

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
Mar 31, 2018
2. SEC Identification Number
A200101631
3. BIR Tax Identification No.
210-407-466-000
4. Exact name of issuer as specified in its charter
I-REMIT, INC.
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
26/F Discovery Centre, 25 ADB Avenue, Ortigas Center, Pasig City
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 706-9999 Local 100 / 105 / 109
9. Former name or former address, and former fiscal year, if changed since last report
Not applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	611,639,122

11. Are any or all of registrant's 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. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 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 ninety (90) days

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



I-Remit, Inc.

I

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2018
Currency (indicate units, if applicable)	PHILIPPINE PESO

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2018	Dec 31, 2017
Current Assets	3,281,303,746	2,949,810,753
Total Assets	3,577,252,864	3,237,890,855
Current Liabilities	2,170,499,235	1,889,656,540
Total Liabilities	2,178,830,158	1,895,883,863
Retained Earnings/(Deficit)	318,144,639	286,097,388
Stockholders' Equity	1,398,422,706	1,342,006,992
Stockholders' Equity - Parent	0	0
Book Value per Share	2.29	2.19

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	261,555,807	222,231,179	261,555,807	222,231,179
Gross Expense	217,111,093	215,371,144	217,111,093	215,371,144
Non-Operating Income	0	0	0	0
Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	44,444,714	6,860,035	44,444,714	6,860,035
Income Tax Expense	12,397,465	2,185,564	12,397,465	2,185,564
Net Income/(Loss) After Tax	32,047,249	4,674,471	32,047,249	4,674,471
Net Income Attributable to Parent Equity Holder	32,047,249	4,674,471	32,047,249	4,674,471
Earnings/(Loss) Per Share (Basic)	0.05	0.01	0.05	0.01

Earnings/(Loss) Per Share (Diluted)	0	0	0	0
-------------------------------------	---	---	---	---

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.12	0.04
Earnings/(Loss) Per Share (Diluted)	0	0

Other Relevant Information
-

Filed on behalf by:

Name	Harris Jacildo
Designation	President



May 15, 2018

THE PHILIPPINE STOCK EXCHANGE, INC.
6th Floor, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City, Metro Manila

Attention : MR. JOSE VALERIANO B. ZUÑO III
OIC - Head, Disclosure Department

Gentlemen:

In accordance with the Securities Regulation Code, we are submitting herewith a copy of SEC Form 17-Q (Quarterly Report) of **I-Remit, Inc.** as at **March 31, 2018**.

Thank you.

Very truly yours,

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

HARRIS D. JACILDO
President

I-Remit, Inc.

26/F Discovery Centre 25 ADB Avenue Ortigas Center, Pasig City 1605 Philippines
Telephone: (632) 706-9999 and (632) 706-2737
Facsimile: (632) 706-2767
Website: www.myiremit.com
Facebook: www.facebook.com/iremitinc
Twitter: www.twitter.com/iremitinc

SEC Number
PSE Code
File Number

A200101631

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

(Company's Full Name)

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

(Company's Address)

(632) 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)

March 31, 2018

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 March 31, 2018
- 2. Commission Identification No. A200101631 3. BIR Tax Identification No. 210-407-466-000
- 4. Exact name of registrant as specified in its charter I-REMIT, INC.
- 5. Metro Manila, PHILIPPINES 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
incorporation or organization
- 7. 26/F Discovery Centre, 25 ADB Avenue, Ortigas Center, Pasig City 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 Mar. 31, 2018	Audited Dec. 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	1,789,426,411	1,921,191,665
Trade and other receivables - net	1,023,376,194	632,530,814
Financial assets at fair value through profit or loss	417,941,147	336,768,015
Prepayments and other current assets	50,559,994	59,320,259
	3,281,303,746	2,949,810,753
Non-current Assets		
Investment in an associate	12,450,601	11,592,403
Property and equipment - net	26,054,875	27,703,108
Intangible assets - net	120,866,388	121,169,415
Retirement asset - net	15,822,301	14,082,855
Deferred tax assets	12,098,938	12,157,943
Other non-current assets	108,656,015	101,374,378
	295,949,118	288,080,102
TOTAL ASSETS	3,577,252,864	3,237,890,855
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Financial liabilities at fair value through profit or loss	5,279,170	7,041,853
Beneficiaries and other payables	504,428,748	363,827,631
Advances from stockholders	0	0
Income tax payable	20,791,317	8,787,056
Loans payable	1,640,000,000	1,510,000,000
	2,170,499,235	1,889,656,540
Non-current Liabilities		
Deferred tax liabilities	6,247,457	6,227,323
Retirement benefit obligation	2,083,466	0
	8,330,923	6,227,323
TOTAL LIABILITIES	2,178,830,158	1,895,883,863
STOCKHOLDERS' EQUITY		
Capital Stock	617,725,800	617,725,800
Additional Paid-in Capital	391,232,478	391,232,478
Unappropriated Retained Earnings	302,007,646	269,960,395
Appropriated Retained Earnings	16,136,993	16,136,993
Cumulative Translation Adjustment	73,448,555	49,080,092
Remeasurements - net	14,008,227	14,008,227
Treasury Stock	(16,136,993)	(16,136,993)
TOTAL STOCKHOLDERS' EQUITY	1,398,422,706	1,342,006,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	3,577,252,864	3,237,890,855

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

	Unaudited Jan. 1 to Mar. 31, 2018	Unaudited Jan. 1 to Mar. 31, 2017
REVENUES	234,510,660	189,990,318
COST OF SERVICES	85,373,928	77,139,518
GROSS PROFIT	149,136,732	112,850,800
NET TRADING GAINS (LOSSES)	(113,939)	2,392,680
OTHER INCOME	26,300,888	29,487,029
	175,323,681	144,730,509
OPERATING EXPENSES		
Salaries, wages and employee benefits	62,568,517	62,898,366
Rental	20,658,286	18,038,217
Marketing	5,227,567	7,068,331
Professional fees	13,698,773	15,210,265
Transportation and travel	4,362,704	2,876,866
Communication, light and water	7,008,245	6,584,706
Photocopying and supplies	2,763,664	1,880,636
Depreciation and amortization	3,035,662	3,293,369
Entertainment, amusement and recreation	1,178,978	3,855,909
Other operating expenses	11,234,769	16,524,961
	131,737,165	138,231,626
EQUITY IN NET EARNINGS	858,198	361,152
PROFIT BEFORE TAX	44,444,714	6,860,035
INCOME TAXES	12,397,465	2,185,564
PROFIT	32,047,249	4,674,471
BASIC EARNINGS PER SHARE	0.0524	0.0076

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

	Unaudited Jan. 1 to Mar. 31, 2018	Unaudited Jan. 1 to Mar. 31, 2017
PROFIT	32,047,249	4,674,471
OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Translation adjustment	24,368,463	4,692,313
TOTAL COMPREHENSIVE INCOME	56,415,712	9,366,784
ATTRIBUTABLE TO:		
Equity holders of the parent	56,415,712	9,366,784
Non-controlling interest	0	0
	56,415,712	9,366,784

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

	Unaudited Jan. 1 to Mar. 31, 2018	Unaudited Jan. 1 to Mar. 31, 2017
CAPITAL FUNDS, BEGINNING	1,342,006,992	1,316,430,695
Profit	32,047,249	4,674,471
Cumulative Translation Adjustment	24,368,465	4,692,318
Total Comprehensive Income for the Period	56,415,714	9,366,789
Cash Dividends	0	0
Purchase of Own Stock	0	(672,000)
CAPITAL FUNDS, ENDING	1,398,422,706	1,325,125,484

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

	Unaudited Jan. 1 to Mar. 31, 2018	Unaudited Jan. 1 to Mar. 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	44,444,714	6,860,035
Adjustments for:		
Finance cost	13,889,458	11,979,180
Depreciation	2,732,635	2,933,985
(Gain) loss on disposal of financial assets at FVTPL	113,939	0
Fair value (gain) loss on financial assets at FVTPL	0	(415,427)
Provision for bad debts	143,941	5,958,947
Retirement benefits	344,020	0
Amortization	303,027	359,384
Loss (Gain) on sale of property and equipment	0	(11,620)
Dividend income	(240,060)	(167,812)
Equity in net earnings of associates	(858,198)	(361,152)
Unrealized foreign exchange (gain) loss - net	(25,344,005)	(22,704,346)
Finance income	(4,033,190)	(3,067,543)
Operating cash flows before changes in working capital	31,496,281	1,363,631
Decrease (increase) in operating assets:		
Derivative financial assets at FVTPL	(5,506,196)	(7,073,043)
Trade and other receivables	(366,261,660)	152,064,064
Prepayments and other current assets	10,541,215	(7,670,857)
Other non-current assets	68,986,617	(4,744,392)
Increase (decrease) in operating liabilities:		
Beneficiaries and other payables	149,054,497	(133,135,154)
Financial liabilities at FVTPL	(7,041,853)	(5,155,050)
Cash generated from (used in) operations	(118,731,100)	(4,350,801)
Income taxes paid	(1,037,381)	(14,385,463)
Finance cost paid	(13,622,598)	(11,762,645)
Net cash from (used in) operating activities	(133,391,080)	(30,498,908)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of financial assets at FVTPL	38,572,597	42,015,729
Finance income received	4,182,371	2,692,929
Dividend income received	240,060	167,812
Proceeds from disposals of property and equipment	1,367	11,620
Additions to software	0	(8,929)
Additions to property and equipment	(1,136,218)	(11,205,206)
Additions to financial assets at FVPL	(101,450,960)	(57,837,113)
Net cash from (used in) investing activities	(59,590,783)	(24,163,158)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	1,640,000,000	1,100,000,000
Payment of own stock	0	(672,000)
Payment of cash dividends	0	0
Payment of loans	(1,510,000,000)	(1,312,000,000)
Net cash from (used in) financing activities	130,000,000	(212,672,000)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(68,783,392)	11,381,264
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(131,765,254)	(255,952,802)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,921,191,665	1,755,129,715
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,789,426,411	1,499,176,913

I-REMIT, INC. AND SUBSIDIARIES
Aging of Consolidated Receivables
(In Philippine Peso)
Unaudited
March 31, 2018

	Total	0-60 Days	61-180 Days	181-360 Days	Over 360 Days
Agents	865,698,880	855,227,131	9,728,839	694,660	48,250
Couriers	112,221,067	112,221,067	-	-	-
Related Parties	11,778,619	958,039	2,106,536	8,563,816	150,228
Others	33,677,628	6,407,812	16,374,726	226,074	10,669,016
	<u>1,023,376,194</u>	<u>974,814,049</u>	<u>28,210,101</u>	<u>9,484,550</u>	<u>10,867,494</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

- a. Consolidated Balance Sheets as of March 31, 2018 (unaudited) and December 31, 2017 (audited);
- b. Unaudited Comparative Consolidated Statements of Income for the three (3) months ended March 31, 2018 and March 31, 2017;
- c. Unaudited Comparative Consolidated Statements of Comprehensive Income for the three (3) months ended March 31, 2018 and March 31, 2017;
- d. Unaudited Comparative Consolidated Statements of Changes in Equity for the three (3) months ended March 31, 2018 and March 31, 2017;
- e. Unaudited Comparative Consolidated Statements of Cash Flows for the three (3) months ended March 31, 2018 and March 31, 2017;
- f. Unaudited Aging of Consolidated Receivables as of March 31, 2018.

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

March 31, 2018 vs. December 31, 2017

The total assets of the Company increased by PHP 339.4 million or 10.5% from PHP 3,237.9 million as of December 31, 2017 to PHP 3,577.3 million as of March 31, 2018.

Total current assets increased by PHP 331.5 million or 11.2% from PHP 2,949.8 million as of December 31, 2017 to PHP 3,281.3 million as of March 31, 2018. Total current assets as of March 31, 2018 and December 31, 2017 were 91.7% and 91.1% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Cash and cash equivalents decreased by PHP 131.8 million or -6.9% from PHP 1,921.2 million as of December 31, 2017 to PHP 1,789.4 million as of March 31, 2018. Cash and cash equivalents as of March 31, 2018 and December 31, 2017 were 50.0% and 59.3% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Trade and other receivables-net increased by PHP 390.9 million or 61.8% from PHP 632.5 million as of December 31, 2017 to PHP 1,023.4 million as of March 31, 2018. Trade and other receivables-net consists of trade receivables from agents, advances to fulfillment agents, advances to trading agents, advances to related parties and other receivables. Trade and other receivables as of March 31, 2018 and December 31, 2017 were 28.6% and 19.5% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Financial assets at fair value through profit or loss (FVTPL) consist of investments in private debt and equity securities (listed overseas) held for trading, forward and swap contracts. Financial assets increased by PHP 81.2 million or 24.1% from PHP 336.8 million as of December 31, 2017 to PHP 418.0 million as of March 31, 2018, due to higher debt and equity securities by PHP 41.4 million and PHP 47.0 million respectively. Mark-to-market value of forward and swap contracts decreased by PHP 7.2 million in the first quarter of 2018. Financial assets at FVTPL as of March 31, 2018 and December 31, 2017 were 11.7% and 10.4% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Prepayments and other current assets decreased by PHP 8.76 million or -14.8% from PHP 59.32 million as of December 31, 2017 to PHP 50.56 million as of March 31, 2018. 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 March 31, 2018 and December 31, 2017 were 1.4% and 1.8% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Total non-current assets increased by PHP 7.9 million or 2.7% from PHP 288.1 million as of December 31, 2017 to PHP 296.0 million as of March 31, 2018. Total non-current assets as of March 31, 2018 and December 31, 2017 were 8.3% and 8.9% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Investment in an associate increased slightly by PHP 0.9 million or 7.4% from PHP 11.6 million as of December 31, 2017 to PHP 12.5 million as of March 31, 2018. The increase represents equity earnings from Hwa Kung Hong & Co., Ltd. (foreign subsidiary office in Taiwan). Investment in an associate as of March 31, 2018 and December 31, 2017 were 0.4% and 0.4% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Property and equipment-net decreased by PHP 1.7 million or -6.0% from PHP 27.7 million as of December 31, 2017 to PHP 26.0 million as of March 31, 2018. Property and equipment-net as of March 31, 2018 and December 31, 2017 were 0.7% and 0.9% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Intangible assets-net decreased by PHP 0.3 million or -0.3% from PHP 121.2 million as of December 31, 2017 to PHP 120.9 million as of March 31, 2018. Intangible assets consist of goodwill which has remained constant from last year, software cost-net which showed a decrease of PHP 0.3 million or -8.0% as of March 31, 2018, and patents, trademarks and copyrights with recorded decrease in net book value by PHP 0.009 million as of March 31, 2018. Intangible assets as of March 31, 2018 and December 31, 2017 were 3.4% and 3.7% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Retirement asset was at PHP 15.8 million as of March 31, 2018, higher by PHP 1.7 million or 12.4% from PHP 14.1 as of December 31, 2017. Retirement asset was constant at 0.4% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Deferred tax assets decreased by PHP 0.1 million or -0.5% from PHP 12.2 million as of December 31, 2017 to PHP 12.1 million as of March 31, 2018. Deferred tax assets as of March 31, 2018 and December 31, 2017 were 0.3% and 0.4% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Other non-current assets increased by PHP 7.3 million or 7.2% from PHP 101.4 million as of December 31, 2017 to PHP 108.7 million as of March 31, 2018. Other non-current assets consist of refundable deposits which increased by PHP 2.0 million or 6.1% and refundable

input value added tax which increased by PHP 5.3 million or 9.5% from PHP 32.2 million as of December 31, 2017 to PHP 34.1 million as of March 31, 2018. Other non-current assets as of March 31, 2018 and December 31, 2017 were 3.0% and 3.1% of the total assets as of March 31, 2018 and December 31, 2017, respectively.

Total liabilities increased by PHP 282.9 million or 14.9% from PHP 1,895.9 million as of December 31, 2017 to PHP 2,178.8 million as of March 31, 2018. Total liabilities as of March 31, 2018 and December 31, 2017 were 60.9% and 58.6% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Total current liabilities increased by PHP 280.8 million or 14.9% from PHP 1,889.7 million as of December 31, 2017 to PHP 2,170.5 million as of March 31, 2018. Total current liabilities as of March 31, 2018 and December 31, 2017 were 60.7% and 58.4% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Financial liabilities at fair value through profit or loss (FVTPL) decreased by PHP 1.8 million or -25.0% from PHP 7.1 million as of December 31, 2017 to PHP 5.3 million as of March 31, 2018 due to lower mark-to-market value of forward contracts in First Quarter 2018. Financial liabilities at FVTPL as of March 31, 2018 and December 31, 2017 were 0.2% and 0.2% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Beneficiaries and other payables increased by PHP 140.6 million or 38.6% from PHP 363.8 million as of December 31, 2017 to PHP 504.4 million as of March 31, 2018. Beneficiaries and other payables comprised mainly of payables to beneficiaries, payables to agents, couriers and trading clients, accrued expenses, payables to related parties, payables to government agencies and suppliers. Payables to beneficiaries increased significantly in the first quarter of 2018 due to four-holiday transactions in quarter ending March 31, 2018. Beneficiaries and other payables as of March 31, 2018 and December 31, 2017 were 14.1% and 11.2% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Income tax payable increased by PHP 12.0 million or 136.6% from PHP 8.8 million as of December 31, 2017 to PHP 20.8 million as of March 31, 2018. Income tax payable as of March 31, 2018 and December 31, 2017 were 0.6% and 0.3% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Interest-bearing loans increased by PHP 130.0 million or 8.6% from PHP 1,510.0 million as of December 31, 2017 to PHP 1,640.0 million as of March 31, 2018 due to increased volume in remittance that required fulfillment in peso. Interest-bearing loans as of March 31, 2018 and December 31, 2017 were 45.8% and 46.6% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Total non-current liabilities increased by PHP 2.1 or 33.8% from PHP 6.2 million as December 31, 2017 to PHP 8.3 million as of March 31, 2018. Non-current liabilities consist of deferred tax liabilities and retirement benefit obligation. The Group has recognized retirement benefit obligation to its employee this quarter ending March 31, 2018 compared to none in the previous year based on the recommendation of its actuarial consultant. Total non-current liabilities as of March 31, 2018 and December 31, 2017 were 0.2% and 0.2% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

The Company's stockholders' equity as of March 31, 2018 stood higher by PHP 56.42 million or 4.2% from PHP 1,342.0 million as of December 31, 2017 to PHP 1,398.42 million as of March 31, 2018 mainly due to income generated in First Quarter 2018 at PHP 32.05 million, and increase in cumulative translation adjustment by PHP 24.37 million. Total stockholders'

equity as of March 31, 2018 and December 31, 2017 were 39.1% and 41.5% of the total liabilities and stockholders' equity as of March 31, 2018 and December 31, 2017, respectively.

Reports under SEC Form 17-C (Current Report) that were filed during the First Quarter 2018 covered by this report:

Date	Report
February 28, 2018	Resignation of Compliance Officer "Please be informed that Mr. Kristoffer Vince C. Regis resigned as Compliance Officer of the Corporation effective February 28, 2018 to pursue other endeavors. His replacement is Mr. Froilan Miguel G. Alcantara."
March 23, 2018	Change in designation of Messrs. Bansan C. Choa and Harris D. Jacildo "Please be advised that in the meeting of the Board of Directors (the "Board") held on March 23, 2018, the Board approved the following changes in designation of Messrs. Bansan C. Choa and Harris D. Jacildo. Pursuant to the regulations of the <i>Bangko Sentral ng Pilipinas</i> and in accordance with good corporate governance practices, Mr. Bansan C. Choa shall cease to be the Chief Executive Officer of I-Remit, Inc. He shall continue to be the Chairman of the Board of Directors. Accordingly, the designation of Mr. Harris D. Jacildo was changed from "President and Chief Operating Officer" to "President"."

For the first two months of 2018, personal remittances from Overseas Filipinos reached USD 4.6 billion representing a year-on-year growth of 7.1%. Land-based workers contributed a growth of 6.4% to USD 3.6 billion while remittance from sea-based workers rose by 9.8% to USD 1.0 billion. In the month of February alone, total remittance amounted to USD 2.3 billion up 4.5% from the same period last year. This is, however, the smallest in three straight months.

The peso averaged PHP 51.7856 to the greenback in February, weaker than the PHP 49.9614 average recorded during the same month last year, according to BSP data. This may be the reason why remittance slowed down in February, i.e., the required US dollars needed to be sent by OFWs to the Philippines is less given the higher value of the US dollar vs. the Peso (i.e., less US dollars needed for the same amount of pesos). Some migrant workers may have even held on to their salaries waiting for an "optimal" peso-dollar exchange rate.

The bulk of cash remittances came from the US, United Arab Emirates (UAE), Saudi Arabia, Singapore, Japan, United Kingdom, Qatar, Germany, Hong Kong and Canada. The combined remittances from these countries accounted for almost 80% of total cash remittances.

The United States remained the biggest source of inflows at USD 747.049 million, which accounted for 1.2% of the overall growth in February. Other major sources of funds were the

United Arab Emirates (USD 196.377 million), Germany (USD 76.181 million) and Malaysia (USD 39.422 million).

Despite the proposed deployment ban to Kuwait, It is expected that cash remittances may grow faster this year as OFWs will take advantage of a weaker peso. Money sent from Kuwait for the first two months of 2018 totaled USD 105.918 million, down by 13.3% from the same period last year.

The BSP expects remittances to grow by another 4% this year to above USD 29 billion. This faster growth is seen amid improving growth led by the United States as well as upward trend in the prices of oil which will benefit the Middle East where most of our OFWs are based.

Remittances fuel domestic consumption, which in turn drives much of overall economic growth. With the current weakness of the Peso against the USD providing an incentive for workers to send more cash home, consumer spending which accounts for 70% of the Philippine economy will increase.

In a related development, the Philippines Statistics Authority (PSA) released this April the results of a survey conducted covering the period April to September 2017. It showed that the number of Overseas Filipino Workers (OFWs) who worked abroad during the period was estimated at 2.3 million. Overseas Contract Workers (OCWs), those with existing work contract comprised 97% of the total OFWs.

Saudi Arabia was the most preferred country among OFWs (25.4%). Other choices were United Arab Emirates (15.3%), Kuwait (6.7%) and Hong Kong (6.5%).

The total remittance sent by OFWs for the period was estimated at PHP 205.2 billion. These were broken down as follows: cash sent home (PHP 146.8 billion), cash brought home (PHP 48.3 billion) and remittances in kind (PHP 10.1 billion). Most of the OFWs sent their remittance through banks (62.8%). The rest sent through agencies or local offices (3.1%), door-to-door delivery (0.8%), friends or co-workers (0.1%) or through other means (33.1%).

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

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	2.3%	3.3%
Return on Assets (ROA)	Net income* over average total assets during the period	0.9%	1.6%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	0.0524	0.0722
Sales Growth	Total transaction value in USD in present period over the previous year	8.3%	18.1%
Gross Income	Revenue less total cost of services (PHP millions)	149.1	507.1
Current ratio	Total current assets over total current liabilities	1.5118	1.5610
Solvency ratio	Net income plus depreciation over total liabilities	0.0160	0.0299
Solvency ratio	Total assets over total liabilities	1.6418	1.7079
Solvency ratio	Total stockholders' equity over total liabilities	0.6418	0.7079
Debt-to equity ratio	Total liabilities over total stockholders' equity	1.5581	1.4127
Asset-to-equity ratio	Total assets over total stockholders' equity	2.5581	2.4127
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	4.2001	2.3281

* 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 March 31, 2018 and for the year ended December 31, 2017 were PHP 0.0524 and PHP 0.0722, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-2%	-1463%
Return on Assets (ROA)	Net income over average total assets during the period	0.17%	-18.17%
Earnings per Share (EPS)	Net income over average number of outstanding shares	0.62	-58.09
Sales Growth	Total transaction value in USD in present period over the previous year	15.1%	11.8%
Gross Income	Revenue less total cost of services (PHP millions)	21.7	75.6

Lucky Star Management Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	17%	31%
Return on Assets (ROA)	Net income over average total assets during the period	-8%	-12%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-8.05	-11.44
Sales Growth	Total transaction value in USD in present period over the previous year	40%	1%
Gross Income	Revenue less total cost of services (PHP millions)	3.8	15.1

IRemit Global Remittance Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	113%	211%
Return on Assets (ROA)	Net income over average total assets during the period	2%	-8%
Earnings per Share (EPS)	Net income over average number of outstanding shares	2.61	-12.57
Sales Growth	Total transaction value in USD in present period over the previous year	31%	23%
Gross Income	Revenue less total cost of services (PHP millions)	18.4	66.0

I-Remit Australia Pty Ltd

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.02%	0.24%
Return on Assets (ROA)	Net income over average total assets during the period	0.02%	0.2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	438.83	4,466.33
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.03	0.2

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	15%	115%
Return on Assets (ROA)	Net income over average total assets during the period	-5%	-20%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-28.41	-124.37
Sales Growth	Total transaction value in USD in present period over the previous year	-5%	-15%
Gross Income	Revenue less total cost of services (PHP millions)	5.6	22.2

I-Remit New Zealand Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-7%	3%
Return on Assets (ROA)	Net income over average total assets during the period	18%	-7%
Earnings per Share (EPS)	Net income over average number of outstanding shares	1,608.04	-639.64
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	-	-

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-6%	-10%
Return on Assets (ROA)	Net income over average total assets during the period	874%	874%
Earnings per Share (EPS)	Net income over average number of outstanding shares	17.36	28.12
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	-0.01	-0.05

Power Star Asia Group Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	1%	10%
Return on Assets (ROA)	Net income over average total assets during the period	1%	9%
Earnings per Share (EPS)	Net income over average number of outstanding shares	9.67	58.59
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	4.3	12.0

K. K. I-Remit Japan

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	6%	21%
Return on Assets (ROA)	Net income over average total assets during the period	2%	10%
Earnings per Share (EPS)	Net income over average number of outstanding shares	603.74	1,734.26
Sales Growth	Total transaction value in USD in present period over the previous year	-80%	1%
Gross Income	Revenue less total cost of services (PHP millions)	9.8	33.3

I-Remittance Singapore Pte. Ltd.

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Dec. 31, 2017 (Full Year)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	7%	237%
Return on Assets (ROA)	Net income over average total assets during the period	-1%	-10%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-5.34	-67.96
Sales Growth	Total transaction value in USD in present period over the previous year	21%	106%
Gross Income	Revenue less total cost of services (PHP millions)	9.1	26.1

March 31, 2018 vs. March 31, 2017

I-Remit realized a consolidated net income of PHP 32.1 million in First Quarter 2018, higher by PHP 27.4 million or 585.6% than the consolidated net income of PHP 4.7 million in First Quarter 2017. The consolidated net income in First Quarter 2018 and First Quarter 2017 were 13.7% and 2.5% of the First Quarter 2018 and First Quarter 2017 revenues, respectively.

Revenues increased by PHP 44.5 million or 23.4% from PHP 190.0 million in First Quarter 2017 to PHP 234.5 million in First Quarter 2018, significantly due to higher delivery fees recorded in First Quarter 2018 by PHP 20.0 million or 12.9% from PHP 155.0 million in First Quarter 2017 to PHP 175.0 million in First Quarter 2018. Realized foreign currency gains were higher by PHP 22.6 million or 69.5% from PHP 32.4 million in First Quarter 2017 to PHP 55.0 million in First Quarter 2018. Other fees went up by PHP 1.9 million or 73.9% from PHP 2.6 million in First Quarter 2017 to PHP 4.5 million in First Quarter 2018.

Cost of services increased by PHP 8.2 million or 10.7% from PHP 77.1 million in First Quarter 2017 to PHP 85.3 million in First Quarter 2018, mainly due to higher remittance volume with recorded increase at 8.0% in First Quarter 2018. Delivery and bank service charges increased by PHP 5.7 million or 9.5% from PHP 60.2 million in First Quarter 2017 to PHP 65.9 million in First Quarter 2018. Finance cost was higher by PHP 1.9 million or 15.9% from PHP 12.0 million in First Quarter 2017 to PHP 13.9 million in First Quarter 2018 due to additional loans availed in First Quarter 2018. Other direct cost slightly increased by PHP 0.6 million in First Quarter March 31, 2018. Total cost of services in First Quarter 2018 and First Quarter 2017 were 36.4% and 40.6% of the First Quarter 2018 and First Quarter 2017 revenues, respectively.

The Company's gross profit consequently increased by PHP 36.29 million or 32.2% from PHP 112.85 million in First Quarter 2017 to PHP 149.14 million in First Quarter 2018. The gross profit in First Quarter 2018 and First Quarter 2017 were 63.6% and 59.4% of the First Quarter 2018 and First Quarter 2017 revenues, respectively.

Transaction count increased by 8.0% from 939.38 thousand in First Quarter 2017 to 1.01 million in First Quarter 2018. USD remittance volume increased by 8.27% from USD 408.27 million in First Quarter 2017 to USD 442.03 million in First Quarter 2018. Of the total transaction count in First Quarter 2018, the percentage contributions per region were as

follows: Asia-Pacific, 34%; Middle East, 45%; North America, 12%; and, Europe, 10%. In terms of USD remittance volume, the regional contributions were as follows: Asia-Pacific, 33%; Middle East, 43%; North America, 13%; and, Europe, 12%.

Net trading gains decreased by PHP 2.5 million or -104.8% from PHP 2.4 million in First Quarter 2017 to - PHP 0.1 million in First Quarter 2018, due to loss realized from sale of equity securities by Power Star Asia Group Limited (PSAGL) in First Quarter 2018 from none in First Quarter 2017 and lower gain recognized from sale of debt securities in First Quarter 2018. Net trading gains in First Quarter 2018 and First Quarter 2017 were -0.05% and 1.3% of the First Quarter 2018 and First Quarter 2017 revenues, respectively.

Other income decreased by PHP 3.2 million or -10.8% from PHP 29.5 million in First Quarter 2017 to PHP 26.3 million in First Quarter 2018, significantly due to lower unrealized foreign currency gain recognized after the revaluation of foreign currency denominated accounts and mark to market valuation of financial derivative contracts in First Quarter 2018.

Operating expenses were lower by PHP 6.5 million or -4.7% from PHP 138.2 million in First Quarter 2017 to PHP 131.7 million in First Quarter 2018 significantly due to fully expensed bad debts on trade and other receivables at PHP 5.1 million from PHP 6.0 million in First Quarter 2017 to PHP 0.1 million in First Quarter 2018. Professional fees, representation, and marketing expenses likewise decreased by PHP 1.5 million, PHP 2.7 million, and PHP 1.8 million, respectively. These decreases however were offset partly by the increases in rental by PHP 2.6 million, transportation expenses by PHP 1.5 million, and net of other expenses by PHP 0.7 million. Total operating expenses in First Quarter 2018 and First Quarter 2017 were 56.2% and 72.8% of the total revenues in First Quarter 2018 and First Quarter 2017, respectively.

Equity in net earnings of an associate increased by PHP 0.5 million or 137.6% from PHP 0.36 million in First Quarter 2017 and PHP 0.86 million in First Quarter 2018. Equity in net earnings of an associate in First Quarter 2018 and First Quarter 2017 were at 0.4 and 0.2% of the total revenues in First Quarter 2018 and First Quarter 2017, respectively.

The total assets of the Company increased by PHP 1,034.8 million or 40.7% from PHP 2,542.4 million as of March 31, 2017 to PHP 3,577.2 million as of March 31, 2018.

Total current assets increased by PHP 1,033.3 million or 46.0% from PHP 2,248.0 million (amount re-stated from PHP 2,261.2 million) as of March 31, 2017 to PHP 3,281.3 million as of March 31, 2018. Other current assets representing receivable from the Bureau of Internal Revenue for uncollected IPO tax refund amounting to PHP 13.2 million in 2007 re-classified to other non-current assets, hence, the re-statement in amount. Total current assets as of March 31, 2018 and March 31, 2017 were 91.7% and 88.4% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Cash and cash equivalents increased by PHP 290.3 million or 19.4% from PHP 1,499.1 million as of March 31, 2017 to PHP 1,789.4 million as of March 31, 2018. Cash and cash equivalents as of March 31, 2018 and March 31, 2017 were 50.0% and 59.0% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Trade and other receivables-net increased by PHP 592.9 million or 137.7% from PHP 430.5 million as of March 31, 2017 to PHP 1,023.4 million as of March 31, 2018. Trade and other receivables-net consists of trade receivables from agents, advances to fulfillment agents, advances to trading agents, advances to related parties and other receivables. Trade and other receivables as of March 31, 2018 and March 31, 2017 were 28.6% and 16.9% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Financial assets at fair value through profit or loss (FVTPL), which consist of investments in private debt and equity securities (listed overseas) held for trading, forward contracts, and swap contracts increased by PHP 133.4 million or 46.9% from PHP 284.5 million as of March 31, 2017 to PHP 417.9 million as of March 31, 2018. Significant increase in value was recognized on investments on debt and equity securities by PHP 78.7 million and PHP 47.4 million, respectively. Mark-to-market value of forward and swap contracts also increased by PHP 7.3 million in addition. Financial assets at FVTPL as of March 31, 2018 and March 31, 2017 were 11.7% and 11.2% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Prepayments and other current assets increased by PHP 16.8 million or 49.5% from PHP 33.8 million (amount re-stated from PHP 47.00 million) as of March 31, 2017 to PHP 50.6 million as of March 31, 2018. Other current assets representing receivable from the Bureau of Internal Revenue for uncollected IPO tax refund amounting to PHP 13.2 million in 2007 re-classified to other non-current assets, hence, the re-statement in amount. Prepayments and other current assets as of March 31, 2018 and March 31, 2017 were 1.4% and 1.3% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Total non-current assets increased by PHP 1.5 million or 0.5% from PHP 294.4 million (amount re-stated from PHP 281.3 million) as of March 31, 2017 to PHP 295.9 million as of March 31, 2018. Total non-current assets as of March 31, 2018 and March 31, 2017 were 8.3% and 11.6% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Investment in an associate increased by PHP 2.3 million or 22.5% from PHP 10.2 million as of March 31, 2017 to PHP 12.5 million as of March 31, 2018. The increase represents equity earnings from Hwa Kung Hong & Co., Ltd. (foreign subsidiary office in Taiwan). Investment in an associate as of March 31, 2018 and March 31, 2017 were at 0.3% and 0.4% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Property and equipment-net decreased by PHP 9.2 million or -26.1% from PHP 35.3 million as of March 31, 2017 to PHP 26.1 million as of March 31, 2018. Property and equipment-net as of March 31, 2018 and March 31, 2017 were at 0.7% and 1.4% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Intangible assets-net decreased by PHP 0.2 million or -0.2% from PHP 121.1 million as of March 31, 2017 to PHP 120.9 million as of March 31, 2018. Intangible assets consist of goodwill, software, and patents, trademarks and copyrights. Goodwill stood at PHP 116.3 million as of March 31, 2018, decreased by PHP 0.3 million or -0.2% from PHP 116.6 million as of March 31, 2017 due to change in calculating the year-end value of goodwill from closing rate as of March 31, 2017 to historical rate as of March 31, 2018. Software costs-net decreased by PHP 1.1 million or -24.5% from PHP 4.5 million as of March 31, 2017 to PHP 3.4 million as of March 31, 2018 due to increase in amortization cost as of March 31, 2018. The Group recognized the cost of producing its corporate song in May 2017, net book value as of March 31, 2018 at PHP 1.1 million. Intangible assets-net as of March 31, 2018 and March 31, 2017 were 3.4% and 4.8% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Retirement asset decreased by PHP 2.8 million or -15.0% from PHP 18.6 million as of March 31, 2017 to PHP 15.8 million as of March 31, 2018. Retirement asset as of March 31, 2018 and March 31, 2017 were 0.4% and 0.7% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Deferred tax assets decreased by PHP 5.9 million or -32.7% from PHP 18.0 million as of March 31, 2017 to PHP 12.1 million as of March 31, 2018. Deferred tax assets as of March 31, 2018 and March 31, 2017 were 0.3% and 0.7% of the total assets as of March 31, 2018

and March 31, 2017, respectively.

Other non-current assets increased by PHP 17.4 million or 19.0% from PHP 91.3 million (re-stated from PHP 78.1 million) as of March 31, 2017 to PHP 108.7 million as of March 31, 2018. Other current assets representing receivable from the Bureau of Internal Revenue for uncollected IPO tax refund amounting to PHP 13.2 million in 2007 re-classified to other non-current assets, hence, the re-statement in amount. Other non-current assets consist of refundable deposits, and receivable from BIR for input value added tax, IPO tax refund and others. Refundable deposits increased by PHP 1.4 million or 4.3% from PHP 32.7 million as of March 31, 2017 to PHP 34.1 million as of March 31, 2018. Input value added tax receivable increased by PHP 16.0 million or 35.3% from PHP 45.4 million as of March 31, 2017 to PHP 61.4 million as of March 31, 2018. IPO Tax claim for refund from the Bureau stood at PHP 13.2 million. Other non-current assets as of March 31, 2018 and March 31, 2017 were 3.0% and 3.6% of the total assets as of March 31, 2018 and March 31, 2017, respectively.

Total liabilities increased by PHP 961.5 million or 79.0% from PHP 1,217.3 billion as of March 31, 2017 to PHP 2,178.8 million as of March 31, 2018. Total liabilities as of March 31, 2018 and March 31, 2017 were 60.9% and 47.9% of the total liabilities and equity as of March 31, 2018 and March 31, 2017, respectively.

Total current liabilities increased by PHP 960.3 million or 79.4% from PHP 1,210.2 billion as of March 31, 2017 to PHP 2,170.5 million as of March 31, 2018. Total current liabilities as of March 31, 2018 and March 31, 2017 were 60.7% and 47.6% of the total liabilities and equity as of March 31, 2018 and March 31, 2017, respectively.

Financial liabilities at fair value through profit or loss (FVTPL) decreased by PHP 5.5 million or -51.0% from PHP 10.8 million as of March 31, 2017 to PHP 5.3 million as of March 31, 2018. BSP closing rate for the mark-to-market valuation of forward and swap contracts dealt at an average rate of 52.04 as of March 31, 2018 was higher at 52.16 compared with BSP closing rate at 50.16 dealt at an average rate of 50.15 as of March 31, 2017. Financial liabilities at FVTPL as of March 31, 2018 and March 31, 2017 were 0.1% and 0.4% of the total liabilities and equity as of March 31, 2018 and March 31, 2017, respectively.

Beneficiaries and other payables increased by PHP 406.3 million or 414.1% from PHP 98.1 million as of March 31, 2017 to PHP 504.4 million as of March 31, 2018. Beneficiaries and other payables comprised mainly of payables to beneficiaries, payables to agents, couriers and trading clients, accrued expenses, payables to related parties, payable to government agencies and suppliers. Beneficiaries and other payables as of March 31, 2018 and March 31, 2017 were 14.1% and 3.9% of the total liabilities and equity as of March 31, 2018 and March 31, 2017, respectively.

Income tax payable was higher by PHP 19.5 million or 1494.6% from PHP 1.3 million as of March 31, 2017 to PHP 20.8 million as of March 31, 2018 mainly due to lower taxable income recognized in First Quarter 2018. Income tax payable as of March 31, 2018 and March 31, 2017 were at 0.6% and at 0.1% of the total liabilities and stockholders' equity as of March 31, 2018 and March 31, 2017, respectively.

Interest-bearing loans payable increased by PHP 540.0 million or 49.1% from PHP 1,100.0 million as of March 31, 2017 to PHP 1,640.0 million as of March 31, 2018 due to higher utilization of bank credit lines in First Quarter 2018. 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% per annum in First Quarter 2017 and from 3.6% to 5.6% in First Quarter 2018. Loans payable as of March 31, 2018 and March 31, 2017 were 45.8% and 43.3% of the total liabilities and equity as of March 31, 2018 and March 31, 2017,

respectively.

Total non-current liabilities increased by PHP 1.2 million or 16.9% from PHP 7.1 million as of March 31, 2017 to PHP 8.3 million as of March 31, 2018 due to the increase in retirement liability at PHP 2.1 million, partly offset by the decrease in deferred tax liabilities at PHP 0.9 million. No retirement liability recognized as of March 31, 2017. Total non-current liabilities as of March 31, 2018 and March 31, 2017 were 0.2% and 0.3% of the total liabilities and stockholder's equity as of March 31, 2018 and March 31, 2017, respectively.

The total stockholders' equity of the group stood at PHP 1,398.4 million as of March 31, 2018, higher by PHP 73.3 million or 5.5% against the March 31, 2017 level of PHP 1,325.1 million. This increase in stockholders' equity was due to higher income generated for the period, appropriation of retained earnings in September 2017, positive cumulative translation adjustment, re-measurement adjustments on retirement fund and higher buy-back of treasury shares of stock. Total stockholders' equity as of March 31, 2018 and March 31, 2017 were 39.1% and 52.1% of the total liabilities and equity as of March 31, 2018 and March 31, 2017, respectively.

Reports under SEC Form 17-C (Current Report) that were filed during the First Quarter 2018 covered by this report:

Date	Report
February 28, 2018	Resignation of Compliance Officer "Please be informed that Mr. Kristoffer Vince C. Regis resigned as Compliance Officer of the Corporation effective February 28, 2018 to pursue other endeavors. His replacement is Mr. Froilan Miguel G. Alcantara."
March 23, 2018	Change in designation of Messrs. Bansan C. Choa and Harris D. Jacildo "Please be advised that in the meeting of the Board of Directors (the "Board") held on March 23, 2018, the Board approved the following changes in designation of Messrs. Bansan C. Choa and Harris D. Jacildo. Pursuant to the regulations of the <i>Bangko Sentral ng Pilipinas</i> and in accordance with good corporate governance practices, Mr. Bansan C. Choa shall cease to be the Chief Executive Officer of I-Remit, Inc. He shall continue to be the Chairman of the Board of Directors. Accordingly, the designation of Mr. Harris D. Jacildo was changed from "President and Chief Operating Officer" to "President"."

For the first two months of 2018, personal remittances from Overseas Filipinos reached USD 4.6 billion representing a year-on-year growth of 7.1%. Land-based workers contributed a growth of 6.4% to USD 3.6 billion while remittance from sea-based workers rose by 9.8% to USD 1.0 billion. In the month of February alone, total remittance amounted to USD 2.3 billion up 4.5% from the same period last year. This is, however, the smallest in three straight months.

The peso averaged PHP 51.7856 to the greenback in February, weaker than the PHP 49.9614 average recorded during the same month last year, according to BSP data. This may be the reason why remittance slowed down in February, i.e., the required US dollars needed to be sent by OFWs to the Philippines is less given the higher value of the US dollar vs. the Peso (i.e., less US dollars needed for the same amount of pesos). Some migrant workers may have even held on to their salaries waiting for an “optimal” peso-dollar exchange rate.

The bulk of cash remittances came from the US, United Arab Emirates (UAE), Saudi Arabia, Singapore, Japan, United Kingdom, Qatar, Germany, Hong Kong and Canada. The combined remittances from these countries accounted for almost 80% of total cash remittances.

The United States remained the biggest source of inflows at USD 747.049 million, which accounted for 1.2% of the overall growth in February. Other major sources of funds were the United Arab Emirates (USD 196.377 million), Germany (USD 76.181 million) and Malaysia (USD 39.422 million).

Despite the proposed deployment ban to Kuwait, It is expected that cash remittances may grow faster this year as OFWs will take advantage of a weaker peso. Money sent from Kuwait for the first two months of 2018 totaled USD 105.918 million, down by 13.3% from the same period last year.

The BSP expects remittances to grow by another 4% this year to above USD 29 billion. This faster growth is seen amid improving growth led by the United States as well as upward trend in the prices of oil which will benefit the Middle East where most of our OFWs are based.

Remittances fuel domestic consumption, which in turn drives much of overall economic growth. With the current weakness of the Peso against the USD providing an incentive for workers to send more cash home, consumer spending which accounts for 70% of the Philippine economy will increase.

In a related development, the Philippines Statistics Authority (PSA) released this April the results of a survey conducted covering the period April to September 2017. It showed that the number of Overseas Filipino Workers (OFWs) who worked abroad during the period was estimated at 2.3 million. Overseas Contract Workers (OCWs), those with existing work contract comprised 97% of the total OFWs.

Saudi Arabia was the most preferred country among OFWs (25.4%). Other choices were United Arab Emirates (15.3%), Kuwait (6.7%) and Hong Kong (6.5%).

The total remittance sent by OFWs for the period was estimated at PHP 205.2 billion. These were broken down as follows: cash sent home (PHP 146.8 billion), cash brought home (PHP 48.3 billion) and remittances in kind (PHP 10.1 billion). Most of the OFWs sent their remittance through banks (62.8%). The rest sent through agencies or local offices (3.1%), door-to-door delivery (0.8%), friends or co-workers (0.1%) or through other means (33.1%).

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

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income* over average stockholders' equity during the period	2.3%	0.4%
Return on Assets (ROA)	Net income* over average total assets during the period	0.9%	0.2%
Earnings per Share (EPS)	Net income* over average number of outstanding shares	0.0524	0.0076
Sales Growth	Total transaction value in USD in present period over the same period in the previous year	8.3%	34.5%
Gross Income	Revenue less total cost of services (PHP millions)	149.1	112.9
Current ratio	Total current assets over total current liabilities	1.5118	1.8685
Solvency ratio	Net income plus depreciation over total liabilities	0.0160	0.0063
Solvency ratio	Total assets over total liabilities	1.6418	2.0886
Solvency ratio	Total stockholders' equity over total liabilities	0.6418	1.0886
Debt-to equity ratio	Total liabilities over total stockholders' equity	1.5581	0.9186
Asset-to-equity ratio	Total assets over total stockholders' equity	2.5581	1.9186
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	4.2001	1.5727

* 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 March 31, 2018 and March 31, 2017 were P 0.0524 and P 0.0076, respectively.

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

International Remittance (Canada) Ltd.

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-2%	-39%
Return on Assets (ROA)	Net income over average total assets during the period	0.17%	-4.22%
Earnings per Share (EPS)	Net income over average number of outstanding shares	0.62	-11.04
Sales Growth	Total transaction value in USD in present period over the previous year	15.1%	13.41%
Gross Income	Revenue less total cost of services (PHP millions)	21.7	19.6

Lucky Star Management Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	17%	4%
Return on Assets (ROA)	Net income over average total assets during the period	-8%	-2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-8.05	-1.33
Sales Growth	Total transaction value in USD in present period over the previous year	40%	13%
Gross Income	Revenue less total cost of services (PHP millions)	3.8	3.8

IRemit Global Remittance Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	113%	27%
Return on Assets (ROA)	Net income over average total assets during the period	2%	-1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	2.61	-0.73
Sales Growth	Total transaction value in USD in present period over the previous year	31%	-7%
Gross Income	Revenue less total cost of services (PHP millions)	18.4	17.1

I-Remit Australia Pty Ltd

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	0.02%	0.07%
Return on Assets (ROA)	Net income over average total assets during the period	0.02%	0.1%
Earnings per Share (EPS)	Net income over average number of outstanding shares	438.83	1,364.05
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	0.03	0.1

Worldwide Exchange Pty Ltd

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	15%	47%
Return on Assets (ROA)	Net income over average total assets during the period	-5%	-7%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-28.41	-27.66
Sales Growth	Total transaction value in USD in present period over the previous year	-5%	-17%
Gross Income	Revenue less total cost of services (PHP millions)	5.6	6.6

I-Remit New Zealand Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-7%	-9%
Return on Assets (ROA)	Net income over average total assets during the period	18%	20%
Earnings per Share (EPS)	Net income over average number of outstanding shares	1,608.04	1,932.82
Sales Growth	Total transaction value in USD in present period over the previous year	-100%	-100%
Gross Income	Revenue less total cost of services (PHP millions)	-	-

IREMIT Remittance Consulting GmbH

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	-6%	-20%
Return on Assets (ROA)	Net income over average total assets during the period	874%	1,325%
Earnings per Share (EPS)	Net income over average number of outstanding shares	17.36	50.28
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	-0.01	-0.01

Power Star Asia Group Limited

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	1%	3%
Return on Assets (ROA)	Net income over average total assets during the period	1%	3%
Earnings per Share (EPS)	Net income over average number of outstanding shares	9.67	19.56
Sales Growth	Total transaction value in USD in present period over the previous year	-	-
Gross Income	Revenue less total cost of services (PHP millions)	4.3	2.4

K. K. I-Remit Japan

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	6%	5%
Return on Assets (ROA)	Net income over average total assets during the period	2%	2%
Earnings per Share (EPS)	Net income over average number of outstanding shares	603.74	355.04
Sales Growth	Total transaction value in USD in present period over the previous year	-80%	378%
Gross Income	Revenue less total cost of services (PHP millions)	9.8	7.3

I-Remittance Singapore Pte. Ltd.

Performance Indicator	Definition	Mar. 31, 2018 (Three Months)	Mar. 31, 2017 (Three Months)
Return on Equity (ROE)	Net income over average stockholders' equity during the period	7%	-1,021%
Return on Assets (ROA)	Net income over average total assets during the period	-1%	-3%
Earnings per Share (EPS)	Net income over average number of outstanding shares	-5.34	-13.81
Sales Growth	Total transaction value in USD in present period over the previous year	21%	-
Gross Income	Revenue less total cost of services (PHP millions)	9.1	7.2

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 33 to 34.

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 28 to 31.

- (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 32.

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

Please refer to pages 33 to 34.

- (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 32.

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 March 31, 2018 and December 31, 2017, 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.

Fair Value Hierarchy

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

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

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

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

As of March 31, 2018 and December 31, 2017 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 2018 and 2017.

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 March 31, 2018 and December 31, 2017. 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 March 31, 2018 and December 31, 2017, 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, 2017.
- 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 March 31, 2018 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, 2017.
- 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 May 15, 2018.

By:



HARRIS D. JACILDO
President



BERNADETTE CINDY C. TIW
Senior Vice President & Chief Financial Officer