

Tarjeta Naranja S.A.

Condensed Interim Financial Statements

For the six-month period commenced January 1, 2019 and ended June 30, 2019, presented on a comparative basis

(Free Translation from the Original in Spanish for Publication in Argentina)

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Tarjeta Naranja S.A.

(Free Translation from the Original in Spanish for Publication in Argentina)

Legal Domicile: La Tablada 451 – Córdoba

Principal Line of Business: Credit Card Administrator

25th Year

Condensed Interim Financial Statements

For the six-month period commenced January 1, 2019 and ended June 30, 2019, presented on a comparative basis.

Expressed in thousands of constant Argentine Pesos at period-end.

Date of Registration with the Public Registry of Commerce:

Of Bylaws: December 12, 1995, May 3, 2001, March 24, 2004, and May 9, 2018 (Note 5)

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Date of Expiration of Company's Bylaws: December 12, 2094

CAPITAL STATUS (Note 5)				
Shares			Subscribed	Paid-in
Number	Type	Voting Rights per Share		
2,824	Ordinary shares with a face value of AR\$ 10,000	1	In Thousands of AR\$	
2,824			28,240	28,240

Information on the Controlling Company:

Company's Name: **Tarjetas Regionales S.A.**

Legal Domicile: Tte. Gral. Juan D. Perón No. 430 – 19th Floor, Autonomous City of Buenos Aires.

Principal Line of Business: Financial and investment activities. Its principal line of business is to invest in nonbanking credit card issuers and in companies that perform services supplementary to the abovementioned activity (holding company).

Interest in Equity: 99.96%

Percentage of Votes: 99.96%

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Andrés Suarez

Certified Public Accountant (U.B.A.)

Professional License No. 10.11421.4 – C.P.C.E.Cba.

TARJETA NARANJA S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS
As of June 30, 2019, presented on a comparative basis
(Free Translation from the Original in Spanish for Publication in Argentina)

Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Condensed Interim Statement of Profit or Loss

For the six-month periods ended June 30, 2019 and 2018
Expressed in thousands of constant Argentine Pesos at period-end
(Free Translation from the Original in Spanish for Publication in Argentina)

	Notes	Year-to-Date		Quarter	
		01.01.2019	01.01.2018	04.01.2019	04.01.2018
		06.30.2019	06.30.2018	06.30.2019	06.30.2018
		In Thousands of AR\$			
Revenues from Services	7	6,608,158	7,700,165	3,301,291	3,826,555
Costs of Services	8	(769,835)	(1,119,906)	(398,174)	(583,979)
Net Revenues from Services		5,838,323	6,580,259	2,903,117	3,242,576
Revenues from Financing	9	9,181,276	9,502,596	4,265,486	4,851,101
Costs of Financing	10	(4,385,858)	(2,714,364)	(2,110,766)	(1,530,568)
Loss on Net Monetary Position		(1,758,905)	(1,840,191)	(789,304)	(1,018,710)
Net Revenues from Financing		3,036,513	4,948,041	1,365,416	2,301,823
Net Income from Short-term Investments	11	952,923	345,065	502,779	188,450
Operating Revenue		9,827,759	11,873,365	4,771,312	5,732,849
Provision for Loan Losses	12	(2,944,481)	(2,436,486)	(1,367,079)	(1,327,650)
Operating Revenue, Net of Provision for Loan Losses		6,883,278	9,436,879	3,404,233	4,405,199
Employee Benefits Expenses	13	(2,134,813)	(2,966,334)	(1,053,049)	(1,525,210)
Taxes and Charges	14	(1,756,279)	(1,899,792)	(828,382)	(887,817)
Marketing Expenses	15	(247,921)	(330,291)	(163,389)	(203,284)
Depreciation and Amortization	16	(433,839)	(316,584)	(219,959)	(170,725)
Other Operating Expenses	17	(2,141,311)	(2,236,766)	(1,176,621)	(1,159,992)
Total Operating Expenses		(6,714,163)	(7,749,767)	(3,441,400)	(3,947,028)
Net Profit (Loss) before Income from Investments Accounted for Using the Equity Method		169,115	1,687,112	(37,167)	458,171
Income (Loss) from Investments Accounted for Using the Equity Method	18	(570)	240	(169)	226
Profit before Income Tax		168,545	1,687,352	(37,336)	458,397
Income Tax	19	17,950	(1,146,108)	202,378	(484,006)
Profit (Loss) for the Period		186,495	541,244	165,042	(25,609)
Earnings per Share					
Basic and Diluted Earnings per Share		66.04	191.66	58.44	(9.07)

The notes are an integral part of these condensed interim financial statements.

Please refer to our report dated August 7, 2019
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Jorge F. Gregorat
For the Supervisory Committee

Alejandro Asrin
President

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Condensed Interim Statement of Other Comprehensive Income

For the six-month periods ended June 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	Year-to-Date		Quarter	
	01.01.2019 06.30.2019	01.01.2018 06.30.2018	04.01.2019 06.30.2019	04.01.2018 06.30.2018
	In Thousands of AR\$			
Profit (Loss) for the Period	186,495	541,244	165,042	(25,609)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income (Loss) for the Period	186,495	541,244	165,042	(25,609)
Earnings per Share				
Basic and Diluted Earnings per Share	66.04	191.66	58.44	(9.07)

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Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Condensed Interim Balance Sheet

As of June 30, 2019 and December 31, 2018

Expressed in thousands of constant Argentine Pesos at period-end (Free Translation from the Original in Spanish for Publication in Argentina)

	Note	12.31.2018		Note	06.30.2019		12.31.2018
		In Thousands of AR\$			In Thousands of AR\$		
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	20	5,738,955	6,187,166			24,403,429	27,958,117
Receivables from Trade	21	44,366,628	52,162,199			9,043,325	10,431,073
Other Receivables	22	330,757	324,470			585,781	971,144
Total Current Assets		50,436,340	58,673,835			35,376,525	40,647,888
NON-CURRENT ASSETS							
Receivables from Trade	21	931,730	1,487,635			7,919,353	10,517,250
Other Receivables	22	33,442	7,740			8,724	12,366
Deferred Tax Assets	19	1,001,190	619,854			69,320	79,560
Investments Accounted for Using the Equity Method	23	6,106	2,593				
Property, Plant and Equipment	24	2,855,935	2,209,608				
Intangible Assets	25	788,971	749,096				
Total Non-current Assets		5,617,374	5,076,526			7,997,397	10,609,176
Total Assets		56,053,714	63,750,361			43,373,922	51,257,064
						12,679,792	12,493,297
						56,053,714	63,750,361
LIABILITIES							
CURRENT LIABILITIES							
Trade and Other Payables	26						
Borrowings	27						
Employee Benefit Obligations	28						
Current Tax Liabilities	29						
Other Liabilities	30						
Income Tax Provision	19						
Total Current Liabilities							
NON-CURRENT LIABILITIES							
Borrowings	27						
Other Liabilities	30						
Provisions	31						
Total Non-current Liabilities							
Total Liabilities							
EQUITY							
Total Liabilities and Equity							

The notes are an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity

For the six-month periods ended June 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	Shareholders' Contributions				Reserves			Retained Earnings	Total Equity
	Capital Stock (Note 5)	Comprehensive Adjustment to Capital Stock	Additional Paid-in Capital from Merger	Subtotal	Legal Reserve	Discretionary Reserve	Reserve for Conduction of New Operations		
	In Thousands of AR\$								
Balances at 01.01.2019	28,240	672,789	52,040	753,069	34,748	-	16,164,004	(4,458,524)	12,493,297
Changes during the Period:									
Profit for the Period	-	-	-	-	-	-	-	186,495	186,495
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 44 dated 04.29.2019	-	-	-	-	-	-	(4,458,525)	4,458,525	-
Balances at 06.30.2019	28,240	672,789	52,040	753,069	34,748	-	11,705,479	186,496	12,679,792
Balances at 01.01.2018	28,240	672,789	52,040	753,069	34,748	1,741,216	9,402,496	3,071,598	15,003,127
Changes during the Period:									
Profit for the Period	-	-	-	-	-	-	-	541,244	541,244
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018	-	-	-	-	-	-	5,020,291	(5,020,291)	-
Release of Discretionary Reserve Balance and Appropriation to Reserve for Conduction of New Operations pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	(1,741,216)	1,741,216	-	-
Distribution of Cash Dividends Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	-	-	(989,550)	(989,550)
Balances at 06.30.2018	28,240	672,789	52,040	753,069	34,748	-	16,164,003	(2,396,999)	14,554,821

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Condensed Interim Statement of Cash Flows

For the six-month periods ended June 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	Note	06.30.2019	06.30.2018
		In Thousands of AR\$	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the Period		186,495	541,244
Plus Income Tax Accrued during the Period		(17,950)	1,146,108
Plus Interest and Other Financial Expenses Accrued during the Period, Net of Interest and Other Financial Income Accrued		4,339,232	2,683,538
Plus Loss on Net Monetary Position		1,758,905	1,840,191
Adjustments to Calculate Net Cash Flow and Cash Equivalents from Operating Activities	37	3,927,995	3,590,408
Changes in Operating Assets	38	(4,702,741)	(12,194,246)
Changes in Operating Liabilities	39	770,728	(1,174,539)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		6,262,664	(3,567,296)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for Property, Plant and Equipment		(97,201)	(117,937)
Payments for Intangible Assets		(190,206)	(248,067)
Payments for Capital Contributions to Subsidiaries		(4,085)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(291,492)	(366,004)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from Bank and Financial Loans		-	986,198
Proceeds from Credit Lines	40	-	1,609,704
Notes ("Obligaciones Negociables") Issued	40	1,500,469	4,472,265
Dividends Paid to Company's Shareholders		-	(349)
Repayment of Principal, Interest and Expenses on Bank and Financial Loans	40	(2,046,872)	(367,710)
Repayment of Principal, Interest and Expenses on Notes ("Obligaciones Negociables")	40	(4,536,640)	(2,980,819)
Payment of Tax on Bank Credits and Debits		(32,956)	(36,029)
Payment of Financial Leases	40	(121,281)	-
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(5,237,280)	3,683,260
		733,892	(250,040)
Cash and Cash Equivalents at the Beginning of the Year		6,187,166	3,879,582
Loss on Net Monetary Position on Cash and Cash Equivalents		(1,160,124)	(554,193)
Decrease Resulting from Exchange Rate Changes on Cash and Cash Equivalents		(21,979)	(755)
Cash and Cash Equivalents at Period-End	36	5,738,955	3,074,594

Additional information on the Condensed Statement of Cash Flows is disclosed in Note 40.

The notes are an integral part of these condensed interim financial statements.

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Notes to the Condensed Interim Financial Statements

For the six-month periods ended June 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

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Notes to the Condensed Interim Financial Statements

(In the notes, figures are expressed in thousands of Argentine Pesos, except otherwise noted)

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Notes to the Condensed Interim Financial Statements (Continued)

For the six-month periods ended June 30, 2019 and 2018

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NOTE 1 – GENERAL INFORMATION

Tarjeta Naranja S.A. (hereinafter, "the Company") was organized as a corporation in the Province of Córdoba on September 1, 1995. The Company is a leading credit-card company in Argentina. Its main business is to create, develop, direct, manage, market, exploit and operate credit and/or debit and/or purchase and/or similar card systems. The Company may hold an interest in the capital stock of other companies rendering supplementary services to the financial activity, which are allowed by the Argentine Central Bank (BCRA).

These financial statements were approved for their issuance by the Company's Board of Directors on August 7, 2019.

Tarjeta Naranja S.A. is a subsidiary of Tarjetas Regionales S.A., which, in turn, is a subsidiary of Grupo Financiero Galicia S.A.

NOTE 2 – BASIS FOR PREPARATION

The Argentine National Securities Commission (C.N.V.), pursuant to Title IV "Periodical Reporting Requirements"- Chapter III "Rules concerning the Presentation and Valuation Criteria of Financial Statements" - Section 1 of its regulations, has established the application of Technical Pronouncement No. 26 (TP No. 26) issued by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as amended, adopting the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) for certain entities included in the public offer regime prescribed in Law No. 17811, whether by reason of their capital stock or notes ("*obligaciones negociables*"), or because these entities have applied for authorization to be included in such regime.

Due to the aforementioned factors, the Company's management has prepared these condensed interim financial statements in accordance with the accounting guidance laid down by the C.N.V., which is based on the application of the IFRS, in particular, IAS 34, except for IFRS No. 9, paragraph 5.5, "Impairment," as further explained in Note 3 to these condensed interim financial statements. Also, some additional matters required by the Companies Law and/or C.N.V. regulations, among others, the supplementary information established in the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13 were included. Such information is included in the notes to these condensed interim financial statements, as established by IFRS.

In preparing these condensed interim financial statements, the Company has availed of the option set forth in IAS 34, and has prepared such statements on a condensed basis. Therefore, these financial statements do not include all such information required to prepare a full set of annual financial statements, and users are encouraged to read them jointly with the Company's annual financial statements as of December 31, 2018.

The figures disclosed in these condensed interim financial statements and in their accompanying notes are stated in thousands of Argentine Pesos, except for net earnings per share.

a) Going Concern

As of the date of these condensed interim financial statements, there are no uncertainties as to events or conditions that may pose any doubt about the likelihood that the Company will continue operating normally as a going concern.

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Notes to the Condensed Interim Financial Statements (Continued)

For the six-month periods ended June 30, 2019 and 2018

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NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

b) Measuring Unit

International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”) requires that an entity’s financial statements whose functional currency is the currency of a hyperinflationary economy, regardless of whether they are based on the historical cost method or on the current cost method, be stated in terms of the measuring unit current at the end of the reporting period. For such purpose, in general, the inflation from the acquisition date or the revaluation date, as the case may be, should be computed in non-monetary items. Such requirements are also applicable to the comparative information disclosed in the financial statements.

To conclude on the existence of a hyperinflationary economy pursuant to the provisions set forth in IAS 29, the standard details a series of factors to be considered, including an accumulated three-year inflation rate that approximates to or exceeds 100%. Accordingly, pursuant to the requirements of IAS 29, effective since July 1, 2018, the Argentine economy qualifies as a hyperinflationary economy.

In turn, Law No. 27,468 (published in the Official Gazette on December 4, 2018) introduced certain changes to Section 10 of Law No. 23,928, as amended, establishing that the repeal of all such legal and regulatory standards which establish or authorize price indexation mechanisms, monetary adjustments, changes in costs or any other form of restatement of indebtedness, taxes, prices or rates for goods, works or services, is not applicable to financial statements, which should continue to be subject to the provisions of Section 62 *in fine* of the Argentine General Companies Law No. 19,550 (as amended in 1984) and its amendments. In addition, Law No. 27,468 repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and entrusted the National Executive Branch, through its regulatory agencies, with the duty of setting the date as from which the foregoing provisions would come into force in respect of financial statements filed with them. Accordingly, by way of General Resolution 777/2018 (published in the Official Gazette on December 28, 2018), the C.N.V. provided that issuers subject to its oversight were required to restate their annual, interim and special financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29.

In accordance with IAS 29, the financial statements of an entity reporting in the currency of a hyperinflationary economy should be presented in the current unit of measurement as of the end of the reporting period. All balances disclosed in the entity’s balance sheet, other than those stated in the current unit of measurement as of the end of the reporting period, should be adjusted by reference to a general price index. All profit & loss items should be reported in terms of a unit of measurement adjusted as of the end of the reporting period by reference to the changes in the general price index occurring since the date on which revenues and expenses have been originally recognized in the financial statements.

The inflation adjustment was calculated by reference to the indexes established by the FACPCE, which are based on the price indexes released by the Argentine Institute of Statistics and Census (“INDEC”). The following table shows the applicable indexes as of the end of each reporting year/period, and the indexes applicable to each month.

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Notes to the Condensed Interim Financial Statements (Continued)

For the six-month periods ended June 30, 2019 and 2018

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NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

b) Measuring Unit (Continued)

Month	FACPCE's Indexes	
	2019	2018
December (Previous Year)	184.2552	124.7956
January	189.6101	126.9887
February	196.7501	130.0606
March	205.9571	133.1054
April	213.0517	136.7512
May	219.5691	139.5893
June	225.5370	144.8053
July	-	149.2966
August	-	155.1034
September	-	165.2383
October	-	174.1473
November	-	179.6388
December	-	184.2552

For the Company, the transition date to IAS 29 was January 1, 2017.

Below is a detail of the main guidelines for the application of the inflation adjustment:

- Monetary assets and liabilities should not be restated, for they are stated in current currency as of the end of the reporting period.
- Non-monetary assets and liabilities recognized at cost and equity items should be restated, by reference to the respective adjustment ratios, for they are stated in a currency prior to the end of the reporting period.
- All profit & loss items are restated by reference to the respective adjustment factors.
- The effects of inflation on the Company's net monetary position are disclosed in the statement of profit or loss in a separate item, under "Loss on Net Monetary Position".
- The Company has reported revenues from financing and costs of financing (including, without limitation, interest and foreign exchange gain (loss)) at their restated nominal value, as provided for in paragraph 28 of IAS 29. Accordingly, such items are not reported net of the effects of inflation (in real terms).

Equity items were restated as follows on the transition date:

- Capital Stock was restated since the later of the subscription date or the date of the last inflation adjustment. The resulting amount was accounted for in "Adjusted Capital Stock."
- The other reserves were not restated upon initial application of the standard.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Notes to the Condensed Interim Financial Statements (Continued)

For the six-month periods ended June 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

Comparative figures were adjusted following the same procedure described above. The amounts resulting from the restatement process to estimate comparative figures in the currency prevailing as of the comparative year-end are then restated into the currency prevailing as of the current period-end.

NOTE 3 – ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used for the preparation of the annual financial statements for the year ended December 31, 2018.

- a) Some new standards, amendments and interpretations are effective for the years beginning after January 1, 2019 and have been applied in the preparation of these condensed interim financial statements. Below is a detail of the main standards or amendments:
- IFRS 16 "Leases" sets out the new principles for the recognition, measurement, presentation and disclosure of lease contracts. The elimination of the classification into operating and finance leases set out by IAS 17 and the adoption, as a replacement of a similar treatment to the one afforded to finance ones under such standard for all lease contracts should be highlighted. IFRS 16 "Leases" sets out the new principles for the recognition, measurement, presentation and disclosure of lease contracts. The elimination of the classification into operating and finance leases set out by IAS 17 and the adoption, as a replacement of a similar treatment to the one afforded to finance ones under such standard for all lease contracts should be highlighted. Until December 31, 2018, leases of property, plant and equipment were classified as operating or financial leases. Payments for operating leases were recorded as operating expenses during the term of the lease. Effective since January 1, 2019, these agreements are required to be disclosed as leased assets (right-of-use assets) under property, plant and equipment at the present value of the lease payments, net of depreciation calculated on a straight-line basis during the shorter of the useful life of the lease agreement or the useful life of the asset. In turn, the Company makes periodic payments and recognizes a financial liability that represents the obligation to make future lease payments. IFRS 16 does not require the lessee to recognize assets and liabilities in the cases of short-term leases or leases of low-value assets.

The Company has applied this standard retrospectively to January 1, 2019, but has not adjusted the comparative information for the year 2018, as specifically permitted by the transition standard. Instead, the Company has recognized the reclassifications and the cumulative effect of the first-time adoption of this standard as an adjustment to the opening balance as of January 1, 2019.

In adopting IFRS 16, the Company has availed of the option of not applying the standard to contracts which had not been previously determined to include a lease agreement according to IAS 17.

The Company has also opted for recognizing a right-of-use asset on the first-time adoption date for an amount equal to the lease liability recognized as the present value of the remaining lease payments, adjusted for the amount of any advanced or accrued payment in respect of that lease recognized in the balance sheet immediately before the first-time adoption date, with the first-time adoption effect on the opening balance of retained earnings being null.

The effects of the adoption of this new standard are disclosed in Note 24.

Please refer to our report dated August 7, 2019

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Notes to the Condensed Interim Financial Statements (Continued)

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NOTE 3 – ACCOUNTING POLICIES (CONTINUED)

- b) Effective standards as of January 1, 2019 which have not been applied in preparing these condensed interim financial statements. Below is a detail of the rationale and major impact:

- IFRS 9 "Financial Instruments" is effective for periods beginning on or after January 1, 2018. The Company has applied IFRS 9 except for paragraph 5.5 regarding the new expected credit loss model for impairment recognition, since the National Securities Commission of Argentina (C.N.V.), through General Resolution 714-E/2017, exclusively exempted credit card issuing companies from the application of this regulation in particular, until the establishment of a future application schedule, in line with the guidelines set forth by the Argentine Central Bank (BCRA). In accordance with C.N.V. Resolution 714-E/2017, the Company has applied the regulations contained in IAS 39 for the recognition of credit losses in these condensed interim financial statements. Notwithstanding this, in calculating the impairment of its receivables from trade, the Company has performed a quantitative analysis of the impact of the expected loss model set out in IFRS 9 on its equity and profit & loss accounts.

Below is a detail of such calculation:

	In Constant Currency as of June 30, 2019		In Nominal Currency	
	Impact on Assets / Equity (Net of Tax)	Impact on Profit (Loss) (Net of Tax)	Impact on Assets / Equity (Net of Tax)	Impact on Profit (Loss) (Net of Tax)
	Debtor / (Creditor)	Profit / (Loss)	Debtor / (Creditor)	Profit / (Loss)
12.31.2018 and for the year then ended	(1,081,564)	(519,245)	(883,597)	(572,451)
03.31.2019 and for the period then ended	(1,031,501)	50,063	(941,952)	(58,355)
06.30.2019 and for the period then ended	(1,154,020)	(122,519)	(1,154,020)	(212,068)

NOTE 4 – ESTIMATES

The preparation of the condensed interim financial statements requires that the Company make judgments, estimates and assumptions that affect the application of the accounting policies and the amounts of assets and liabilities disclosed, as well as income and expenses. Actual amounts may differ from such estimates.

In preparing these condensed interim financial statements, the significant judgments made by the Company in applying the accounting policies and the key sources of estimates were the same as those applied to the financial statements for the year ended December 31, 2018.

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Notes to the Condensed Interim Financial Statements (Continued)

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NOTE 5 – CAPITAL STOCK

The share capital is represented by non-endorsable registered ordinary shares, with a face value of AR\$ 10,000 per share.

CAPITAL STATUS				
Shares			Subscribed	Paid-in
Number	Type	Voting Rights per Share		
			In Thousands of AR\$	
2,824	Ordinary shares with a face value of AR\$ 10,000	1	28,240	28,240
2,824			28,240	28,240

As of June 30, 2019 and as of December 31, 2018, capital status was as follows:

Capital	Face Value	Approved by		Date of Registration with the Public Registry of Commerce
	In Thousands of AR\$	Body	Date	
Subscribed, Issued and Paid in	12,000	Extraordinary Shareholders' Meeting	09.04.95	12.12.95
Capital Increase due to Merger with Tarjetas del Sur S.A.	6,600	Extraordinary Shareholders' Meeting	02.16.01	05.03.01
Capital Increase due to Merger with Tarjeta Comfiar S.A.	5,400	Extraordinary Shareholders' Meeting	10.02.03	03.24.04
Capital Increase due to Merger with Tarjetas Cuyanas S.A.	4,240	Extraordinary Shareholders' Meeting	10.24.17	05.09.18
Total	28,240			

In addition, in compliance with Section 4, Part I, Chapter IV, Title II of the regulations of the National Securities Commission (C.N.V.), the following is disclosed:

	2017	2018	2019
Capital Stock at the Beginning of the Year	24,000	28,240	28,240
Capital Increase due to Merger with Tarjetas Cuyanas S.A.	4,240	-	-
Capital Stock at Year-End / Period-End	28,240	28,240	28,240

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Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Notes to the Condensed Interim Financial Statements (Continued)

For the six-month periods ended June 30, 2019 and 2018

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NOTE 6 – SEGMENT INFORMATION

Segment Information as of 06.30.2019

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo	Non-allocable	Effects of Restatement	Total
Revenues from Services	628,650	631,246	1,250,502	543,896	810,694	213,720	368,422	279,837	507,167	460,085	412,836	501,103	6,608,158
Costs of Services	(57,282)	(47,303)	(91,971)	(36,010)	(65,347)	(20,581)	(32,844)	(31,636)	(53,969)	(41,809)	(233,879)	(57,204)	(769,835)
Net Revenues from Services	571,368	583,943	1,158,531	507,886	745,347	193,139	335,578	248,201	453,198	418,276	178,957	443,899	5,838,323
Revenues from Financing	814,166	904,721	1,902,615	911,168	1,266,610	291,573	537,577	436,283	716,237	665,888	-	734,438	9,181,276
Costs of Financing	(389,741)	(433,089)	(910,780)	(436,176)	(606,325)	(139,576)	(257,338)	(208,848)	(342,862)	(318,760)	-	(342,363)	(4,385,858)
Loss on Net Monetary Position	-	-	-	-	-	-	-	-	-	-	-	(1,758,905)	(1,758,905)
Net Revenues from Financing	424,425	471,632	991,835	474,992	660,285	151,997	280,239	227,435	373,375	347,128	-	(1,366,830)	3,036,513
Net Income from Short-term Investments	85,033	94,491	198,713	95,164	132,287	30,452	56,146	45,566	74,805	69,547	-	70,719	952,923
Provision for Loan Losses	(202,908)	(225,291)	(561,714)	(205,619)	(368,471)	(94,766)	(200,419)	(219,823)	(363,374)	(262,481)	-	(239,615)	(2,944,481)
Depreciation	(3,258)	(4,169)	(8,051)	(4,789)	(3,880)	(1,597)	(3,594)	(4,765)	(2,954)	(1,822)	(140,952)	(103,667)	(283,508)
Amortization	-	-	-	-	-	-	-	-	-	-	(78,463)	(71,868)	(150,331)
Other Operating Expenses	(487,187)	(518,575)	(1,043,760)	(463,698)	(725,346)	(213,939)	(362,295)	(325,272)	(517,156)	(453,524)	(692,865)	(476,707)	(6,280,324)
Income from Investments	-	-	-	-	-	-	-	-	-	-	-	(58)	(570)
Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	-	(512)	-	-
Income Tax	-	-	-	-	-	-	-	-	-	-	170,480	(152,530)	17,950
Profit (Loss) for the Period	387,473	402,031	735,544	403,936	440,222	65,286	105,655	(28,658)	17,894	117,124	(563,355)	(1,896,657)	186,495

NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Please refer to our report dated August 7, 2019

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Notes to the Condensed Interim Financial Statements (Continued)

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Segment Information as of 06.30.2018

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Gold	Greater Buenos Aires South	Greater Buenos Aires West	CABA	Inside the Province of Buenos Aires	Non-allocable	Effects of Restatement	Total
Revenues from Services	464,290	431,947	780,382	357,316	590,404	154,047	281,399	198,504	371,407	704,972	280,746	3,084,751	7,700,165
Costs of Services	(44,510)	(44,114)	(81,067)	(31,637)	(66,059)	(20,298)	(33,363)	(31,632)	(54,991)	(134,820)	(129,700)	(447,715)	(1,119,906)
Net Revenues from Services	419,780	387,833	699,315	325,679	524,345	133,749	248,036	166,872	316,416	570,152	151,046	2,637,036	6,580,259
Revenues from Financing	521,160	546,483	1,044,908	579,684	832,756	177,588	368,052	222,357	409,282	1,001,700	-	3,798,626	9,502,596
Costs of Financing	(147,140)	(154,290)	(295,011)	(163,664)	(235,114)	(50,139)	(103,913)	(62,779)	(115,554)	(308,692)	-	(1,078,068)	(2,714,364)
Loss on Net Monetary Position	-	-	-	-	-	-	-	-	-	-	-	(1,840,191)	(1,840,191)
Net Revenues from Financing	374,020	392,193	749,897	416,020	597,642	127,449	264,139	159,578	293,728	693,008	-	880,367	4,948,041
Net Income from Short-term Investments	22,968	24,084	46,052	25,547	36,700	7,826	16,220	9,799	18,037	40	-	137,792	345,065
Provision for Loan Losses	(115,797)	(101,777)	(190,674)	(99,655)	(164,546)	(49,824)	(109,958)	(106,424)	(183,391)	(346,457)	-	(967,983)	(2,436,486)
Depreciation	(3,725)	(2,979)	(3,878)	(2,308)	(2,653)	(1,091)	(1,881)	(2,844)	(2,630)	(12,898)	(17,635)	(87,363)	(141,885)
Amortization	-	-	-	-	-	-	-	-	-	(13,837)	(57,238)	(103,624)	(174,699)
Other Operating Expenses	(343,426)	(334,838)	(611,383)	(308,022)	(506,680)	(150,229)	(263,459)	(239,950)	(391,311)	(665,872)	(644,609)	(2,973,404)	(7,433,183)
Income from Investments	-	-	-	-	-	-	-	-	-	-	149	91	240
Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	-	(643,968)	(502,140)	(1,146,108)
Income Tax	-	-	-	-	-	-	-	-	-	-	(1,212,255)	(979,228)	(541,244)
Profit (Loss) for the Period	353,820	364,516	689,329	357,261	484,808	67,880	153,097	(12,969)	50,849	224,136	(1,212,255)	(979,228)	541,244

(*): The segments Greater Buenos Aires South, Greater Buenos Aires West and CABA have been reclassified into two major segments - Greater Buenos Aires I and Greater Buenos Aires II - according to internal information provided to the Company's utmost operating decision-making authority which, in the case of Tarjeta Naranja S.A., is the Board of Directors.

Please refer to our report dated August 7, 2019

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Notes to the Condensed Interim Financial Statements (Continued)

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NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Segment Information as of 06.30.2019

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo	Non-allocable	Effects of Restatement	Total
ASSETS													
Cash and Cash Equivalents	706,287	637,027	1,302,054	634,043	778,439	180,566	329,078	285,833	454,193	431,435	-	-	5,738,955
Receivables from Trade	5,574,821	5,028,144	10,277,283	5,004,591	6,144,327	1,425,229	2,597,458	2,256,120	3,585,009	3,405,376	-	-	45,298,358
Other Assets	-	-	-	-	-	-	-	-	-	-	1,796,971	(425,476)	1,371,495
Property, Plant and Equipment and Intangible Assets	26,035	27,340	33,342	21,202	21,040	8,860	27,512	23,536	13,218	11,281	1,728,693	1,702,847	3,644,906
Total Assets	6,307,143	5,692,511	11,612,679	5,659,836	6,943,806	1,614,655	2,954,048	2,565,489	4,052,420	3,848,092	3,525,664	1,277,371	56,053,714
LIABILITIES													
Trade and Other Payables	3,360,008	2,990,920	6,073,126	2,819,916	3,200,707	677,111	1,329,450	737,129	1,308,231	1,906,831	-	-	24,403,429
Borrowings	2,087,579	1,882,867	3,848,489	1,874,047	2,300,839	533,699	972,659	844,840	1,342,463	1,275,196	-	-	16,962,678
Employee Benefit Obligations	38,098	38,284	79,170	29,178	57,612	22,673	29,921	25,832	49,620	38,098	177,295	-	585,781
Other Liabilities	-	-	-	-	-	-	-	-	-	-	1,422,034	-	1,422,034
Total Liabilities	5,485,685	4,912,071	10,000,785	4,723,141	5,559,158	1,233,483	2,332,030	1,607,801	2,700,314	3,220,125	1,599,329	-	43,373,922

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NOTE 7 – REVENUES FROM SERVICES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Account Maintenance Fee	3,019,485	3,452,520
Fees	1,696,141	1,874,957
Revenues from Third-Party Portfolio Managed	32,583	100,270
Card Renewal Fees	400,124	539,778
Other Revenues from Services	1,459,825	1,732,640
Total	6,608,158	7,700,165

NOTE 8 – COSTS OF SERVICES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Printing and Distribution Expenses	(184,078)	(285,872)
Expenses from Call Center Services	(128,353)	(132,135)
Openings of Accounts	(48,348)	(56,128)
Special Promotions	(36,425)	(97,922)
Other Costs of Services	(259,056)	(271,750)
Expenses for Telephone Sale Channel	(113,575)	(276,099)
Total	(769,835)	(1,119,906)

NOTE 9 – REVENUES FROM FINANCING

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Merchants ("Comercios Amigos") Interest	2,286,810	1,816,220
Interest on Financing through Credit Cards	4,460,177	4,185,550
Interest on Personal Loans	570,576	2,193,797
Compensatory Interest	1,243,352	908,678
Penalty Interest	610,035	373,016
Revenues from Lawsuits	10,326	19,462
Foreign Exchange Gain	-	5,873
Total	9,181,276	9,502,596

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NOTE 10 – COSTS OF FINANCING

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Interest on Notes (" <i>Obligaciones Negociables</i> ")	(3,989,626)	(2,440,113)
Bank Interest	(293,899)	(248,928)
Tax on Bank Debits and Credits	(26,838)	(19,455)
Other Costs of Financing	(13,396)	(5,868)
Foreign Exchange Loss	(46,626)	-
Leases	(15,473)	-
Total	(4,385,858)	(2,714,364)

NOTE 11 – NET INCOME FROM SHORT-TERM INVESTMENTS

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Interest on Time Deposits	111,418	-
Interest on Government Securities	18,894	31,974
Income from Mutual Funds	822,611	313,091
Total	952,923	345,065

NOTE 12 – PROVISION FOR LOAN LOSSES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Provision for Loan Losses	(3,050,615)	(2,629,179)
Recovery of Loan Losses	106,134	192,693
Total	(2,944,481)	(2,436,486)

NOTE 13 – EMPLOYEE BENEFITS EXPENSES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Compensation and Social Security Charges	(1,712,950)	(2,480,861)
Bonuses for the Personnel	(236,606)	(280,964)
Travel Expenses and Per Diem	(33,633)	(52,197)
Other Employee Expenses	(151,624)	(152,312)
Total	(2,134,813)	(2,966,334)

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NOTE 14 – TAXES AND CHARGES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Turnover Tax	(1,125,850)	(1,164,729)
Tax on Bank Debits and Credits	(282,010)	(351,380)
Trade and Industry Tax	(322,220)	(358,836)
Other Taxes, Rates and Contributions	(26,199)	(24,847)
Total	(1,756,279)	(1,899,792)

NOTE 15 – MARKETING EXPENSES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
National Advertising	(222,702)	(292,009)
Advertising at Stores	-	(9,220)
Regional Advertising	(25,219)	(29,062)
Total	(247,921)	(330,291)

NOTE 16 – DEPRECIATION AND AMORTIZATION

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Depreciation of Property, Plant and Equipment (Note 24)	(283,508)	(141,885)
Amortization of Intangible Assets (Note 25)	(150,331)	(174,699)
Total	(433,839)	(316,584)

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NOTE 17 – OTHER OPERATING EXPENSES

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Rentals	(34,048)	(175,844)
Regular Mail Services	(20,191)	(31,421)
Donations	(2,413)	(3,313)
Electricity, Natural Gas and Communications	(156,911)	(109,264)
Bank and Financial Expenses	(83,604)	(46,438)
Collection Expenses	(610,467)	(535,485)
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	(322,623)	(260,840)
Directors and Supervisory Committee Members' Fees	-	(28,989)
Third Parties' Fees	(331,668)	(514,235)
Insurance and Security Services	(209,721)	(215,588)
Stationery and Office Supplies	(33,905)	(41,497)
Maintenance of Equipment and Buildings	(82,585)	(66,939)
Cleaning Expenses	(43,374)	(58,745)
Other Expenses	(209,801)	(148,168)
Total	(2,141,311)	(2,236,766)

NOTE 18 – INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Income from Investment in Cobranzas Regionales S.A.	(570)	240
Total	(570)	240

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

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NOTE 19 – INCOME TAX

The following table shows the changes in current and deferred tax assets and liabilities:

	Deferred Tax Assets	Income Tax Payable	Income Tax Accrued during the Year / Period
In Thousands of AR\$			
Balance at the Beginning of 2018	769,148	(1) (2,943,227)	(2,968,696)
Adjustment to Income Tax 2017 (3)	30,301	(44,740)	(14,439)
Payment of Income Tax 2017 (4)	-	2,987,967	-
Income Tax Accrued during the Year (2)	(179,595)	(1,295,291)	(1,474,886)
Effect of Restatement on Income Tax Expense	-	-	(410,115)
Balance at December 31, 2018	619,854	(1,295,291)	(1,899,440)
Income Tax Accrued during the Period (5)	303,954	(538,496)	(234,542)
Adjustment to Income Tax 2019 (6)	77,382	84,154	161,536
Income Tax Payment (7)	-	973,843	-
Effect of Restatement on Income Tax Expense	-	237,294	90,956
Balance at June 30, 2019	1,001,190	(538,496)	17,950

- (1) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of February 7, 2018, should have been paid in May 2018 according to the taxable income accrued during the year ended December 31, 2017.
- (2) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of March 11, 2019, should be paid in May 2019 according to the taxable income accrued during the year ended December 31, 2018.
- (3) It corresponds to a correction of the income tax provision estimated at the end of 2017.
- (4) It corresponds to income tax for 2017 paid by the Company.
- (5) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management at the date of these condensed interim financial statements, should be paid in May 2020 according to the taxable income accrued during the period ended December 31, 2019.
- (6) It corresponds to a correction of the income tax provision estimated at the end of 2018.
- (7) It corresponds to income tax for 2018 paid by the Company.

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NOTE 19 – INCOME TAX (CONTINUED)

As of June 30, 2019 and December 31, 2018, net assets derived from the information included in the previous table amount to AR\$ 1,001,190 and AR\$ 619,854, respectively. Their composition as of those dates is detailed below:

	Balance at December 31, 2018	Net Tax Asset Generated During the Period	Balance at June 30, 2019
In Thousands of AR\$			
Receivables from Trade	1,401,189	298,688	1,699,877
Property, Plant and Equipment and Intangible Assets	(825,156)	(263,705)	(1,088,861)
Lease Payment	(35,466)	(3,155)	(38,621)
Trade and Other Payables	69	-	69
Employee Benefit Obligations	19,345	(600)	18,745
Foreign-exchange Quotation Difference	261	275	536
Provision for Contingencies	25,892	(12,773)	13,119
Inflation Adjustment for Tax Purposes	-	424,968	424,968
Others	33,720	(62,362)	(28,642)
Totals	619,854	381,336	1,001,190

The income tax amount payable estimated by Management, net of prepayments, as of June 30, 2019 and December 31, 2018 is as follows:

Current:

	06.30.2019	12.31.2018
Income Tax Provision – Current	(538,496)	(1,295,037)
Prepayments	287,182	1,248,356
Current Income Tax Payable	(251,314)	(46,681)

The following table shows the reconciliation of income tax charged to loss as of June 30, 2019 and June 30, 2018 to that which would result from applying the tax rate in force to book income:

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NOTE 19 – INCOME TAX (CONTINUED)

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Profit for the Period before Income Tax	168,545	1,687,352
Tax Rate in Force	30%	30%
Loss for the Period at the Tax Rate	(50,564)	(506,206)
Permanent Differences at the Tax Rate:		
- Income from Interest in Other Companies	(154)	70
- Non-taxable Income (1)	14,584	20,774
- Donations and Other Non-deductible Expenses	(320)	(484)
- Others	3,492	(13,406)
Difference between the Tax Return and the Income Tax Provision	161,536	5,769
Release as per Law No. 27430	(135,805)	(4,369)
Effect of Restatement on Income Tax Expense	(677,055)	(648,256)
Inflation Adjustment for Tax Purposes	702,236	-
Total Income Tax Charge for the Period	17,950	(1,146,108)

(1) It corresponds to the income from transactions carried out in Tierra del Fuego, net of indirect charges.

The following table shows the reconciliation of income tax charged to loss to tax assessed for the period for tax purposes:

	06.30.2019	06.30.2018
	In Thousands of AR\$	
Total Income Tax Charge Recorded for the Period	17,950	(1,146,108)
- Temporary Differences at the Tax Rate		
- Additions:		
Provision for Loan Losses	(420,831)	(495,750)
Provision for Contingencies	12,773	(1,371)
Provision for Bonuses Payable	600	1,841
Depreciation of Property, Plant and Equipment and Amortization of Intangible Assets	263,705	(478)
Lease Payment	3,155	5,095
Foreign-exchange Quotation Difference	(275)	140
Portfolio Assignment	122,143	346,923
Others	60,424	(2,079)
Financial Charges	1,938	1,173
Inflation Adjustment for Tax Purposes	(424,968)	-
Difference between the Tax Return and the Income Tax Provision	(84,154)	38,550
Effect of Restatement on Current Income Tax Payable	(90,956)	143,115
Total Tax for the Period Determined for Tax Purposes	(538,496)	(1,108,949)
Income Tax Prepayments	287,182	740,809
Income Tax Payable	(251,314)	(368,140)

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NOTE 19 – INCOME TAX (CONTINUED)

Law No. 27468 amended the transition rules set out by Law No. 27430 concerning the application of the inflation adjustment for tax purposes established in Section 95 of the Argentine Income Tax Law, making it enforceable for fiscal years commencing on and after January 1, 2018. Law No. 27468 further provides that, for the first, second and third fiscal years from its effective date, the adjustment will be applicable to the extent the changes in the CPI, calculated since the beginning through the end of each of such fiscal years, are higher than fifty-five per cent (55%), thirty per cent (30%), and fifteen per cent (15%), respectively. One third of the inflation adjustment so calculated, whether positive or negative, as the case may be, will be carried in that fiscal year, while the remaining two thirds will be distributed in equal parts in the two immediately subsequent fiscal years.

As of the date of these condensed interim financial statements, the Company's management believes the guidelines set out in the Argentine Income Tax Law triggering the application of the inflation adjustment for tax purposes will be met at year-end; accordingly, it has assessed its income tax liability for the interim period considering such adjustment. As required by such law, the effect of the deferral of two thirds of the inflation gain or loss was recognized as a deferred tax asset.

NOTE 20 – CASH AND CASH EQUIVALENTS

	06.30.2019	12.31.2018
	In Thousands of AR\$	
Cash in Banks – Checking Account	231,702	378,199
Cash and Petty Cash	465,664	1,138,350
Mutual Funds	4,758,989	3,980,397
Government Securities	-	66,108
Time Deposits	-	475,731
Deposits Abroad (Note 44)	297	648
Collections to be Deposited	282,303	147,733
Total	5,738,955	6,187,166

NOTE 21 – RECEIVABLES FROM TRADE

	06.30.2019	12.31.2018
	In Thousands of AR\$	
Current		
Credit Card Debtors	48,928,997	54,230,727
Provision for Loan Losses – Credit Card	(5,575,772)	(4,824,657)
Personal Loans Debtors	1,160,906	2,882,760
Provision for Loan Losses – Personal Loans	(147,503)	(126,631)
Total	44,366,628	52,162,199
Non-current		
Credit Card Debtors	702,987	938,589
Personal Loans Debtors	228,743	549,046
Total	931,730	1,487,635

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NOTE 21 – RECEIVABLES FROM TRADE (CONTINUED)

Changes in the Account Provision for Loan Losses

Balances at the Beginning of the Period / Year	4,951,288	4,301,535
Increases for the Period (1)	2,890,626	5,147,119
Applications and Uses	(156,934)	(873,345)
Portfolio Sale	(822,274)	(1,416,672)
Effects of Restatement	(1,139,431)	(2,207,349)
Balances at Period-End / Year-End	5,723,275	4,951,288

(1) The provision for loan losses amounting to AR\$ 3,050,615, disclosed in the Statement of Profit or Loss and in Note 12, includes AR\$ \$159,989 for direct charges.

Receivables from Trade valued at amortized cost do not differ significantly from their fair value.

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Additionally, as of June 30, 2019 and December 31, 2018, the Company recorded AR\$ 912,731 and AR\$ 1,313,381, respectively, in respect of receivables from trade that are considered uncollectible, considering as such those meeting the requirements set by the Argentine Central Bank in the revised text "Minimum Provisions for Loan Losses". Under such regulations, receivables from customers fully included in provisions shall be eliminated from assets as from the seventh month subsequent to that in which these circumstances are verified and recorded in memorandum accounts while the entity continues pursuing procedures for collection of its receivables.

NOTE 22 – OTHER RECEIVABLES

	06.30.2019	12.31.2018
	In Thousands of AR\$	
Current		
Deposits for Checking Account Attachments (Note 42)	1,803	2,206
Prepaid Expenses	6,194	10,854
Commissions Receivable	37,836	67,692
Advance Payments to Suppliers	36,153	41,525
Sundry Receivables	248,771	202,193
Total	330,757	324,470
Non-current		
Sundry Receivables	26,213	-
Security Deposits (Note 42)	6,073	6,112
Prepaid Expenses	1,156	1,628
Total	33,442	7,740

Other Receivables valued at amortized cost do not differ significantly from their fair value.

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NOTE 23 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Issuing Company	Interest Percentage	Book Value as of 06.30.2019	Book Value as of 12.31.2018	Issuer Information				Balances at 06.30.2019		
		In Thousands of AR\$	In Thousands of AR\$	Principal Line of Business	Class of Shares	Number of Shares (1)	Face Value of Shares	Capital	Equity	Profit / Loss
Cobranzas Regionales S.A.	5%	6,106	2,593	Integral Advisory Services for Credit Risk Analysis	Ordinary registered shares	910,000	100	91,000	130,591	(31,273)
Totals		6,106	2,593							

(1) Values are stated in units.

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NOTE 24 – PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment at 06.30.2019

Items	ORIGINAL VALUE				DEPRECIATION			NET BOOK AMOUNT	
	Opening Book Amount	Adjustments due to Changes in Accounting Policies (1)	Additions	Transfers	Closing Book Amount	Opening Book Amount	Depreciation Charge		Closing Book Amount
	In Thousands of AR\$								
Land	148,408	-	-	-	148,408	-	-	-	148,408
Buildings	1,116,599	-	-	-	1,116,599	(138,521)	(10,789)	(149,310)	967,289
Right-of-use Assets	-	832,634	-	-	832,634	-	(138,772)	(138,772)	693,862
Cost of Adapting Stores	794,025	-	28,011	-	822,036	(508,151)	(43,916)	(552,067)	269,969
Furniture and Fixtures	331,053	-	9,017	1,041	341,111	(168,429)	(13,279)	(181,708)	159,403
Hardware	749,154	-	33,486	44,990	827,630	(425,052)	(58,015)	(483,067)	344,563
Facilities and Improvements	470,262	-	2,181	1,152	473,595	(248,513)	(18,737)	(267,250)	206,345
Assets at Warehouse	88,773	-	24,506	(47,183)	66,096	-	-	-	66,096
Totals as of 06.30.2019	3,698,274	832,634	97,201	-	4,628,109	(1,488,666)	(283,508)	(1,772,174)	2,855,935

(1) See Note 3 (a).

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NOTE 24 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, Plant and Equipment at 12.31.2018

Items	ORIGINAL VALUE					DEPRECIATION				NET BOOK AMOUNT 12.31.2018
	Opening Book Amount	Disposals	Additions	Transfers	Closing Book Amount	Opening Book Amount	Disposals	Depreciation Charge	Closing Book Amount	
Land	148,408	-	-	-	148,408	-	-	-	-	148,408
Buildings	1,093,895	-	22,704	-	1,116,599	(116,870)	-	(21,651)	(138,521)	978,078
Cost of Adapting Stores	693,311	(46,762)	-	147,476	794,025	(459,183)	42,811	(91,779)	(508,151)	285,874
Furniture and Fixtures	331,201	(24,234)	14,667	9,419	331,053	(158,695)	24,226	(33,960)	(168,429)	162,624
Hardware	751,122	(152,733)	-	150,765	749,154	(463,419)	145,012	(106,645)	(425,052)	324,102
Facilities and Improvements	469,446	(48,253)	34,271	14,798	470,262	(230,417)	33,867	(51,963)	(248,513)	221,749
Assets at Warehouse	48,994	(31,114)	393,351	(322,458)	88,773	-	-	-	-	88,773
Totals as of 12.31.2018	3,536,377	(303,096)	464,993	-	3,698,274	(1,428,584)	245,916	(305,998)	(1,488,666)	2,209,608

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NOTE 25 – INTANGIBLE ASSETS

Intangible Assets at 06.30.2019

Items	ORIGINAL VALUE			AMORTIZATION			NET BOOK AMOUNT
	Opening Book Amount	Additions	Closing Book Amount	Opening Book Amount	Amortization Charge	Closing Book Amount	06.30.2019
Patents and Software	1,901,486	190,206	2,091,692	(1,186,565)	(150,331)	(1,336,896)	754,796
Other Intangible Assets	34,175	-	34,175	-	-	-	34,175
Totals as of 06.30.2019	1,935,661	190,206	2,125,867	(1,186,565)	(150,331)	(1,336,896)	788,971

Intangible Assets at 12.31.2018

Items	ORIGINAL VALUE			AMORTIZATION NET BOOK AMOUNT			NET BOOK AMOUNT		
	Opening Book Amount	Disposals	Additions	Closing Book Amount	Opening Book Amount	Disposals	Amortization Charge	Closing Book Amount	12.31.2018
Patents and Software	1,766,339	(336,346)	471,493	1,901,486	(1,184,839)	329,638	(331,364)	(1,186,565)	714,921
Other Intangible Assets	34,175	-	-	34,175	-	-	-	-	34,175
Totals as of 12.31.2018	1,800,514	(336,346)	471,493	1,935,661	(1,184,839)	329,638	(331,364)	(1,186,565)	749,096

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NOTE 26 – TRADE AND OTHER PAYABLES

	06.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Merchants (" <i>Comercios Amigos</i> ")	24,011,447	26,259,190
Suppliers	287,162	600,000
Collections on Account of Third Parties Payable	104,820	1,098,927
Total	24,403,429	27,958,117

NOTE 27 – BORROWINGS

	06.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Current		
Notes (" <i>Obligaciones Negociables</i> ")	8,359,043	7,995,104
Bank and Financial Loans	268,666	974,179
Leases (Note 34)	285,266	38,219
Credit Lines	130,350	1,423,571
Total	9,043,325	10,431,073
Non-current		
Notes (" <i>Obligaciones Negociables</i> ")	7,438,299	10,340,212
Leases (Note 34)	481,054	177,038
Total	7,919,353	10,517,250

NOTE 28 – EMPLOYEE BENEFIT OBLIGATIONS

	06.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Salaries Payable	141,774	164,022
Social Security Charges	150,442	187,956
Provisions	153,278	373,105
Bonuses for the Personnel	77,561	167,493
Rewards for the Personnel	62,726	78,568
Total	585,781	971,144

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NOTE 29 – CURRENT TAX LIABILITIES

	06.30.2019	12.31.2018
	In Thousands of AR\$	
Trade and Industry Tax Payabl	52,508	59,823
Tax Withholdings and Additional Tax Withholdings Made from Third Parties	364,162	403,458
Value-added Tax Payable	512,228	617,904
Turnover Tax Payable	139,599	124,071
Total	1,068,497	1,205,256

NOTE 30 – OTHER LIABILITIES

	06.30.2019	12.31.2018
	In Thousands of AR\$	
Current		
Fees Payable to Directors and Supervisory Committee	18,503	36,435
Advanced Payments to Directors	-	(12,612)
Other Miscellaneous Liabilities	5,676	11,794
Total	24,179	35,617
Non-current		
Other Miscellaneous Liabilities	8,724	12,366
Total	8,724	12,366

NOTE 31 – PROVISIONS

This account includes the estimated amounts to face risks of probable occurrence, which, if they occur, will give rise to a loss for the Company.

(1) Legal Claims:

The Company is subject to several claims, lawsuits and other legal proceedings, including customers' claims, where a third party is claiming payments for alleged damages, refunds for losses or compensation. The potential debt for the Company with respect to such claims, lawsuits and other legal proceedings cannot be certainly estimated. Management periodically reviews the progress of each of the significant issues and calculates the potential financial exposure.

A provision is booked when a potential loss derived from a claim or legal proceeding is deemed likely and the amount can be fairly estimated.

Provisions for contingent losses reflect a fair estimation of the losses to be incurred based on the information made available by Management as of the date of the preparation of the condensed interim financial statements and considering the lawsuits to which Tarjeta Naranja is a party. These estimations are mainly prepared with the assistance provided by the legal advisors.

(2) Tax Claims:

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NOTE 31 – PROVISIONS (CONTINUED)

As of the date of these condensed interim financial statements, the Company is in the following situations with respect to certain Provincial Tax Boards:

The Company has a dispute with the Tax Revenue Agency of the Province of Rio Negro. In due time, the tax agency made an adjustment of AR\$ 895 for turnover tax for the tax periods from January 2010 to June 2012 from the Company. The Company timely challenged the adjustment made. The amounts claimed adjusted as of June 30, 2019 and December 31, 2018 total AR\$ 2,639 and AR\$ 3,099, respectively.

Furthermore, the Company has a dispute with the General Tax Board of the Province of La Pampa. In due time, the tax agency made an adjustment of AR\$ 2,438 for turnover tax for the tax periods from January 2013 to May 2018 from the Company. The Company timely challenged the adjustment made. The total amount of the claim adjusted as of June 30, 2019 totals AR\$ 4,598.

On the other hand, the Company was served notice of an official assessment from the General Tax Board of the Province of Tucumán, in its capacity as Turnover Tax Withholding Agent, in connection with years commencing on January 2013 through December 2015. The Company timely challenged the adjustment made, with the challenged amounts having been acknowledged, in part, on February 6, 2019. The Company filed a claim for the remaining portion with the provincial Tax Court. The amounts claimed adjusted as of June 30, 2019 and December 31, 2018 total AR\$ 6,210 and AR\$ 14,664, respectively.

The Company also has outstanding claims from certain Municipal Tax Bureaus throughout the country; most of them in connection with Publicity and Advertising, and in respect to which it has filed the respective defenses. As of June 30, 2019 and December 31, 2018, total municipal claims against the Company amounted to AR\$ 22,105 and AR\$ 26,815, respectively.

On December 1, 2017, Tarjeta Naranja S.A. filed an action against the Argentine tax authorities (AFIP as per its initials in Spanish) for the recovery of the Income Tax for the years 2014 and 2016 in the amount of AR\$ 580,164, in nominal terms. The action was grounded on the failure to apply the inflation adjustment mechanisms set forth in Title VI of the Income Tax Law, leading to absorb a substantial portion of taxable income and surpass any reasonable taxation threshold. On May 17, 2018, an identical action was filed in respect of the predecessor company Tarjetas Cuyanas S.A. for the years 2014 and 2016, in the amount of AR\$ 145,478, in nominal terms. To date, both actions for recovery are still pending resolution by AFIP.

The provisions booked in liabilities related to the cases described above had been adjusted based on the opinion of the legal advisors, the judicial precedents referred to above and the favorable evolution thereof.

However, Tarjeta Naranja S.A.'s Board of Directors, based on tax advisors' opinions, considers the taxes involved have been appropriately calculated according to legal regulations currently in force, and those tax authorities' claims have no legal or technical grounds. Therefore, the Company is currently exercising — and will exercise in the future — its constitutional rights in order to clarify and settle said issues.

Please refer to our report dated August 7, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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NOTE 31 – PROVISIONS (CONTINUED)

The breakdown of and changes in contingent liabilities as of June 30, 2019 are as follows:

	Balance at the Beginning of the Year	Additions	Disposals	Payments	Effects of Restatement	Balance at Period-end
Tax Matters	17,131	835	(852)	(58)	-	17,056
Consumer Protection	5,454	20,664	(10,868)	(5,636)	(6,322)	3,292
Labor Matters	47,646	25,719	(14,739)	(11,498)	(7,252)	39,876
Damages	8,911	6,906	(1,934)	(1,944)	(3,284)	8,655
Others	418	532	(279)	(63)	(167)	441
Total	79,560	54,656	(28,672)	(19,199)	(17,025)	69,320

(1) Additions and Disposals for the period are recorded and reported in Note 17 "Other Operating Expenses", in "Other Expenses".

In addition, the breakdown of and changes in contingent liabilities as of December 31, 2018 are as follows:

	Balance at the Beginning of the Year	Additions	Disposals	Payments	Effects of Restatement	Balance at Year-end
Tax Matters	21,706	9,596	(5,438)	(1,041)	(7,692)	17,131
Consumer Protection	11,236	6,010	(1,132)	(6,229)	(4,431)	5,454
Labor Matters	50,425	64,980	(20,313)	(23,794)	(23,652)	47,646
Damages	3,595	12,759	(3,711)	(1,077)	(2,655)	8,911
Others	666	1,843	(1,753)	(109)	(229)	418
Total	87,628	95,188	(32,347)	(32,250)	(38,659)	79,560

NOTE 32 - FINANCIAL LIABILITIES BY CONTRACTUAL DUE DATE

The table below breaks down financial liabilities by contractual due date as of June 30, 2019:

	June 30, 2019					Total
	In Thousands of AR\$					
	Less than 3 Months	From 3 to 12 Months	From 1 to 2 Years	From 2 to 5 Years	Over 5 Years	
Financial Liabilities						
Trade and Other Payables	16,864,812	7,538,617	-	-	-	24,403,429
Borrowings	4,541,650	9,604,865	8,838,628	2,282,824	62,777	25,330,744
Other Liabilities	3,607	20,572	2,754	5,970	-	32,903
Total Financial Liabilities	21,410,069	17,164,054	8,841,382	2,288,794	62,777	49,767,076

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The table below breaks down financial liabilities by contractual due date as of December 31, 2018:

	December 31, 2018					Total
	In Thousands of AR\$					
	Less than 3 Months	From 3 to 12 Months	From 1 to 2 Years	From 2 to 5 Years	Over 5 Years	
Financial Liabilities						
Trade and Other Payables	25,804,087	2,154,030	-	-	-	27,958,117
Borrowings	3,510,512	13,980,594	11,113,594	5,582,644	109,381	34,296,725
Other Liabilities	9,259	26,349	-	12,365	-	47,973
Total Financial Liabilities	29,323,858	16,160,973	11,113,594	5,595,009	109,381	62,302,815

NOTE 33 – BORROWINGS

Proceeds from Bank and Financial Loans

With the purpose of financing its business transactions, the Company took out the following borrowings, the main characteristics of which with regard to the obligations outstanding as of June 30, 2019 are summarized as follows, in chronological order:

Institution	Currency of the Loan	Date of Disbursement	Maturity Date	Term	Loan Amount	Outstanding Principal Amount at 06.30.2019	Principal Payments	Interest Payments	Interest Rate
Banco Ciudad de Buenos Aires S.A.	Pesos (AR\$)	11/07/2018	11/07/2019	12 months	200,000	200,000	One payment at maturity	Monthly	UVA + 10.5%

Credit Lines

The Company has entered into and used the following credit line arrangements, the main characteristics of which with regard to the obligations outstanding are summarized as follows:

Institution	Credit Line Currency	Date of Arrangement	Maturity Date	Credit Line Amount as of 06.30.2019 (*)	Principal Payments	Interest Payments	Interest Rate
HSBC Bank Argentina S.A.	Pesos (AR\$)	07/03/2018	07/02/2019	100,000	Upon maturity	Upon maturity	58.00%

(*) It corresponds to the principal amount outstanding as of the indicated dates in Argentine Pesos.

Memorandum Accounts

As of June 30, 2019, the Company had no commitment agreements.

As of June 30, 2018, the Company had booked in memorandum accounts unused balances of credit lines borrowed in the amount of AR\$ 100,000, in connection with a commitment agreement with Banco Patagonia S.A. effective since March 23, 2018 through March 22, 2019.

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NOTE 34 – LEASES

The Company has entered into several buildings lease agreements in respect of which it has recognized the following assets:

Items	Original Value		Depreciation	Net Book Amount
	Opening Book Amount	Additions	Charge for the Period	At 06.30.2019
Buildings under Financial Leases	746,888	-	(7,997)	738,891
Right-of-use Assets	-	832,634	(138,772)	693,862

On the other hand, the Company has recorded the following lease liabilities:

Items	Opening Book Amount	Adjustments due to Changes in Accounting Policies	Interest to be Accrued	Accrued Interest	Payments	Effect of Restatement	Value at 06.30.2019
Lease Liabilities	175,857	848,354	(59,950)	78,457	(197,501)	(78,897)	766,320

The following are the future lease payments and the related present value as of June 30, 2019:

	Future Lease Payments	Present Value of Lease Payments
	06.30.2019	
Less than One Year	414,966	285,266
From 1 to 5 Years	774,499	464,136
Over 5 Years	21,192	16,918
Minus Future Financing Charges	(444,337)	-
Present Value of Lease Payments	766,320	766,320
	06.30.2019	
Included in the Financial Statements as:		
Current Leases	285,266	
Non-current Leases	481,054	
Total	766,320	

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NOTE 35 – NOTES (“OBLIGACIONES NEGOCIABLES”)

As of June 30, 2019, the Company has the Global Program approved by Resolutions No. 15220, No. 15361, No. 15785, No. 16319, No. 16571, No. 16822, No. 17676 and No. 19508 of the C.N.V. outstanding.

The Company's Shareholders' Meeting held on July 14, 2005 authorized the creation of a Global Program for the Issuance of Notes for a maximum outstanding amount of US\$ 50,000 to be placed by means of a public offering. On October 26, 2005, the C.N.V. authorized the creation of the global program and the public offering of each series of notes issued under such Program through Resolution No. 15220 of that date.

The Shareholders' Meeting held on March 3, 2006, in turn, authorized to increase the amount of said Global Program for the Issuance of Notes by US\$ 100,000, thus resulting in a total maximum amount of US\$ 150,000. Such increase was authorized by the C.N.V. through Resolution No. 15361 dated March 23, 2006.

On October 31, 2007, the Company's Shareholders' Meeting approved to increase said Program's amount up to a maximum outstanding amount of US\$ 350,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 15785 dated November 16, 2007. On March 26, 2010, the Shareholders' Meeting approved the extension of the term during which such program would be effective. On April 27, 2010, the C.N.V. authorized such extension through Resolution No. 16319.

Later, the Company's Shareholders' Meeting held on April 1, 2011 approved to increase said Program's amount up to a maximum outstanding amount of US\$ 450,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 16571 dated May 24, 2011.

On March 8, 2012, the Company's Shareholders' Meeting approved to increase said Program's amount up to a maximum outstanding amount of US\$ 650,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 16822 dated May 23, 2012.

Furthermore, on March 19, 2015, the Shareholders' Meeting approved the extension of the term during which such Program would be outstanding for five years. Then, on May 21, 2015, the C.N.V. authorized such extension through Resolution No. 17676.

Finally, on April 4, 2018, the Company's Shareholders' Meeting decided to approve to increase said Program's amount up to a maximum of US\$ 1,000,000 outstanding at any time, or its equivalent amount in other currencies. Such increase was approved by the C.N.V. through Resolution No. 19508 dated May 10, 2018.

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NOTE 35 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Below is a breakdown of the main characteristics of Notes and their balance at June 30, 2019 and December 31, 2018:

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Face Value (*)	
								06.30.19	12.31.18
04/13/2016	AR\$ (1)	XXXIII Series II	366,908	Simple notes, not convertible into shares	1,095 days	04/13/2019	Minimum 37.00 % Badlar + 5.40 %	-	366,908
05/05/2016	AR\$ (2)	XXIV Series II	234,309	Simple notes, not convertible into shares	1,095 days	05/05/2019	Minimum 37.00 % Rate / Badlar + 4.98%	-	234,309
06/29/2016	AR\$ (3)	XXXIV Series II	475,397	Simple notes, not convertible into shares	1,461 days	06/29/2020	Minimum 32.00 % Badlar + 4.67 %	475,397	475,397
07/26/2016	AR\$ (4)	XXV	400,000	Simple notes, not convertible into shares	1,461 days	07/26/2020	Minimum 30.00 % Badlar + 3.94%	400,000	400,000
09/27/2016	AR\$ (5)	XXXV Series II	774,389	Simple notes, not convertible into shares	1,461 days	09/27/2020	Minimum 26.00 % Badlar + 3.99 %	774,389	774,389
10/24/2016	AR\$ (6)	XXVI Series II	350,237	Simple notes, not convertible into shares	1,461 days	10/24/2020	Minimum 26.00 % Badlar + 4.00%	350,237	350,237
12/07/2016	AR\$ (7)	XXXVI Series II	636,409	Simple notes, not convertible into shares	1,095 days	12/07/2019	Minimum 25.25% Badlar + 4.00 %	636,409	636,409
02/10/2017	AR\$ (8)	XXVII Series II	500,000	Simple notes, not convertible into shares	1,095 days	02/10/2020	Minimum 23.50% Rate / Badlar + 3.50%	500,000	500,000
04/11/2017	AR\$ (9)	XXXVII	3,845,700	Simple notes, not convertible into shares	1,826 days	04/11/2022	Minimum 15.00% Rate / Badlar + 3.50 %	3,845,700	3,845,700
06/09/2017	AR\$ (10)	XXVIII Series I	128,175	Simple notes, not convertible into shares	730 days	06/09/2019	Minimum 25.00 % Rate / Badlar + 3.05%	-	128,175
06/09/2017	AR\$ (10)	XXVIII Series II	371,825	Simple notes, not convertible into shares	1,461 days	06/09/2021	Minimum 25.00% Rate / Badlar + 3.70%	371,825	371,825

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NOTE 35 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Face Value (*)	
								06.30.19	12.31.18
11/13/2017	AR\$ (11)	XXXVIII	503,333	Simple notes, not convertible into shares	546 days	05/13/2019	Minimum 29.50% Rate / TM20 + 4.00%	-	503,333
02/14/2018	AR\$ (12)	XXXIX	754,539	Simple notes, not convertible into shares	546 days	08/14/2019	Minimum 26.75% Rate / TM 20 + 3.40%	754,539	754,539
04/10/2018	AR\$ (13)	XL Series I	597,500	Simple notes, not convertible into shares	548 days	10/10/2019	25.98% Fixed Rate	597,500	597,500
04/10/2018	AR\$ (13)	XL Series II	1,402,500	Simple notes, not convertible into shares	914 days	10/10/2020	Minimum 27.00% Rate / Badlar + 3.69%	1,402,500	1,402,500
11/15/2018	AR\$ (14)	XLI Series I	854,102	Simple notes, not convertible into shares	365 days	11/15/2019	54.00% Fixed Rate	854,102	854,102
11/15/2018	AR\$ (14)	XLI Series II	343,555	Simple notes, not convertible into shares	547 days	05/15/2020	Badlar + 10.00%	343,555	343,555
12/17/2018	AR\$ (15)	XLII	1,266,303	Simple notes, not convertible into shares	287 days	09/30/2019	58.00% Fixed Rate	1,266,303	1,266,303
02/19/2019	AR\$ (16)	XLIII	1,583,895	Simple notes, not convertible into shares	547 days	08/18/2020	Badlar + 7.00%	1,583,895	-

(*) It corresponds to the principal amount outstanding as of the indicated dates in Argentine Pesos.

- On April 13, 2016, the Company issued and placed its Class XXXIII Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 133,092 and Series II for a total amount of AR\$ 366,908. As of the date of these financial statements, the Company repaid the outstanding principal in respect of both Series.
- On May 5, 2016, the Company issued and placed TC Class XXIV Notes for a total amount of AR\$ 300,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 65,691 and Series II for a total amount of AR\$ 234,309. As of the date of these financial statements, the Company repaid the outstanding principal in respect of both Series.
- On June 29, 2016, the Company issued and placed its Class XXXIV Notes for a total amount of AR\$ 600,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 124,603 and Series II for a total amount of AR\$ 475,397. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly. Minimum interest rate shall be 32% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than Series II's minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.
- On July 26, 2016, the Company issued and placed TC Class XXV Notes for a total amount of AR\$ 400,000. This issuance was carried out in only one Series. Principal will be settled upon maturity.
- On September 27, 2016, the Company issued and placed its Class XXXV Notes for a total amount of AR\$ 1,000,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 225,611 and Series II for a total amount of AR\$ 774,389. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly in respect of both Series. For Series I, minimum interest rate shall be 26% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. For Series II, minimum interest rate shall be 26% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower

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NOTE 35 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

- than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.
- (6) On October 24, 2016, the Company issued and placed TC Class XXVI Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 149,763 and Series II for a total amount of AR\$ 350,237. Principal of Series I was already settled and principal of Series II will be settled upon maturity.
 - (7) On December 7, 2016, the Company issued and placed its Class XXXVI Notes for a total amount of AR\$ 846,980. This issuance was carried out in two series: Series I for a total amount of AR\$ 210,571 and Series II for a total amount of AR\$ 636,409. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly in respect of both Series. For Series I, minimum interest rate shall be 25.25% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. For Series II, minimum interest rate shall be 25.25% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.
 - (8) On February 10, 2017, the Company issued and placed TC Class XXVII Notes for a total amount of AR\$ 500,000. This issuance was carried out under Series II, with Series I having been declared void. Principal will be settled upon maturity.
 - (9) On April 11, 2017, the Company issued and placed Peso-linked Class XXXVII Notes for a total amount of US\$250,000, equivalent to AR\$ 3,845,700, as converted at an Initial Exchange Rate. Principal will be settled in three annual installments, with due dates on April 11, 2020, April 11, 2021 and April 11, 2022. Interest shall be payable quarterly. Minimum interest rate shall be 15.00% nominal annual. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest shall be accrued according to the latter, pursuant to the Price Supplement and Disclosure report.
 - (10) On June 9, 2017, the Company issued and placed TC Class XXVIII Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 128,175 and Series II for a total amount of AR\$ 371,825. Principal of Series I was already settled. Principal of Series II will be settled upon maturity.
 - (11) On November 13, 2017, the Company issued and placed its Class XXXVIII Notes for a total amount of AR\$ 503,333. This issuance was carried out in only one Series. At the date of these financial statements, it has been settled.
 - (12) On February 14, 2018, the Company issued and placed its Class XXXIX Notes for a total amount of AR\$ 754,539. This issuance was carried out in only one Series. Principal will be settled upon maturity. Interest shall be payable quarterly. For Series I, minimum interest rate shall be 26.75% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.
 - (13) On April 10, 2018, the Company issued and placed Class XL Notes for a total amount of AR\$ 2,000,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 597,500 and Series II for a total amount of AR\$ 1,402,500. Principal of both Series will be settled upon maturity. Series I shall accrue interest upon maturity and Series II shall accrue interest quarterly. For Series II, minimum interest rate shall be 27% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate.
 - (14) On November 15, 2018, the Company issued and placed Class XLI Notes for a total amount of AR\$ 1,197,657. This issuance was carried out in two series: Series I for a total amount of AR\$ 854,102 and Series II for a total amount of AR\$ 343,555. Principal of both Series will be settled upon maturity. Principal of Series I and Series II will be settled on a quarterly basis.
 - (15) On December 17, 2018, the Company issued and placed Class XLII Notes for a total amount of AR\$ 1,266,303. This issuance was carried out in only one Series. Principal and interest will be settled upon maturity.
 - (16) On February 19, 2019, the Company issued and placed Class XLIII Notes for a total amount of AR\$ 1,583,895. This issuance was carried out in only one Series. Principal will be settled upon maturity. Interest will be paid on a quarterly basis.

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NOTE 35 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Covenants Undertaken:

Furthermore, it is worth noting that in the Price Supplement of Class XXXVII Notes, the Company has undertaken the following covenants, among others, with regard to the holders of such Notes.

- (i) The Company will not incur debt, unless at the date of incurring debt (a) the Total Liabilities to Equity Ratio does not exceed 7 to 1; and (b) the Indebtedness to Equity Ratio does not exceed 4 to 1;
- (ii) The Company will not levy any lien or else allow any lien to be levied, except for the permitted liens (liens existing at the time of the issuance of Notes, their renewals and those liens set forth by the law) with regard to all the other assets, when the total amount of the liens does not exceed 5% of the Company's total assets.
- (iii) The Company will not be able to dispose of its assets, unless: (a) it receives a consideration at market value, (b) 75% of the consideration is in cash, (c) the proceeds of the sale are used within 365 days to (i) pay off debt, (ii) make investments in capital assets in a related company, a permitted business or a related business, or else (iii) reinvest or purchase additional assets.

In turn, in the Price Supplement of Class XXIV (TC), XXV (TC), XXVI (TC), XXVII (TC), XXVIII (TC), XXXIII, XXXIV, XXXV, XXXVI, XXXVIII, XXXIX, XL, XLI, XLII and XLIII Notes (“Obligaciones Negociables”), the Company has undertaken the following covenant with regard to the holders of such Notes:

- (i) The Company will not levy any lien or else allow any lien to be levied, except for the permitted liens — such liens existing at the date of the Price Supplement or those to be levied in the future with regard to all the other assets—, when the total amount of the liens does not exceed 25% of the Company's total assets.

At the date of these condensed interim financial statements, the Company has complied with the abovementioned covenants undertaken.

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NOTE 36 – CASH AND CASH EQUIVALENTS – STATEMENT OF CASH FLOWS

	<u>06.30.2019</u>	<u>06.30.2018</u>
	<u>In Thousands of AR\$</u>	
Cash	979,966	1,082,306
Placements of Cash-equivalent Funds	4,758,989	1,992,288
Total	<u>5,738,955</u>	<u>3,074,594</u>

NOTE 37 – ADJUSTMENTS TO CALCULATE THE NET CASH FLOWS FROM OPERATING ACTIVITIES

	<u>06.30.2019</u>	<u>06.30.2018</u>
	<u>In Thousands of AR\$</u>	
Provision for Loan Losses	3,050,615	2,629,179
Provision for Contingencies, Net of Recoveries	25,984	26,116
Provision for Employee Benefit Obligations	380,567	579,609
(Recovery) / Provision for Fees Payable to Directors and Members of the Supervisory Committee	(10,206)	28,989
Foreign Exchange Gain	46,626	5,873
Loss from Investments Accounted for Using the Equity Method	570	(240)
Decrease in Property, Plant and Equipment	-	910
Decrease in Intangible Assets	-	3,388
Depreciation of Property, Plant and Equipment	283,508	141,885
Amortization of Intangible Assets	150,331	174,699
Total	<u>3,927,995</u>	<u>3,590,408</u>

NOTE 38 – CHANGES IN OPERATING ASSETS

	<u>06.30.2019</u>	<u>06.30.2018</u>
	<u>In Thousands of AR\$</u>	
Increase in Receivables from Trade	(4,468,546)	(12,087,922)
Increase in Other Receivables	(234,195)	(106,324)
Total	<u>(4,702,741)</u>	<u>(12,194,246)</u>

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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NOTE 39 – CHANGES IN OPERATING LIABILITIES

	06.30.2019	06.30.2018
	<u>In Thousands of AR\$</u>	
Decrease in Employee Benefit Obligations	(610,752)	(569,328)
Decrease in Trade and Other Payables	(1,306,944)	(12,189)
Increase in Tax Liabilities	88,209	346,330
Income Tax Payments	(117,421)	(1,997,742)
Increase / (Decrease) in Other Liabilities	125,729	(22,882)
Increase in Trade and Other Payables	2,611,106	1,102,040
Contingency Payments	(19,199)	(20,768)
Total	770,728	(1,174,539)

NOTE 40 – ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

The following is the reconciliation of borrowings disclosed in the condensed Statements of Cash Flows at period-end:

	At the Beginning of the Year	Adjustments due to Changes in Accounting Policies (1)	Debt Securities Issued	Payments of Principal, Interest and Expenses	Accrued Interest and Expenses	Effect of Restatement	At Period-end
Notes ("Obligaciones Negociables")	18,335,316	-	1,500,469	(4,536,640)	3,989,627	(3,491,430)	15,797,342
Borrowings	2,613,007	848,354	-	(2,168,153)	293,899	(421,771)	1,165,336
Total	20,948,323	848,354	1,500,469	(6,704,793)	4,283,526	(3,913,201)	16,962,678

(1) See Note 34

The following are the financing operations performed during the period that have not generated any cash movements.

	06.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Payment in Kind for the Issuance of Class XLIII Notes ("Obligaciones Negociables")	315,168	-
Payment in Kind for the Issuance of Class XL Series I and Series II Notes ("Obligaciones Negociables")	-	134,676
Dividends Paid in Kind in 2017 (Lebacs - Securities I16Y8; I21J8)	-	372,606

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NOTE 41 - BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES

Tarjeta Naranja S.A. is controlled by Tarjetas Regionales S.A., with legal domicile at Tte. Gral. Juan D. Perón 430 - 19th Floor - Autonomous City of Buenos Aires, which holds 2,823 shares, representing a 99.96% interest in the capital stock. In turn, Grupo Financiero Galicia S.A., with legal domicile at Tte. Gral. Juan D. Perón 456, 2nd Floor, Autonomous City of Buenos Aires, owns an 83% equity interest in Tarjetas Regionales S.A.

Ondara S.A. is a corporation incorporated in Argentina, with domicile established at Av. Paseo Colón 746, 4th Floor, Autonomous City of Buenos Aires, Argentina, and holds 1 share accounting for 0.4% of the Company's capital stock.

In an effort to associate our trademark to new products with embedded technology which already have a share in the digital market, in December 2018 Tarjeta Naranja S.A. entered into a trademark license agreement with Cobranzas Regionales S.A., pursuant to which such trademarks can be associated to the operation of a payment platform and external devices that read card magnetic stripes and chips, under the brand Naranja POS.

Since the development and execution of the project required an increase of AR\$ 90,000 in Cobranzas Regionales S.A.'s capital stock, according to the percentage of shares held by each shareholder, on February 18, 2019, the shareholders held their General Extraordinary Shareholders' Meeting at which time they approved said increase by issuing 900 non-endorsable, registered ordinary shares, 855 of Tarjetas Regionales S.A.'s capital stock and 45 of Tarjeta Naranja S.A.'s capital stock.

The following are Tarjeta Naranja S.A.'s balances with related companies as of June 30, 2019:

Companies under Section 33 of Law No.19550	
	Banco de Galicia y de Buenos Aires S.A.U.
	In Thousands of AR\$
ASSETS	
Cash and Cash Equivalents	128,724
Other Receivables	12,170
Total Current Assets as of 06.30.2019	140,894
Total Assets as of 06.30.2019	140,894
LIABILITIES	
Trade and Other Payables	107,903
Borrowings	30,253
Other Liabilities	2,750
Total Current Liabilities as of 06.30.2019	140,906
Borrowings	133,023
Other Liabilities	8,725
Total Non-current Liabilities as of 06.30.2019	141,748
Total Liabilities as of 06.30.2019	282,654

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with other related parties as of June 30, 2019:

	Other Related Parties				Total
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Key Management Personnel	Parque Azul S.R.L.	
	AR\$				
ASSETS					
Other Receivables	37,653	59	-	-	37,712
Total Current Assets as of 06.30.2019	37,653	59	-	-	37,712
Total Assets as of 06.30.2019	37,653	59	-	-	37,712
LIABILITIES					
Trade and Other Payables	55,797	-	-	11,438	67,235
Salaries Payable	-	-	4,641	-	4,641
Total Current Liabilities as of 06.30.2019	55,797	-	4,641	11,438	71,876
Total Liabilities as of 06.30.2019	55,797	-	4,641	11,438	71,876

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with related companies during the period ended June 30, 2019:

	Companies under Section 33 of Law No.19550
	Banco de Galicia y Buenos Aires S.A.U.
	In Thousands of AR\$
REVENUES	
Revenues from Services	34,084
Interest on Time Deposits	34,930
Totals as of 06.30.2019	69,014
EXPENSES	
Rentals	(2,395)
Bank Interest	(69,966)
Bank Expenses	(71,390)
Professional Fees	(10,069)
Totals as of 06.30.2019	(153,820)

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with other related parties during the period ended June 30, 2019:

	Other Related Parties				
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Parque Azul S.R.L.	Key Management Personnel	Colores S.A.
	In Thousands of AR\$				
REVENUES					
Revenues from Services	10,367	187,215	1,440	-	-
Revenues from Financing	-	-	330	-	-
Totals as of 06.30.19	10,367	187,215	1,770	-	-
EXPENSES					
Rentals	-	-	-	-	(787)
Professional Fees	(323,143)	-	-	(12,744)	-
Salaries	-	-	-	(12,744)	-
Totals as of 06.30.19	(323,143)	-	-	(25,488)	(787)

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with related companies as of December 31, 2018:

Companies under Section 33 of Law No.19550		
	Banco de Galicia y de Buenos Aires S.A.U.	Total
In Thousands of AR\$		
ASSETS		
Cash and Cash Equivalents	657,919	657,919
Other Receivables	19,863	19,863
Total Current Assets as of 12.31.2018	677,782	677,782
Total Assets as of 12.31.2018	677,782	677,782
LIABILITIES		
Trade and Other Payables	1,101,007	1,101,007
Borrowings	38,298	38,298
Other Liabilities	3,366	3,366
Total Current Liabilities as of 12.31.2018	1,142,671	1,142,671
Borrowings	177,038	177,038
Other Liabilities	12,365	12,365
Total Non-current Liabilities as of 12.31.2018	189,403	189,403
Total Liabilities as of 12.31.2018	1,332,074	1,332,074

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with other related parties as of December 31, 2018:

	Other Related Parties				Total
	Cobranzas Regionales S.A.	Key Management Personnel	Parque Azul S.R.L.	In Thousands of AR\$	
ASSETS					
Other Receivables	18,308	295	-		18,603
Total Current Assets as of 12.31.2018	18,308	295	-		18,603
Total Assets as of 12.31.2018	18,308	295	-		18,603
LIABILITIES					
Trade and Other Payables	60,977	-	13,427		74,404
Salaries Payable	-	3,453	-		3,453
Other Liabilities	-	22,667	-		22,667
Total Current Liabilities as of 12.31.2018	60,977	26,120	13,427		100,524
Total Liabilities as of 12.31.2018	60,977	26,120	13,427		100,524

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with related companies during the period ended June 30, 2018:

	Companies under Section 33 of Law No.19550
	Banco de Galicia y Buenos Aires S.A.U.
	In Thousands of AR\$
REVENUES	
Revenues from Services	100,846
Totals as of 06.30.18	100,846
EXPENSES	
Rentals	(2,302)
Bank Interest	(53,159)
Bank Expenses	(13,022)
Professional Fees	(19,541)
Totals as of 06.30.2018	(88,024)

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NOTE 41 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with other related parties during the period ended June 30, 2018:

	Other Related Parties						
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Parque Azul S.R.L.	Key Management Personnel	Ondara S.A.	Golden S.A.	Colores S.A.
	In Thousands of AR\$						
REVENUES							
Revenues from Services	886	221,169	1,881	-	-	-	-
Revenues from Financing	-	-	800	-	-	-	-
Totals as of 06.30.2018	886	221,169	2,681	-	-	-	-
EXPENSES							
Rentals	-	-	-	-	-	-	-
Professional Fees	(262,873)	-	-	-	(17,050)	(883)	(2,989)
Directors' Fees	-	-	-	(27,096)	-	-	-
Salaries	-	-	-	(18,189)	-	-	-
Totals as of 06.30.2018	(262,873)	-	-	(45,285)	(17,050)	(883)	(2,989)

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NOTE 42 - RESTRICTED ASSETS

Liens in Force

As of June 30, 2019 and December 31, 2018, liens for a total amount of AR\$ 1,803 and AR\$ 2,206, respectively, have been levied on funds deposited in checking accounts opened by the Company at several financial institutions. Since the appropriate defenses have been filed during such legal proceedings to safeguard the Company's interests, the seized funds have been included in these condensed interim financial statements under "Other Receivables".

Covenants Undertaken

The commitments undertaken by virtue of Class XXIV (TC), XXV (TC), XXVI (TC), XXVII (TC), XXVIII (TC), XXXIII, XXXIV, XXXV, XXXVI, XXXVII, XXXVIII, XXXIX, XL, XLI, XLII and XLIII Notes ("*Obligaciones Negociables*") issued by the Company are mentioned in Note 40.

Security Deposits

As June 30, 2019 and December 31, 2018, the Company has paid AR\$ 6,073 and AR\$ 6,112, respectively, for security related to certain buildings lease agreements. These funds have been included in these condensed interim financial statements under "Other Receivables".

Restriction on the Distribution of Dividends

The Company's Ordinary and Extraordinary Shareholders' Meeting held on March 16, 2006 resolved to define the following policy for the distribution of dividends: i) to keep under Retained Earnings those retained earnings corresponding to years prior to 2005 and, therefore, not to distribute them as dividends, and ii) to set as maximum limit for the distribution of dividends 25% of the liquid and realized income for each year as from 2005. These restrictions shall remain in full force as long as the Company's equity remains below AR\$ 300,000. Thus, the policy for the distribution of dividends approved by the Company's Board of Directors at its meeting held on January 4, 2006 has been ratified.

Furthermore, in the Price Supplement of Class XXXVII Notes, the Company agreed not to distribute dividends: i) that exceed 50% of the Company's net profit accrued since January 1, 2017 plus the net profit accrued during the year ended December 31, 2017, net of restricted payments made in 2016, and ii) when (a) the Total Liabilities to Equity Ratio does not exceed 7 to 1, and (b) the Indebtedness to Equity Ratio does not exceed 4 to 1.

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NOTE 43 – INFORMATION ABOUT EXPENSES AND THEIR ALLOCATION UNDER SECTION 64 SUBSECTION B) OF LAW 19550

Items	Totals as of 06.30.2019	Administrative Expenses	Marketing Expenses	Totals as of 06.30.2018
In Thousands of AR\$				
Directors and Supervisory Committee Members' Fees	-	-	-	28,989
Bonuses for the Personnel	236,606	73,348	163,258	280,964
Compensation and Social Security Charges	1,712,950	583,376	1,129,574	2,480,861
Taxes, Rates and Contributions	1,756,279	308,757	1,447,522	1,899,792
Travel Expenses and Per Diem	33,633	15,668	17,965	52,197
Maintenance of Equipment and Buildings	82,585	82,585	-	66,939
Depreciation of Property, Plant and Equipment	283,508	198,456	85,052	141,885
Amortization of Intangible Assets	150,331	150,331	-	174,699
Rentals	34,048	-	34,048	175,844
Stationery and Office Supplies	33,905	5,386	28,519	41,497
Opening of Accounts	48,348	-	48,348	56,128
Publicity and Advertising	247,921	-	247,921	330,291
Donations	2,413	2,413	-	3,313
Electricity, Natural Gas and Communications	156,911	27,456	129,455	109,264
Third Parties' Fees	331,668	320,458	11,210	514,235
Insurance and Security Services	209,721	7,273	202,448	215,588
Bank and Financial Expenses	83,604	83,604	-	46,438
Regular Mail Services	20,191	-	20,191	31,421
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	322,623	322,623	-	260,840
Collection Expenses	610,467	610,467	-	535,485
General Expenses	620,481	387,584	232,897	572,230
Expenses for Telephone Sale Channel	113,575	-	113,575	276,099
Printing and Distribution Expenses	184,078	-	184,078	285,872
Cleaning Expenses	43,374	10,755	32,619	58,745
Special Promotions	36,425	-	36,425	97,922
Expenses from Call Center Services	128,353	120,563	7,790	132,135
Totals as of 06.30.2019	(1) 7,483,998	3,311,103	4,172,895	
Totals as of 06.30.2018		3,176,784	5,692,889	(1) 8,869,673

(1) Total marketing and administrative expenses correspond with the amount of the lines "Costs of Services" and "Total Operating Expenses" in the Condensed Statement of Profit or Loss.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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NOTE 44 – FOREIGN CURRENCY ASSETS AND LIABILITIES

Items	Amount and Type of Foreign Currency (in Thousands of U.S. Dollars)		Current Exchange Rate	Amount in Argentine Currency as of 06.30.2019	Amount in Argentine Currency as of 12.31.2018
				In Thousands of AR\$	
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents					
Deposits in Argentina	356.07		41.5	14,777	6,588
Deposits Abroad	7.16		41.5	297	648
Total Current Assets				15,074	7,236
NON-CURRENT ASSETS					
Other Receivables					
Security Deposits	25		41.5	1,038	1,126
Total Non-current Assets				1,038	1,126
Total Assets				16,112	8,362
LIABILITIES					
CURRENT LIABILITIES					
Trade and Other Payables					
Merchants ("Comercios Amigos")	936		43.5	40,704	-
Collections on Account of Third Parties				-	14,632
Total Current Liabilities				40,704	14,632
Total Liabilities				40,704	14,632

US\$: United States Dollars.

Please refer to our report dated August 7, 2019

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NOTE 45 – DOCUMENTATION FILING

On August 14, 2014, the National Securities Commission issued General Resolution No. 629, whereby it introduces changes to its regulations regarding the filing and keeping of commercial books, corporate books and the accounting records.

In compliance with Section 26 of Part VII of Chapter IV of Title II of the Regulations (N.T. 2013, as amended), it is reported that the Company has entrusted the following third-party suppliers with the deposit of certain old information:

Person in Charge of the Deposit	Location
File Management Com S.R.L. (FMC)	Ruta 5 km 4 1/2 - Camino a Alta Gracia – Province of Córdoba
Administradora de Archivos S.A. (ADEA)	Ruta 36, 31.5km (Plant 3) - Florencio Varela – Province of Buenos Aires
DataBox de File S.A.	25 de mayo 821 – Dorrego – Guaymallen - Mendoza

In addition, it is evidenced that the detail of the documentation for safekeeping is made available at the registered office.

NOTE 46 – PORTFOLIO ASSIGNMENT

As of June 30, 2019, the Company entered into Credit Portfolio Assignment agreements, as detailed below:

Date	Trustee	Sale Price	Portfolio Assignment
03/22/2019	Comafi Fiduciario Financiero S.A. (Frankel)	26,001	AR\$ 346,214
03/22/2019	Banco Comafi S.A.	3,984	AR\$ 53,059
04/08/2019	Comafi Fiduciario Financiero S.A. (Frankel)	15,448	AR\$ 205,702
04/08/2019	Banco Comafi S.A.	2,684	AR\$ 35,744
06/14/2019	Comafi Fiduciario Financiero S.A. (Frankel)	1,713	AR\$ 24,437
06/14/2019	Banco Comafi S.A.	31,441	AR\$ 448,511

The above-mentioned agreements have been executed as portfolio assignment without recourse. Accordingly, the Company has substantially transferred the risks and rewards inherent to the ownership of the financial asset.

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Additional Information to the Notes to the Financial Statements

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1. LEGAL SYSTEMS

There are no significant or specific legal systems entailing contingent expiration or resurgence of benefits envisaged by those regulations.

2. COMPANY ACTIVITIES

Indicators of the Company's activities are described in the Summary of Activity.

3. CLASSIFICATION OF RECEIVABLES FROM TRADE, OTHER RECEIVABLES AND DEFERRED TAX ASSETS BY MATURITY DATE

a) Past-due Receivables from Trade as of June 30, 2019:

	Receivables from Trade
	In Thousands of AR\$
Before 06.30.18	878,462
Between 06.30.18 and 12.31.18	2,606,038
Between 12.31.18 and 03.31.19	1,975,748
Between 03.31.19 and 06.30.19	2,467,425
Subtotal	7,927,673
Provision for Loan Losses (1)	(4,559,829)
Total Past-due Receivables	3,367,844

(1) The difference of AR\$ 1,163,446 with respect to the total provision for loan losses for AR\$ 5,723,275 corresponds to a global provision for the (undue) performing commercial portfolio.

b) Other Receivables and Deferred Tax Assets with No Fixed Term as of June 30, 2019:

	Other Receivables	Deferred Tax Assets
	In Thousands of AR\$	
No Fixed Term	(1) 32,704	1,001,190

(1) Other Receivables with No Fixed Term: AR\$ 418 are recorded as other current receivables and AR\$ 32,286 are recorded as other non-current receivables in the Balance Sheet.

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Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)

As of June 30, 2019

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(Free Translation from the Original in Spanish for Publication in Argentina)

c) Receivables from Trade and Other Receivables to Become Due as of June 30, 2019:

		Receivables from Trade	Other Receivables
		In Thousands of AR\$	
Current			
	09/30/2019	30,216,586	311,802
	12/31/2019	7,500,956	9,842
	03/31/2020	3,050,897	6,144
	06/30/2020	1,393,791	2,551
	Provision for Loan Losses (1)	(1,163,446)	-
Non-current		931,730	738

(1) The difference of AR\$ 4,559,829 with respect to the total provision for loan losses for AR\$ 5,723,275 corresponds to a provision for past-due receivables included in paragraph a).

4. CLASSIFICATION OF DEBT BALANCES BY MATURITY DATE

a) Past-due Debts as of June 30, 2019:

There are no past-due debts as of June 30, 2019.

b) Debts with No Fixed Term as of June 30, 2019:

As of June 30, 2019, we have AR\$ 8 of qualification bonds received from Directors, as required by Law No. 19550.

c) Debts to Become Due as of June 30, 2019:

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities	
	In Thousands of AR\$						
Current							
	09/30/2019	16,865,159	3,719,461	374,877	1,068,497	-	3,604
	12/31/2019	7,538,270	2,599,889	71,945	-	-	688
	03/31/2020	-	560,755	59,772	-	-	688
	06/30/2020	-	2,163,220	79,187	-	251,314	19,191
Non-current		-	7,919,353	-	-	-	8,724

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)

As of June 30, 2019

Expressed in thousands of Argentine Pesos

(Free Translation from the Original in Spanish for Publication in Argentina)

5. CLASSIFICATION OF RECEIVABLES FROM TRADE, OTHER RECEIVABLES AND DEFERRED TAX ASSETS BY THEIR FINANCIAL EFFECTS

- a) Receivables from Trade, Other Receivables and Deferred Tax Assets in Argentine Pesos and U.S. Dollars.

	Receivables from Trade	Other Receivables	Deferred Tax Assets
In Thousands of AR\$			
In Argentine Pesos	51,021,633	363,161	1,001,190
Provision for Loan Losses AR\$	(5,723,275)	-	-
In Foreign Currency	-	1,038	-
Provision for Loan Losses US\$	-	-	-

- b) The balances of Receivables from Trade, Other Receivables and Deferred Tax Assets are not subject to any adjustment clause.

- c) Interest-bearing and Non-interest bearing Receivables from Trade, Other Receivables and Deferred Tax Assets.

	Receivables from Trade	Other Receivables	Deferred Tax Assets
In Thousands of AR\$			
Interest-bearing Balances	12,282,416	-	-
Non-interest Bearing Balances	38,739,217	364,199	1,001,190

6. CLASSIFICATION OF DEBTS BY THEIR FINANCIAL EFFECTS

- a) Debts to Become Due in Argentine Pesos and U.S. Dollars

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities
In Thousands of AR\$						
In Argentine Pesos	24,403,429	16,962,678	585,781	1,068,497	251,314	32,903
In Foreign Currency	-	-	-	-	-	-

- b) Debt balances are not subject to any adjustment clause.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21,00004.3

Tarjeta Naranja S.A.

Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)

As of June 30, 2019
Expressed in thousands of Argentine Pesos
(Free Translation from the Original in Spanish for Publication in Argentina)

c) Interest-bearing and Non-interest Bearing Debts:

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities
In Thousands of AR\$						
Interest-bearing Balances	-	15,318,206	-	-	-	-
Non-interest Bearing Balances	24,403,429	1,644,472	585,781	1,068,497	251,314	32,903

7. INVESTMENT IN COMPANIES

As of June 30, 2019, the Company holds a 5% interest in Cobranzas Regionales S.A.

8. RECEIVABLES FROM OR LOANS GRANTED TO DIRECTORS AND SUPERVISORY COMMITTEE MEMBERS

As of June 30, 2019, there are advances to directors and supervisory committee members for AR\$ 26,213, but there are no receivables from or loans granted to supervisory committee members and supervisory committee members' or directors' relatives up to the second grade of consanguinity, except for the regular use of their credit cards.

9. INVENTORY

The Company does not have any inventories.

10. VALUATION OF INVENTORIES

The Company does not have any inventories.

11. TECHNICAL REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company does not have any property, plant and equipment that have been technically revaluated.

12. OBSOLETE PROPERTY, PLANT AND EQUIPMENT

The Company does not have any obsolete property, plant and equipment bearing book value.

13. INVESTMENT IN OTHER COMPANIES

There are no investments in companies in excess of the maximum value set forth by Section 31 of the Argentine General Companies Law.

14. RECOVERABLE VALUES

The recoverable value of property, plant and equipment is their value in use determined by the possibility of absorbing depreciation charges with the income reported by the Company.

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. N° 21.00004.3

Tarjeta Naranja S.A.

Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)

As of June 30, 2019

Expressed in thousands of Argentine Pesos
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INSURANCE

The following are the insurance policies hired by the Company:

INSURANCE POLICY No.	INSURANCE COMPANY	INSURANCE TYPE	EXPIRATION DATE	INSURED AMOUNT (In Thousands)	BOOK VALUE
355431	SANCOR	Theft	04/15/2019	US\$ 680	-
158954	CHUBB	Civil Liability Multi-Peril Insurance	04/15/2019	US\$ 129,957	-
985235	CHUBB	Commercial Buildings Security	06/30/2019	AR\$ 210	-
846039	CHUBB	Civil Liability Work	04/15/2020	US\$ 3,000	-
2240410	CHUBB	EPEC Award Process in Public Services and/or Supplies	05/16/2019	AR\$ 3,000	-
1313493	ASEGURADORA DE CREDITOS Y GARANTIAS S.A.	Store Surety	09/27/2019	AR\$ 27	-
984212	CHUBB	House Surety	06/22/2020	AR\$ 350	-
160018590	ZURICH	Excess Liability	04/15/2020	AR\$ 1,000	-
1004104	CHUBB	Lease Surety	12/12/2019	AR\$ 251	-
1004103	CHUBB	Lease Surety	12/12/2019	AR\$ 705	-
2242053	CHUBB	Lease Surety - Commercial Buildings	05/31/2020	AR\$ 245	-
2249342	CHUBB	Surety - Preliminary Injunctions	08/10/2019	AR\$ 1,065	-
2248879	CHUBB	Security for Lease- MARSICO	08/07/2019	AR\$ 204	-
210118215	ZURICH	Surety	09/12/2019	AR\$ 30	-
5352675	RSA - SURA	Motorbike Insurance	04/15/2019	AR\$ 6,000	-
821033	CAUCIONES S.A.	Surety for the Municipality of Morón	09/01/2019	AR\$ 1,004	-
7977	GALICIA SEGUROS S.A.	Surety for the Government of the Province of Santiago del Estero	Annual Renewal	AR\$ 32	-
10408	GALICIA SEGUROS S.A.	Surety for the Municipality of Salta	Annual Renewal	AR\$ 342	-
659130	SANCOR SEGUROS	Group Life Insurance Required by Law	03/01/2020	AR\$ 44	-
100626	GALICIA SEGUROS S.A.	Life Insurance for Non-Bargaining Employees	07/01/2019	AR\$ 304,888	-
500605	GALICIA SEGUROS S.A.	Group Life Insurance Required by Law	10/01/2019	AR\$ 223,918	-
33000446	ZURICH	Personal Accidents	09/01/2019	AR\$ 1,000	-
81731809	ZURICH	Homeowners Insurance (Bariloche)	12/18/2019	AR\$ 3,300	-
81802194	ZURICH	Homeowners Insurance (Rosario)	11/15/2019	AR\$ 15,000	-
81799100	ZURICH	Homeowners Insurance (Cordoba)	11/09/2019	AR\$ 5,000	-
81764061	ZURICH	Homeowners Insurance (Mendoza)	10/29/2019	AR\$ 3,000	-
2275096	CHUBB	Commercial Lease	09/03/2019	AR\$ 751	-
2288908	CHUBB	Award Process in Services and/or Supplies	10/17/2019	AR\$ 180	-
2296302	CHUBB	Commercial Lease	09/17/2020	AR\$ 271	-
2297671	CHUBB	Commercial Lease	09/26/2019	AR\$ 550	-
2268154	CHUBB	Commercial Lease	12/01/2019	AR\$ 77	-
2268155	CHUBB	Commercial Lease	12/01/2019	-	-
2285485	CHUBB	Commercial Lease	06/12/2020	-	-

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PRICE WATERHOUSE & CO. S.R.L.

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C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)

As of June 30, 2019

Expressed in thousands of Argentine Pesos

(Free Translation from the Original in Spanish for Publication in Argentina)

PROVISIONS

Current provisions exceed 2% of equity. Under IFRS, for the calculation of the provision for loan losses, the Company analyzes the historical losses of its portfolio in order to estimate the losses related to receivables from trade incurred as of the date of the financial statements, but that have not been individually identified, according to the guidelines set out in IAS 39. In addition, the historical ratios are adjusted, if appropriate, to include recent information that reflects the economic conditions as of the closing date of the financial statements, trends of behavior of customers in each portfolio segment and any other information that could affect the estimation of the provision for loan losses related to receivables from trade. Several factors may affect Management's estimation of the provision for loan losses, including the volatility of the likelihood of loss, migrations and estimates of the severity of losses.

15. CONTINGENCIES

There are no significant contingent situations as of June 30, 2019, which have not been given accounting recognition.

16. DIVIDENDS ON PREFERRED SHARES

There are no preferred shares.

17. RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS

Restrictions on the distribution of retained earnings are detailed in Note 42 to the condensed interim financial statements as of June 30, 2019.

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Summary of Activity

As of June 30, 2019

Expressed in thousands of constant Argentine Pesos
(Free Translation from the Original in Spanish for Publication in Argentina)

As of June 30, 2019, we had 3,320,121 open accounts under the Naranja brand. This figure reaches a total of 4,665,869 customers when considering Naranja additional cardholders.

During the six-month period under review, we completed 90,062,000 transactions, including purchases in stores and automatic debits, personal loans, cash advances and cash withdrawals from ATMs.

At the beginning of the year, all cards under the Nevada brand had already been unified under the Naranja brand, as a result of the merger with Tarjetas Cuyanas S. A.

By way of General Resolution 777/2018, the C.N.V. provided that issuers subject to its oversight are required to restate their financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29.

Originally reported comparative figures were adjusted accordingly.

Inflation-adjusted Profit before Income Tax as of June 30, 2019 was AR\$ 186,545, and Equity amounted to AR\$ 12,679,792.

Sources of Financing

During the first six-month period of 2019, and as part of the Global Program for the Issuance of Notes ("*Obligaciones Negociables*"), on February 19, 2019, the Company issued Class XLIII Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 1,500,469.

Additionally, during such period, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings, Credit Lines and Leases for AR\$ 6,704,793.

Review of Operations as of June 30

"Branches of the Future" Project

In April and May, the Company opened up the first "*branches of the future*." These new Naranja's branches started to operate in three locations of Argentina in the cities of Córdoba and Buenos Aires, as pilot tests of a new service model that seeks to embed the best of the digital world into the off-line world.

At these branches, customers have a multi-channel experience, with systems specially designed to solve all interactions on the first contact, embracing a "shoulder-to-shoulder" customer service approach. Employees are equipped with tablets and are focused on giving advice and support to our customers on the use of technology, offering them customized experiences, with the warmth typically associated with the brand.

Our New Website - Naranja.com

As part of its digital evolution project, Naranja launched a new cutting-edge and sales-oriented web site, becoming the first company in the Argentine financial system in developing its site in a PWA (Progressive Web App). This design offers a mobile experience quite similar to that of a native application, streamlining loading speed, mobile phone performance and off-line browsing, without using up the device memory.

Users of Naranja.com may apply for a credit card in less than five 5 minutes, through an entirely online process.

End of the Sponsoring Agreement with Argentina's National Soccer Team

After having sponsored Argentina's National Soccer Team for eight years, our commercial agreement came to an end. The decision was solely based on a branding strategy aimed at focusing on the developing of new value propositions for Naranja's customers.

Naranja's sponsorship has yielded extremely positive results in terms of brand exposure, awareness and positioning, but mostly in terms of the social impact it has achieved through its program "*Un Gol Un Potrero*" (One Goal, One Soccer Field), which will continue to be pursued.

Please refer to our report dated August 7, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Summary of Activity (Continued)

As of June 30, 2019

Expressed in thousands of constant Argentine Pesos
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Naranja at the Hot Sale

From May 13 to May 15, Naranja participated in the Hot Sale offering promotions at several sites under the Tienda Naranja and Naranja Viajes brands.

Customers purchased home appliances, technology, tools and other products at the e-commerce site, in up to 14 interest-free installments and with substantial discounts. Some of the available products included free-shipping.

At Naranja's tourism platform, customers were offered gateways under the Z Plan (3 interest-free installments) plus a 10% refund, 6 interest-free six installments, and up to 40% discounts on selected destinations. As part of its vertical products in the air-ticket category, Naranja continued pursuing its promotions with Aerolíneas Argentinas, GOL, and Air Europa, offering 12 interest-free installment plans; 12 interest-free installment plans, or a 15% discount plus 6 interest-free six installments; and 6 interest-free six installment plans, respectively. In the hotel category, Naranja offered promotions including 6 interest-free installments and the Z Plan (3 interest-free installments), plus a 10% refund.

Naranja Achieved Outstanding Performance at GPTW and Merco Ranking

In May, the consulting firm Great Place to Work released the results of two rankings. Naranja occupied the first position in the ranking of "Argentina's Best Places to Work for Women" in the category of companies with "more than 1,000 employees." In addition, Naranja ranked 12th among the best Latin-American companies to work for.

Once again, Naranja participated in the Ranking of Corporate Social Responsibility and Corporate Governance compiled by Merco and published by Clarín newspaper, ranking first in the financial and credit card sector, and 22nd among the 100 most responsible companies with best corporate governance in a survey among 1,465 thought leaders (including businessmen, corporate executives, Corporate Social Responsibility experts, and journalists).

New Contactless Naranja Visa Cards

These new cards, which are issued for new cardholders and for card replacements and renewals, are equipped with technology that allows customers to make faster and safer contactless payment transactions.

"Hay Más Naranja" Campaign Kickoff

In May, Naranja launched its campaign "Hay Más Naranja" (There's Much More Naranja). The new campaign encompassed the production and broadcasting of an advertising spot that reflects the evolution process Naranja has been undergoing to digitalize and expand its business. Working jointly with BBDO, the new brand positioning starts to take shape in this campaign, as Naranja reinforces its commitment to the people, offering products and services with a single click.

End of Leandro Erlich's Exhibition at Casa Naranja

The "Real" exhibition by the artist Leandro Erlich featured at Naranja's cultural venue in Córdoba ended on June 15. The exhibition was visited by more than 12,000 people, including 2,300 children from several schools, who were able to enjoy guided tours filled with arts and games.

In addition, as part of the "Música en Colores" (Music in Colors) acoustic shows, Estelares and Amaia Montero gave acoustic performances at Casa Naranja's auditorium, which the fans could follow through the Company's social media and by Cadena 3 radio station.

New CEO at Naranja Fintech

Gastón Irigoyen was appointed CEO of Naranja's Fintech. As new CEO, he will lead an autonomous and independent technological company, with the mission of strengthening Naranja's value proposition to meet the financial and digital needs of individuals, merchants and small business in Argentina.

Outlook

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

Tarjeta Naranja S.A.

Summary of Activity (Continued)

As of June 30, 2019

Expressed in thousands of constant Argentine Pesos

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In the light of the current year's prevailing macroeconomic conditions, caution is required at the time of planning for our access to capital markets to increase our lending offering.

Towards the end of the six-month period under review, we have noticed an improvement in our loan loss ratio, which is expected to improve even further, as economic activity levels rebound in Argentina.

During the current year, the Company will continue pursuing its Digital Evolution projects. We will continue striving to achieve gradual digital growth in customer acquisition, account statements, payments and other interactions to enhance the customer's experience and cost efficiency.

TARJETA NARANJA S.A.'S COMPARATIVE STATISTICAL DATA FOR CURRENT AND PREVIOUS YEARS

(This information is not within the scope of the Independent Auditors' Report)

TARJETA NARANJA S.A.'S USERS

Naranja	06.30.19	06.30.18
Open Accounts (in Thousands)	3,320	3,043
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	5.56	4.62

Nevada	06.30.19	06.30.18
Open Accounts (in Thousands)	0	675
Monthly Average Consumption per Active Account (in Thousands of AR\$)	0	3.26

(1) It includes the managed brands Naranja Visa, Naranja MasterCard, Naranja Amex.

OPERATIONS (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs)

Transactions with Naranja	06.30.19	06.30.18
Amounts in Thousands (until June) (1)	90,062	80,182
Monthly Average Amount (in Thousands of AR\$) (1)	17,522,583	13,119,936
Merchants' Average Fee	2.01%	2.17%

Transactions with Nevada	06.30.19	06.30.18
Amounts in Thousands	0	14,465
Monthly Average Amount (in Thousands of AR\$)	0	1,722,156

(1) It includes the managed brands Naranja Visa, Naranja MasterCard, Naranja Amex.

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

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Tarjeta Naranja S.A.

Summary of Activity (Continued)

As of June 30, 2019

Expressed in thousands of constant Argentine Pesos

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NUMBER OF TARJETA NARANJA S.A.'S AUTHORIZED CREDIT CARDS (in Thousands)

	06.30.19	06.30.18
Tarjeta Naranja Clásica and Oro	4,666	4,336
Tarjeta Naranja Visa	3,463	3,117
Tarjeta Naranja MasterCard	468	516
Tarjeta Naranja Amex	48	43
Tarjeta Nevada	-	831
Tarjetas Nevada Visa	-	474
Total	8,645	9,317

COMPARATIVE CHART OF BALANCE SHEET (1)

	06.30.19	06.30.18
Current Assets	50,436,340	59,694,257
Non-current Assets	5,617,374	5,913,238
Assets	56,053,714	65,607,495
Current Liabilities	35,376,525	35,032,347
Non-current Liabilities	7,997,397	16,020,325
Liabilities	43,373,922	51,052,673
Equity	12,679,792	14,554,822

COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS (1)

	06.30.19	06.30.18
Operating Revenue	9,827,759	11,873,365
Operating Revenue, Net of Provision for Loan Losses	6,883,278	9,436,879
Total Operating Expenses	(6,714,163)	(7,749,767)
(Loss) Income from Investments Accounted for Using the Equity Method	(570)	240
Profit before Income Tax	168,545	1,687,352
Income Tax	17,950	(1,146,108)
Profit for the Year	186,495	541,244
Comprehensive Income for the Year	186,495	541,244

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21,00004.3

Tarjeta Naranja S.A.

Summary of Activity (Continued)

As of June 30, 2019

Expressed in thousands of constant Argentine Pesos
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COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS (1)

	06.30.19	06.30.18
Net Cash Inflow / (Outflow) from Operating Activities	6,262,664	(3,567,296)
Net Cash Outflow from Investing Activities	(291,492)	(366,004)
(Outflow) / Inflow from Financing Activities	(5,237,280)	3,683,260
Total Net Cash (Outflow) / Inflow during the Six-month Period	733,892	(250,040)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6,187,166	3,879,582
Inflation Loss Attributable to Cash	(1,160,124)	(554,193)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	(21,979)	(755)
CASH AND CASH EQUIVALENTS AT YEAR-END	5,738,955	3,074,594

RATIOS

	06.30.19	06.30.18
Liquidity	1.426	1.704
Indebtedness	3.421	3.508
Solvency	0.292	0.285
Tied-up Capital	0.100	0,090
ROE for the Period	(1) 1.48%	3.66%
ROA for the Period	(2) 0.31%	0.82%

(1) Profit for the Period / (Equity 06/19 + Equity 12/18) / 2

(2) Profit for the Period / (Assets 06/19+ Assets 12/18) / 2

Please refer to our report dated August 7, 2019
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E. Cba. N° 21.00004.3

SUPERVISORY COMMITTEE'S REPORT

To the Directors and Shareholders of
Tarjeta Naranja S.A.
Legal Domicile: La Tablada 451
CORDOBA-ARGENTINA

DOCUMENTS EXAMINED

1. As members of Tarjeta Naranja S.A.'s Supervisory Committee, we have reviewed the accompanying condensed interim financial statements of Tarjeta Naranja S.A. (hereinafter, the "Entity"), which include:

- the Condensed Interim Balance Sheet as of June 30, 2019;
- the Condensed Interim Statements of Profit or Loss and Other Comprehensive Income for the six- and three-month periods ended June 30, 2019;
- the Condensed Interim Statements of Changes in Equity and Cash Flows for the six-month period ended June 30, 2019; and
- the summary of critical accounting policies and other explanatory information included in supplementary notes and exhibits.

The figures and other information for fiscal year 2018 and its interim periods are an integral part of the aforementioned condensed interim financial statements, and are exclusively disclosed for comparative purposes to the figures and information for the current interim period.

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Entity's Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting guidance set forth by the Argentine National Security Commission (C.N.V.) and such internal controls as it might be deemed required to ensure that the financial statements are free from material misstatements. As mentioned in Note 2 to the accompanying condensed interim financial statements, such accounting guidance is based on the application of the International Financial Reporting Standards (IFRS) and, in particular, for interim financial statements, on International Accounting Standard (IAS) 34 "Interim Financial Reporting," as approved by the International Accounting Standards Board (IASB). Such standards were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and by the C.N.V., and were used in preparing the financial statements, except for paragraph 5.5 of IFRS 9, "Impairment."

RESPONSIBILITY OF THE SUPERVISORY COMMITTEE'S MEMBER

3. Our responsibility is to express a conclusion on the documents examined in paragraph 1., on the basis of our reviews performed within the scope detailed in paragraph 4.

4. Our examination was carried out in accordance with legal standards applicable in Argentina to members of the Supervisory Committee for the

review of condensed interim financial statements, which include verifying the consistency of the documents reviewed with the information concerning corporate decisions, as disclosed in minutes, and the conformity of those decisions with the law and the bylaws insofar as concerns formal and documental aspects.

For purposes of our professional work on the above-described documents, we have relied on the work performed by the external auditors, Price Waterhouse & Co. S.R.L., who issued an unqualified limited review report on August 7, 2019, in accordance with the International Standard on Review Engagements 2410 ("ISRE 2410"), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as review standard in Argentina by Technical Pronouncement No. 33 of FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB).

Said review included verifying the work plans and the nature, scope and timing of the procedures applied, and the results of the review performed by the above-referred professionals. A review of interim financial statements consists of making inquiries to the Entity's staff primarily responsible for the Entity's financial and accounting issues, and applying analytical and other review procedures. Such a review is substantially less in scope than an audit and, consequently, does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Since it is not our responsibility to perform any management control, our examination did not extend to the judgments and business decisions regarding the different areas of the Entity, which are the exclusive responsibility of the Board of Directors.

We also report that, in compliance with the legality control that is part of our field of competence, during this period we have applied the other procedures described in Section 294 of Law No. 19550, which we deemed necessary according to the circumstances, including —among others— controlling the constitution and survival of the directors' bond.

CONCLUSION

- Based on our reviews, within the scope described in paragraph 4. above, and taking into consideration the External Auditor's limited review report, in our opinion, the condensed interim financial statements mentioned in paragraph 1. are fairly presented, in all material aspects, in accordance with the accounting guidance set out by the Argentine National Securities Commission (C.N.V.).
- In compliance with the legality control that is part of our field of competence, we have no observations to make.

Without altering our conclusion, we make specific mention to Note 2 to the accompanying condensed interim financial statements, which identifies the

effects the application of paragraph 5.5 of IFRS 9, "Impairment" - which was temporarily excluded by the C.N.V. from the accounting guidance applicable to financial entities - would have on such financial statements.

REPORT ON OTHER STATUTORY AND REGULATORY REQUIREMENTS

We hereby report that:

- I. Tarjeta Naranja S.A.'s condensed interim financial statements as of June 30, 2019 arise from accounting records kept, in all formal aspects, in compliance with applicable legal regulations;
- II. Tarjeta Naranja S.A.'s condensed interim financial statements as of June 30, 2019 have been transcribed to the "Inventory and Balance Sheet" book and, are in compliance with the provisions of the Argentine General Companies Law and with the pertinent resolutions of the Argentine National Securities Commission (C.N.V.);
- III. we have applied the procedures about prevention of assets laundering and funding of terrorist activities, as prescribed in the respective professional standards issued by the Professional Council in Economic Sciences of the Province of Córdoba.

Córdoba, August 7, 2019

Mr. Jorge F. GREGORAT



REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholds, President and Directors of
TARJETA NARANJA S.A.
La Tablada 451
CÓRDOBA – ARGENTINA
C.U.I.T. 30-68537634-9

Introduction

We have reviewed the accompanying Condensed Interim Financial Statement of Tarjeta Naranja S.A. (the "Company"), which include the Condensed Interim Balance Sheet as of June 30, 2019, the Condensed Interim Statements of Profit or Loss and the Condensed Interim Statement of Other Comprehensive Income for the six and three month periods ended June 30, 2019 and the Condensed Interim Statements of Changes in Equity and Condensed Interim Statement of Cash Flows for the six month period then ended, as well a summary of significant accounting policies and other explanatory information included in the notes and schedules supplementing them.

The amounts and other information corresponding to fiscal year 2018 and the related interim periods are an integral part of the financial statements mentioned above; therefore, shall be considered in connection with those financial statements.

Company's Board of Directors responsibility

The Company's Board of Directors is responsible for the preparation and presentation of these Condensed Interim Financial Statements in accordance with the accounting framework established by the National Securities Commission (CNV). As mentioned in note 2 to the accompanying Condensed Interim Financial Statements, that accounting framework is based on the application of the International Financial Reporting Standards (IFRS), and, in particular, of the International Accounting Standard 34 "Intermediate Financial Information" (IAS 34) as approved by the International Accounting Standards Board (IASB). Such standards were adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), and by the CNV, and were used in the preparation of these financial statements, with the only temporary exception of section 5.5 "Impairment" of IFRS No 9 "Financial Instruments".

Scope of our Review

Our review was limited to applying of the review procedures established in the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", adopted as review standard in Argentina, through Technical Pronouncement No. 33, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's staff responsible for the preparation of the information included in the condensed interim financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted according to International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion causes.

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Tarjeta Naranja S.A.
August 7, 2019

Conclusion

Based on our review, nothing has called our attention that causes us to believe that the accompanying Condensed Interim Financial Statements referred to in the first paragraph of this report are not prepared, in all material respects, in accordance with the accounting framework established by the National Securities Commission (CNV).

Difference between the accounting information framework of the CNV and the IFRS

Without modifying our conclusion, we draw attention to Note 2 to the accompanying Condensed Interim Financial Statements, which describes the difference between the accounting information framework of the CNV and the IFRS, taking account the application of section 5.5 "Impairment" of IFRS 9 "Financial Instruments" was temporarily excluded by the CNV from the accounting framework applicable to financial entities.

Córdoba, August 7, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Andrés Suarez
Public Accountant