Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	21%	-
Return on Assets (ROA)	Net income over average total assets during the period	21%	-
Earnings per Share (EPS)	Net income over average number of outstanding shares	PHP 58.92	-
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	44.2	-

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 31 to 32.

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 26 to 30.

   (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 30.

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

   Please refer to pages 30 to 31.

   (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 30 to 31.

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 September 30, 2012 and December 31, 2011, 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.

<u>Derecognition of Financial Assets and Liabilities</u>
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.

<u>Offsetting Financial Instruments</u>
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 ranging from 2.71% to 8.00% and 4.05% to 10.19% as at September 30, 2012 and December 31, 2011, respectively.

<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 September 30, 2012 and December 31, 2011, 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 2012 and 2011.

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 September 30, 2012 and December 31, 2011. 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 September 30, 2012 and December 31, 2011, 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 2012 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 30 June 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.

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, 2011.

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 September 30, 2012 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, 2011.

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 November 14, 2012.

By:

HARRIS EDSEL D. JACILDO
President & Chief Operating Officer

NOV. 14, 2012

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