

# **Tarjeta Naranja S.A.**

## **Condensed Interim Financial Statements**

For the six-month period commenced January 1, 2018 and ended June 30, 2018, presented on a comparative basis

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

# **Tarjeta Naranja S.A.**

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## **Condensed Interim Financial Statements**

For the six-month period commenced January 1, 2018 and ended June 30, 2018, presented on a comparative basis.

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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

## 24th Year

### Condensed Interim Financial Statements

For the six-month period commenced January 1, 2018 and ended  
June 30, 2018, presented on a comparative basis  
Expressed in thousands of Argentine Pesos

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		
			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

Information on the Controlling Company:

Company's Name:

**Tarjetas Regionales S.A.**

Legal Domicile:

Tte. Gral. Juan D. Perón No. 430 – Piso 19, 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 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Cr. Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. No. 10.11421.4 – C.P.C.E.Cba.

**TARJETA NARANJA S.A.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**As of June 30, 2018, 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 Statement of Profit or Loss

For the six-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

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

	Notes	Year-to-Date		Quarter	
		01.01.2018	01.01.2017	04.01.2018	04.01.2017
		06.30.2018	06.30.2017	06.30.2018	06.30.2017
		In Thousands of AR\$			
Revenues from Services	7	4,615,414	3,156,940	2,380,412	1,591,158
Costs of Services	8	(672,191)	(440,372)	(363,340)	(239,829)
<b>Net Revenues from Services</b>		<b>3,943,223</b>	<b>2,716,568</b>	<b>2,017,072</b>	<b>1,351,329</b>
Revenues from Financing	9	5,703,970	3,299,469	3,020,786	1,698,122
Costs of Financing	10	(1,636,296)	(934,343)	(953,455)	(499,409)
<b>Net Revenues from Financing</b>		<b>4,067,674</b>	<b>2,365,126</b>	<b>2,067,331</b>	<b>1,198,713</b>
<b>Net Income from Short-term Investments</b>	11	<b>207,273</b>	<b>89,843</b>	<b>117,059</b>	<b>59,173</b>
<b>Operating Revenue</b>		<b>8,218,170</b>	<b>5,171,537</b>	<b>4,201,462</b>	<b>2,609,215</b>
Provision for Loan Losses	12	(1,468,503)	(640,332)	(827,317)	(353,814)
<b>Operating Revenue, Net of Provision for Loan Losses</b>		<b>6,749,667</b>	<b>4,531,205</b>	<b>3,374,145</b>	<b>2,255,401</b>
Employee Benefits Expenses	13	(1,778,960)	(1,163,360)	(948,349)	(620,327)
Taxes and Charges	14	(1,136,319)	(733,910)	(552,500)	(375,025)
Marketing Expenses	15	(200,255)	(147,361)	(126,660)	(85,766)
Depreciation and Amortization	16	(125,597)	(59,507)	(66,471)	(31,447)
Other Operating Expenses	17	(1,344,245)	(790,460)	(722,259)	(431,253)
<b>Total Operating Expenses</b>		<b>(4,585,376)</b>	<b>(2,894,598)</b>	<b>(2,416,239)</b>	<b>(1,543,818)</b>
<b>Net Profit before Income from Investments Accounted for Using the Equity Method</b>		<b>2,164,291</b>	<b>1,636,607</b>	<b>957,906</b>	<b>711,583</b>
Income from Investments Accounted for Using the Equity Method	18	149	1,838	140	919
<b>Profit before Income Tax</b>		<b>2,164,440</b>	<b>1,638,445</b>	<b>958,046</b>	<b>712,502</b>
Income Tax	19	(643,968)	(569,698)	(277,782)	(250,050)
<b>Profit for the Period</b>		<b>1,520,472</b>	<b>1,068,747</b>	<b>680,264</b>	<b>462,452</b>
<b>Earnings per Share</b>					
Basic and Diluted Earnings per Share		538.41	445.31	240.89	192.69

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

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Cr. Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. No. 10.11421.4 – C.P.C.E.Cba.

Dr. Jorge F. Gregorat  
For the Supervisory Committee

Alejandro Asrin  
President

## Tarjeta Naranja S.A.

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

### Condensed Statement of Other Comprehensive Income

For the six-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

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

	Year-to-Date		Quarter	
	01.01.2018 06.30.2018	01.01.2017 06.30.2017	04.01.2018 06.30.2018	04.01.2017 06.30.2017
	In Thousands of AR\$			
<b>Profit for the Period</b>	1,520,472	1,068,747	680,264	462,452
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	1,520,472	1,068,747	680,264	462,452
<b>Earnings per Share</b>				
Basic and Diluted Earnings per Share	538.41	445.31	240.89	192.69

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

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Dr. Jorge F. Gregorat  
For the Supervisory Committee

Alejandro Asrin  
President

# Tarjeta Naranja S.A.

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

## Condensed Balance Sheet

As of June 30, 2018 and December 31, 2017

Expressed in thousands of Argentine Pesos

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

ASSETS	Note	06.30.2018		12.31.2017		Note	06.30.2018		12.31.2017	
		In Thousands of AR\$		In Thousands of AR\$			In Thousands of AR\$		In Thousands of AR\$	
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	20	1,974,030	2,146,675			27	17,018,366	16,373,115		
Investments	21	-	207,294			28	3,394,944	1,084,051		
Receivables from Trade	22	36,072,238	30,932,400			29	575,844	563,886		
Other Receivables	23	280,236	228,644			30	862,786	655,969		
<b>Total Current Assets</b>		<b>38,326,504</b>	<b>33,515,013</b>			31	404,102	29,707		
						19	236,363	694,774		
							<b>22,492,405</b>	<b>19,401,502</b>		
<b>NON-CURRENT ASSETS</b>										
Receivables from Trade	22	1,533,374	1,020,292			28	10,234,456	8,724,269		
Other Receivables	23	6,246	6,333			29	-	-		
Deferred Tax Assets	19	668,559	575,779			31	-	-		
Investments Accounted for Using the Equity Method	24	1,923	1,774			19	-	-		
Property, Plant and Equipment	25	699,722	668,428			32	51,342	48,487		
Intangible Assets	26	313,158	237,450							
<b>Total Non-current Assets</b>		<b>3,222,982</b>	<b>2,510,056</b>							
<b>Total Assets</b>		<b>41,549,486</b>	<b>36,025,069</b>							
<b>LIABILITIES</b>										
<b>CURRENT LIABILITIES</b>										
Trade and Other Payables										
Borrowings										
Employee Benefit Obligations										
Current Tax Liabilities										
Other Liabilities										
Income Tax Provision										
<b>Total Current Liabilities</b>										
<b>NON-CURRENT LIABILITIES</b>										
Borrowings										
Employee Benefit Obligations										
Other Liabilities										
Income Tax Provision										
Provisions										
<b>Total Non-current Liabilities</b>										
<b>Total Liabilities</b>										
<b>EQUITY</b>										
<b>Total Liabilities and Equity</b>										

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

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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

Dr. Jorge F. Gregorat  
For the Supervisory Committee

Alejandro Asrín  
President

# Tarjeta Naranja S.A.

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

## Condensed Statement of Changes in Equity

For the six-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

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

	Shareholders' Contributions				Reserves			Retained Earnings	Total Equity
	Capital Stock (Note 5)	Adjusted Capital Stock	Additional Paid-in Capital from Merger	Subtotal	Legal Reserve	Discretionary Reserve	Reserve for Conduction of New Operations		
	In Thousands of AR\$								
Balance at 01.01.2018	28,240	26,367	27,540	82,147	16,429	910,216	4,162,408	2,679,611	7,850,811
Changes during the Period:									
Profit for the Period	-	-	-	-	-	-	-	1,520,472	1,520,472
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	-	1,867,644	(1,867,644)	-
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.	-	-	-	-	-	(910,216)	910,216	-	-
Distribution of Cash Dividends Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	-	-	(600,000)	(600,000)
<b>Balance at 06.30.2018</b>	<b>28,240</b>	<b>26,367</b>	<b>27,540</b>	<b>82,147</b>	<b>16,429</b>	<b>-</b>	<b>6,940,268</b>	<b>1,732,439</b>	<b>8,771,283</b>
Balance at 01.01.2017	24,000	26,622	-	50,622	10,125	58,000	3,117,598	1,445,086	4,681,431
Changes during the Period:									
Profit for the Period	-	-	-	-	-	-	-	1,068,747	1,068,747
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 40 dated 03.30.2017.	-	-	-	-	-	-	1,085,086	(1,085,086)	-
Distribution of Cash Dividends Decided pursuant to Minutes of Shareholders' Meeting No. 40 dated 03.30.2017.	-	-	-	-	-	-	-	(360,000)	(360,000)
<b>Balance at 06.30.2017</b>	<b>24,000</b>	<b>26,622</b>	<b>-</b>	<b>50,622</b>	<b>10,125</b>	<b>58,000</b>	<b>4,202,684</b>	<b>1,068,747</b>	<b>5,390,178</b>

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

Please refer to our report dated August 8, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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

Dr. Jorge F. Gregorat  
For the Supervisory Committee

Alejandro Asrin  
President

# Tarjeta Naranja S.A.

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

## Condensed Statement of Cash Flows

For the six-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

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

	Note	06.30.2018	06.30.2017
In Thousands of AR\$			
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit for the Period		1,520,472	1,068,747
Plus Income Tax Accrued during the Period		643,968	569,698
Plus Interest and Other Financial Expenses Accrued during the Period, Net of Interest and Other Financial Income Accrued		1,617,666	925,548
Adjustments to Calculate Net Cash Flow and Cash Equivalents from Operating Activities	38	2,072,274	1,013,800
Changes in Operating Assets	39	(7,293,890)	(1,659,045)
Changes in Operating Liabilities	40	(1,194,191)	(610,352)
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>		<b>(2,633,701)</b>	<b>1,308,396</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Property, Plant and Equipment		(86,400)	(76,849)
Payments for Intangible Assets		(148,958)	(33,064)
Payments for Non-cash Equivalent Investments		-	(200,000)
Dividends Received – Tarjetas Cuyanas S.A.		-	509
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(235,358)</b>	<b>(309,404)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
-			
Proceeds from Credit Lines	41	950,000	546,000
Proceeds from Bank and Financial Loans	41	600,000	-
Notes (" <i>Obligaciones Negociables</i> ") Issued	41	2,672,880	3,845,700
Dividends Paid to Company's Shareholders		(212)	(360,000)
Repayment of Bank and Financial Loans	41	(218,981)	(2,536,644)
Repayment of Notes (" <i>Obligaciones Negociables</i> ")	41	(1,760,533)	(2,531,569)
Payment of Other Financial Expenses and Tax on Bank Credits and Debits		(54,072)	(97,874)
Net Payments from Derivative Transactions		-	(129,857)
Increase / (Decrease) in Trade and Other Payables		504,293	(1,292,999)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>2,693,375</b>	<b>(2,557,243)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(175,684)</b>	<b>(1,558,251)</b>
Cash and Cash Equivalents at the Beginning of the Year		2,146,675	1,831,127
Increase Resulting from Exchange Rate Changes on Cash and Cash Equivalents		2,413	2,971
Cash and Cash Equivalents at Period-End	37	<b>1,973,404</b>	<b>275,847</b>

Additional Information on the Condensed Statement of Cash Flows is disclosed in Note 41.

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

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Dr. Jorge F. Gregorat  
For the Supervisory Committee

Alejandro Asrin  
President

# 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

For the six-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

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

### 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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PRICE WATERHOUSE & CO. S.R.L.

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# 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 period ended June 30, 2018, presented in comparative format

Expressed in thousands of Argentine Pesos

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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 condensed interim financial statements were approved for their issuance by the Company's Board of Directors on August 8, 2018.

Tarjeta Naranja S.A. is a subsidiary of Tarjetas Regionales S.A., which, in turn, is a subsidiary of Grupo Financiero Galicia S.A. The Ordinary and Extraordinary Shareholders' Meeting of Banco de Galicia y Buenos Aires S.A. held on December 14, 2017 decided to initiate a corporate reorganization process involving the split-off of a portion of the Bank's assets, including its 77% equity interest in Tarjetas Regionales S.A. to be included in the balance sheet of its controlling company, Grupo Financiero Galicia S.A., effective January 1, 2018.

### NOTE 2 – BASIS FOR PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting framework established by the National Securities Commission (C.N.V.) 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). These standards were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), and by the C.N.V., and were used in the preparation of these condensed interim financial statements with the only temporary exclusion of paragraph 5.5 of IFRS No. 9, "Impairment", as indicated 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.

These condensed interim financial statements should be read together with the Company's annual financial statements as of December 31, 2017. These condensed interim financial statements are expressed in Argentine Pesos.

These condensed interim financial statements for the six-month periods ended June 30, 2018 and 2017 have not been audited. The Company's Management believes that they include all the necessary adjustments to present fairly the profit (loss) for each period. The profit (loss) for the six-month periods mentioned above does not necessarily reflect the proportion of the Company's profit (loss) for full years.

IAS 29 "Financial Reporting in Hyperinflationary Economies" 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.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
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# 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 period ended June 30, 2018, presented in comparative format

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### NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

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 among which an accumulated three-year inflation rate that approximates to or exceeds 100% is included. Considering that the previous year's declining inflation trend has been reverted and that inflation has experienced a substantial rise in 2018, coupled with the fact that the accumulated inflation rate for the last three years is expected to exceed 100% and that the other indicators underpin the conclusion that Argentina should be regarded as a hyperinflationary economy for accounting purposes, the Company's Management believes there is strong evidence to conclude that Argentina is a hyperinflationary economy pursuant to the provisions set forth in IAS 29, effective since July 1, 2018.

As of June 30, 2018, the Company has not applied the criteria for the restatement of financial information set forth in IAS 29. However, in recent years, certain macroeconomic variables affecting the Company's business, such as labor costs and prices for supplies, have experienced significant changes year on year. This circumstance should be considered in assessing and interpreting the Company's financial position and results of operations reported in these financial statements.

### 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, 2017.

Some new standards, amendments and interpretations are effective for the periods beginning after January 1, 2018 and have been applied in the preparation of these condensed interim financial statements. Below is a detail of the main standards or amendments:

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 Central Bank of the Argentine Republic (BCRA).

The full version of IFRS 9, which was issued in July 2014, replaces the impairment model of financial assets provided for in IAS 39 —incurred loss model— with a new model that requires the entity to estimate its future credit losses based on the historical uncollectibility experience, as well as on the current conditions and reasonable forecasts of future economic conditions —expected loss model—. According to IFRS 9, the amount of expected credit losses must be estimated on the basis of the current value of the defaulted financial instrument, considering a twelve-month time horizon or during the expected useful life thereof, depending on the credit quality impairment it has sustained as of the date of issuance of the financial statements.

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.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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



# 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 period ended June 30, 2018, presented in comparative format

Expressed in thousands of Argentine Pesos

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

### NOTE 3 – ACCOUNTING POLICIES (CONTINUED)

IFRS 15 "Revenue from Contracts with Customers" deals with the revenue recognition and establishes principles to report useful information for users of financial statements regarding the nature, amount, timing and uncertainty of revenue and cash flows that arise from the entity's contracts with its customers. Revenue is recognized when a customer obtains control over a good or a service and, in this way, has the ability to direct the use and obtain the benefits therefrom. This standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and their related interpretations, being effective for the years beginning on or after January 1, 2018.

The application of IFRS 15 in these condensed interim financial statements has not represented significant changes in the disclosure or valuation of the Company's revenue.

### 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, 2017.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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# 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 period ended June 30, 2018, presented in comparative format

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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, 2018 and as of December 31, 2017, capital status was as follows:

Capital	Face Value	Approved by		Date of Registration with the Public Registry of Commerce
		Body	Date	
	In Thousands of AR\$			
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
<b>Total</b>	<b>28,240</b>			

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:

	2016	2017	2018
Capital Stock at the Beginning of the Year	24,000	24,000	28,240
Capital Increase due to Merger with Tarjetas Cuyanas S.A. (Note 47)	-	4,240	-
Capital Stock at Year-End / Period-End	24,000	28,240	28,240

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# 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 period ended June 30, 2018, presented in comparative format  
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### NOTE 6 – SEGMENT INFORMATION

Segment Information as of 06.30.2018

	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	Nevada (Note 47)	Non-allocable	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	4,615,414
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)	(672,191)
<b>Net Revenues from Services</b>	<b>419,780</b>	<b>387,833</b>	<b>699,315</b>	<b>325,679</b>	<b>524,345</b>	<b>133,749</b>	<b>248,036</b>	<b>166,872</b>	<b>316,416</b>	<b>570,152</b>	<b>151,046</b>	<b>3,943,223</b>
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	-	5,703,970
Costs of Financing	(147,140)	(154,290)	(295,011)	(163,664)	(235,114)	(50,139)	(103,913)	(62,779)	(115,554)	(308,692)	-	(1,636,296)
<b>Net Revenues from Financing</b>	<b>374,020</b>	<b>392,193</b>	<b>749,897</b>	<b>416,020</b>	<b>597,642</b>	<b>127,449</b>	<b>264,139</b>	<b>159,578</b>	<b>293,728</b>	<b>693,008</b>	<b>-</b>	<b>4,067,674</b>
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	-	207,273
Provision for Loan Losses	(115,797)	(101,777)	(190,674)	(99,655)	(164,546)	(49,824)	(109,958)	(106,424)	(183,391)	(346,457)	-	(1,468,503)
Depreciation	(3,725)	(2,979)	(3,878)	(2,308)	(2,653)	(1,091)	(1,881)	(2,844)	(2,630)	(12,898)	(17,635)	(54,522)
Amortization	-	-	-	-	-	-	-	-	-	(13,837)	(57,238)	(71,075)
<b>Other Operating Expenses</b>	<b>(343,426)</b>	<b>(334,838)</b>	<b>(611,383)</b>	<b>(308,022)</b>	<b>(606,680)</b>	<b>(150,229)</b>	<b>(263,459)</b>	<b>(239,950)</b>	<b>(391,311)</b>	<b>(665,872)</b>	<b>(644,609)</b>	<b>(4,459,779)</b>
Income from Investments Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	-	149	149
Income Tax	-	-	-	-	-	-	-	-	-	-	(643,968)	(643,968)
<b>Profit / (Loss) for the Period</b>	<b>353,820</b>	<b>354,516</b>	<b>689,329</b>	<b>357,261</b>	<b>484,808</b>	<b>67,880</b>	<b>153,097</b>	<b>(12,969)</b>	<b>50,849</b>	<b>224,136</b>	<b>(1,212,255)</b>	<b>1,520,472</b>

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# 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 period ended June 30, 2018, presented in comparative format  
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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Segment Information as of 06.30.2017

	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 (*)	Non-allocable	Total
Revenues from Services	368,247	340,433	629,994	287,746	480,500	125,776	239,119	156,735	302,351	226,039	3,156,940
Costs of Services	(39,251)	(38,179)	(70,859)	(26,812)	(57,482)	(18,457)	(30,634)	(26,845)	(49,665)	(82,188)	(440,372)
<b>Net Revenues from Services</b>	<b>328,996</b>	<b>302,254</b>	<b>559,135</b>	<b>260,934</b>	<b>423,018</b>	<b>107,319</b>	<b>208,485</b>	<b>129,890</b>	<b>252,686</b>	<b>143,851</b>	<b>2,716,568</b>
Revenues from Financing	386,669	395,426	753,154	378,314	592,640	124,940	273,419	133,895	261,012	-	3,299,469
Costs of Financing	(107,952)	(110,397)	(210,270)	(105,619)	(165,456)	(34,881)	(76,334)	(37,382)	(72,870)	(13,182)	(934,343)
<b>Net Revenues from Financing</b>	<b>278,717</b>	<b>285,029</b>	<b>542,884</b>	<b>272,695</b>	<b>427,184</b>	<b>90,059</b>	<b>197,085</b>	<b>96,513</b>	<b>188,142</b>	<b>(13,182)</b>	<b>2,365,126</b>
Net Income from Short-term Investments	10,529	10,767	20,509	10,301	16,137	3,402	7,445	3,646	7,107	-	89,843
Provision for Loan Losses	(68,423)	(59,505)	(105,833)	(53,392)	(92,981)	(30,086)	(69,710)	(58,542)	(101,860)	-	(640,332)
Depreciation	(4,750)	(2,231)	(2,217)	(798)	(2,374)	(1,088)	(2,434)	(2,362)	(3,312)	(13,160)	(34,726)
Amortization	-	-	-	-	-	-	-	-	-	(24,781)	(24,781)
Other Operating Expenses	(283,286)	(265,234)	(476,346)	(236,045)	(404,319)	(127,768)	(216,476)	(195,049)	(322,580)	(307,988)	(2,835,091)
Income from Investments Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	1,838	1,838
Income Tax	-	-	-	-	-	-	-	-	-	(569,698)	(569,698)
<b>Profit / (Loss) for the Period</b>	<b>261,783</b>	<b>271,080</b>	<b>538,132</b>	<b>253,695</b>	<b>366,665</b>	<b>41,838</b>	<b>124,395</b>	<b>(25,904)</b>	<b>20,183</b>	<b>(783,120)</b>	<b>1,068,747</b>

(\*) 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 8, 2018

**PRICE WATERHOUSE & CO. S.R.L.**

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suárez

Certified Public Accountant (U.B.A.)

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

# 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 period ended June 30, 2018, presented in comparative format  
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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Segment Information as of 06.30.2018

	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	Nevada (Note 47)	Non-allocable	Total
<b>ASSETS</b>												
Cash and Cash Equivalents	278,845	237,041	438,271	233,143	292,027	60,101	124,265	82,823	140,175	87,339	-	1,974,030
Receivables from Trade	4,837,755	4,112,495	7,603,693	4,044,858	5,066,453	1,042,714	2,155,912	1,436,918	2,431,926	4,872,888	-	37,605,612
Other Assets	-	-	-	-	-	-	-	-	-	-	1,270,122	1,270,122
Property, Plant and Equipment	31,971	27,526	39,552	32,621	24,575	12,646	32,932	27,830	22,596	20,385	427,088	699,722
<b>Total Assets</b>	<b>5,148,571</b>	<b>4,377,062</b>	<b>8,081,516</b>	<b>4,310,622</b>	<b>5,383,055</b>	<b>1,115,461</b>	<b>2,313,109</b>	<b>1,547,571</b>	<b>2,594,697</b>	<b>4,980,612</b>	<b>1,697,210</b>	<b>41,549,486</b>
<b>LIABILITIES</b>												
Trade and Other Payables	2,533,941	2,050,018	3,724,180	1,817,207	2,245,039	458,025	974,647	467,538	848,913	1,898,858	-	17,018,366
Borrowings	1,708,891	1,452,700	2,685,931	1,428,808	1,789,676	368,329	761,555	507,578	859,055	2,066,877	-	13,629,400
Employee Benefit Obligations	38,610	35,744	66,598	29,506	58,842	23,942	31,697	26,133	50,581	65,820	148,371	575,844
Other Liabilities	-	-	-	-	-	-	-	-	-	-	1,554,593	1,554,593
<b>Total Liabilities</b>	<b>4,281,442</b>	<b>3,538,462</b>	<b>6,476,709</b>	<b>3,275,521</b>	<b>4,093,557</b>	<b>850,296</b>	<b>1,767,899</b>	<b>1,001,249</b>	<b>1,758,549</b>	<b>4,031,555</b>	<b>1,702,964</b>	<b>32,778,203</b>

Please refer to our report dated August 8, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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# 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 period ended June 30, 2018, presented in comparative format

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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Segment Information as of 12.31.2017

	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	Nevada (Note 47)	Non-allocable	Total
<b>ASSETS</b>												
Cash and Cash Equivalents	311,627	260,405	492,768	227,129	309,979	65,442	140,300	81,397	141,595	116,033	-	2,146,675
Receivables from Trade	4,101,341	3,427,201	6,485,359	2,989,256	4,079,650	861,285	1,846,491	1,071,277	1,863,547	5,227,285	-	31,952,692
Other Assets	-	-	-	-	-	-	-	-	-	-	1,257,274	1,257,274
Property, Plant and Equipment	33,436	22,432	35,758	26,144	23,147	12,781	14,705	29,069	22,384	32,987	415,585	668,428
<b>Total Assets</b>	<b>4,446,404</b>	<b>3,710,038</b>	<b>7,013,885</b>	<b>3,242,529</b>	<b>4,412,776</b>	<b>939,508</b>	<b>2,001,496</b>	<b>1,181,743</b>	<b>2,027,526</b>	<b>5,376,305</b>	<b>1,672,859</b>	<b>36,025,069</b>
<b>LIABILITIES</b>												
Trade and Other Payables	2,198,822	1,805,084	3,332,555	1,718,573	2,168,524	477,660	980,335	509,156	948,432	2,233,974	-	16,373,115
Borrowings	1,144,895	956,708	1,810,397	834,455	1,138,839	240,429	515,450	299,048	520,211	2,347,888	-	9,808,320
Employee Benefit Obligations	36,823	32,955	60,188	25,993	55,389	22,279	31,098	26,147	47,653	92,458	132,903	563,886
Other Liabilities	-	-	-	-	-	-	-	-	-	-	1,428,937	1,428,937
<b>Total Liabilities</b>	<b>3,380,540</b>	<b>2,794,747</b>	<b>5,203,140</b>	<b>2,579,021</b>	<b>3,362,752</b>	<b>740,368</b>	<b>1,526,883</b>	<b>834,351</b>	<b>1,516,296</b>	<b>4,674,320</b>	<b>1,561,840</b>	<b>28,174,258</b>

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## Notes to the Condensed Interim Financial Statements (Continued)

For the six-month period ended June 30, 2018, presented in comparative format

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### NOTE 7 – REVENUES FROM SERVICES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Account Maintenance Fee	2,070,260	1,301,221
Fees	1,124,092	858,349
Revenues from Third-Party Portfolio Managed	60,000	150,000
Card Renewal Fees	323,681	186,113
Other Revenues from Services	1,037,381	661,257
<b>Total</b>	<b>4,615,414</b>	<b>3,156,940</b>

### NOTE 8 – COSTS OF SERVICES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Printing and Distribution Expenses	(171,200)	(151,712)
Expenses from Call Center Services	(78,965)	(62,422)
Openings of Accounts	(33,579)	(22,147)
Special Promotions	(59,231)	(26,103)
Other Costs of Services	(162,930)	(95,428)
Expenses for Telephone Sale Channel	(166,286)	(82,560)
<b>Total</b>	<b>(672,191)</b>	<b>(440,372)</b>

### NOTE 9 – REVENUES FROM FINANCING

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Merchants ("Comercios Amigos") Interest	1,088,985	708,966
Interest on Financing through Credit Cards	2,513,367	1,402,367
Interest on Personal Loans	1,316,007	696,859
Compensatory Interest	545,879	311,274
Penalty Interest	224,507	153,312
Revenues from Lawsuits	11,663	13,721
Foreign Exchange Gain	3,562	12,970
<b>Total</b>	<b>5,703,970</b>	<b>3,299,469</b>

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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 period ended June 30, 2018, presented in comparative format

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### NOTE 10 – COSTS OF FINANCING

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Interest on Notes (" <i>Obligaciones Negociables</i> ")	(1,468,633)	(674,111)
Bank Interest	(152,769)	(226,895)
Loss on Derivative Transactions	-	(11,635)
Tax on Bank Debits and Credits	(11,390)	(12,970)
Other Costs of Financing	(3,504)	(8,732)
<b>Total</b>	<b>(1,636,296)</b>	<b>(934,343)</b>

### NOTE 11 – NET INCOME FROM SHORT-TERM INVESTMENTS

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Interest on Time Deposits	-	9,831
Interest on Government Securities	18,630	-
Income from Mutual Funds	188,643	80,012
<b>Total</b>	<b>207,273</b>	<b>89,843</b>

### NOTE 12 – PROVISION FOR LOAN LOSSES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Provision for Loan Losses	(1,587,444)	(731,463)
Recovery of Loan Losses	118,941	91,131
<b>Total</b>	<b>(1,468,503)</b>	<b>(640,332)</b>

### NOTE 13 – EMPLOYEE BENEFITS EXPENSES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Compensation and Social Security Charges	(1,487,316)	(955,925)
Bonuses for the Personnel	(168,705)	(126,248)
Travel Expenses and Per Diem	(30,927)	(22,272)
Other Employee Expenses	(92,012)	(58,915)
<b>Total</b>	<b>(1,778,960)</b>	<b>(1,163,360)</b>

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# Tarjeta Naranja S.A.

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 14 – TAXES AND CHARGES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Turnover Tax	(698,937)	(393,892)
Tax on Bank Debits and Credits	(207,248)	(188,665)
Trade and Industry Tax	(215,290)	(139,510)
Other Taxes, Rates and Contributions	(14,844)	(11,843)
<b>Total</b>	<b>(1,136,319)</b>	<b>(733,910)</b>

### NOTE 15 – MARKETING EXPENSES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
National Advertising	(177,310)	(112,544)
Advertising at Stores	(5,543)	(14,538)
Regional Advertising	(17,402)	(20,279)
<b>Total</b>	<b>(200,255)</b>	<b>(147,361)</b>

### NOTE 16 – DEPRECIATION AND AMORTIZATION

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Depreciation of Property, Plant and Equipment (Note 25)	(54,522)	(34,726)
Amortization of Intangible Assets (Note 26)	(71,075)	(24,781)
<b>Total</b>	<b>(125,597)</b>	<b>(59,507)</b>

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
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### NOTE 17 – OTHER OPERATING EXPENSES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Rentals	(105,302)	(65,683)
Regular Mail Services	(18,811)	(18,027)
Donations	(1,993)	(1,882)
Electricity, Natural Gas and Communications	(65,426)	(39,476)
Bank and Financial Expenses	(27,845)	(31,520)
Collection Expenses	(321,074)	(188,558)
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	(156,965)	(67,519)
Directors and Supervisory Committee Members' Fees	(17,328)	(16,055)
Third Parties' Fees	(310,169)	(127,092)
Insurance and Security Services	(128,936)	(94,011)
Stationery and Office Supplies	(24,944)	(17,176)
Maintenance of Equipment and Buildings	(40,274)	(30,483)
Cleaning Expenses	(35,186)	(20,893)
Other Expenses	(89,992)	(72,085)
<b>Total</b>	<b>(1,344,245)</b>	<b>(790,460)</b>

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

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Income from Investment in Tarjetas Cuyanas S.A.	-	1,668
Income from Investment in Cobranzas Regionales S.A.	149	170
<b>Total</b>	<b>149</b>	<b>1,838</b>

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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 2017	317,297	(1)	(861,486)	-
Decrease in Taxable Income during 2016 (3)	(2,250)		4,311	2,059
Payment of Income Tax 2016 (4)	-		857,175	-
Income Tax Accrued during the Year	133,949	(2)	(1,483,105)	(1,349,156)
Addition Resulting from Merger	222,745		(145,143)	-
Release as per Law No. 27430 (6)	(95,962)		-	(95,962)
<b>Balance at December 31, 2017</b>	<b>575,779</b>		<b>(1,628,248)</b>	<b>(1,443,059)</b>
Income Tax Accrued during the Period (5)	75,950		(711,997)	(636,047)
Income Tax Adjustment - Tax Return Filing (7)	16,830		(24,751)	(7,921)
Payment of Income Tax (8)	-		1,652,999	-
<b>Balance at June 30, 2018</b>	<b>668,559</b>		<b>(711,997)</b>	<b>(643,968)</b>

- (1) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of February 10, 2017, should have been paid in May 2017 according to the taxable income accrued during the year ended December 31, 2016.
- (2) 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.
- (3) It corresponds to a correction of the income tax provision estimated at the end of 2016.
- (4) It corresponds to income tax for 2016 paid by the Company.
- (5) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of the date of these financial statements, should be paid in May 2019 according to the taxable income accrued during the period ended December 31, 2018.
- (6) It corresponds to a decrease in Deferred Tax Assets attributable to a change in valuation, resulting from the amended income tax rate pursuant to Law No. 27430.
- (7) It corresponds to a correction of the income tax provision estimated at the end of 2017.
- (8) It corresponds to Tarjetas Cuyanas S.A.'s and Tarjeta Naranja S.A.'s income tax for 2017 paid by the Company.

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### NOTE 19 – INCOME TAX (CONTINUED)

As of June 30, 2018 and December 31, 2017, the net assets derived from the information included in the previous table amount to AR\$ 668,559 and AR\$ 575,779, respectively. Their composition as of those dates is detailed below:

	Balance at December 31, 2017	Net Tax Asset Generated During the Period	Balance at June 30, 2018
In Thousands of AR\$			
Receivables from Trade	554,489	95,554	650,043
Property, Plant and Equipment	2,182	307	2,489
Lease Payment	(13,083)	(3,271)	(16,354)
Trade and Other Payables	38	-	38
Employee Benefit Obligations	2,919	(1,182)	1,737
Foreign-exchange Quotation Difference	192	(90)	102
Provision for Contingencies	10,112	880	10,992
Others	(137)	1,335	1,198
Financial Charges	19,067	(753)	18,314
<b>Totals</b>	<b>575,779</b>	<b>92,780</b>	<b>668,559</b>

The income tax amount payable estimated by Management, net of prepayments, as of June 30, 2018 and December 31, 2017 is as follows:

Current:

	06.30.2018	12.31.2017
Income Tax Provision – Current	(711,997)	(1,628,248)
Prepayments	475,634	933,474
<b>Current Income Tax Payable</b>	<b>(236,363)</b>	<b>(694,774)</b>

The following table shows the reconciliation of income tax charged to loss as of June 30, 2018 and June 30, 2017 to that which would result from applying the tax rate in force to book income:

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### NOTE 19 – INCOME TAX (CONTINUED)

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Profit for the Period before Income Tax	2,164,440	1,638,445
Tax Rate in Force	30%	35%
Loss for the Period at the Tax Rate	(649,332)	(573,456)
<b>Permanent Differences at the Tax Rate:</b>		
- Income from Interest in Other Companies	45	643
- Non-taxable Income (1)	13,338	8,456
- Donations and Other Non-deductible Expenses	(311)	(310)
- Others	(8,607)	(7,046)
- Fines	-	(44)
Difference between the Tax Return and the Income Tax Provision	3,704	2,059
Release as per Law No. 27430 due to tax return filing	(2,805)	-
<b>Total Income Tax Charge for the Period</b>	<b>(643,968)</b>	<b>(569,698)</b>

(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:

	06.30.2018	06.30.2017
	In Thousands of AR\$	
<b>Total Income Tax Charge Recorded for the Period</b>	(643,968)	(569,698)
<b>- Temporary Differences at the Tax Rate</b>		
- Additions:		
Provision for Loan Losses	(318,295)	(93,001)
Recovery of the Provision for Contingencies	(880)	(1,546)
Provision for Bonuses Payable	1,182	(163)
Depreciation of Property, Plant and Equipment	(307)	(775)
Lease Payment	3,271	3,816
Foreign-exchange Quotation Difference	90	4,949
Portfolio Assignment	222,741	52,926
Others	(1,335)	(511)
Financial Charges	753	-
Difference between the Tax Return and the Income Tax Provision	24,751	(4,309)
<b>Total Tax for the Period Determined for Tax Purposes</b>	<b>(711,997)</b>	<b>(608,312)</b>
Income Tax Prepayments	475,634	295,836
<b>Income Tax Payable</b>	<b>(236,363)</b>	<b>(312,476)</b>

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### NOTE 20 – CASH AND CASH EQUIVALENTS

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
Cash in Banks – Checking Account	180,832	168,273
Cash and Petty Cash	318,073	235,847
Mutual Funds	1,279,142	1,607,322
Deposits Abroad (Note 45)	248	102
Collections to be Deposited	195,735	135,131
<b>Total</b>	<b>1,974,030</b>	<b>2,146,675</b>

### NOTE 21 – INVESTMENTS

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Government Securities	-	207,294
<b>Total</b>	<b>-</b>	<b>207,294</b>

### NOTE 22 – RECEIVABLES FROM TRADE

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Credit Card Debtors	35,043,078	30,738,725
Provision for Loan Losses – Credit Card	(2,712,807)	(2,312,581)
Personal Loans Debtors	3,831,290	2,573,828
Provision for Loan Losses – Personal Loans	(89,323)	(67,572)
<b>Total</b>	<b>36,072,238</b>	<b>30,932,400</b>
<b>Non-current</b>		
Credit Card Debtors	747,132	475,189
Personal Loans Debtors	786,242	545,103
<b>Total</b>	<b>1,533,374</b>	<b>1,020,292</b>

### Changes in the Account Provision for Loan Losses

Balances at the Beginning of the Year	2,380,153	1,251,640
Increases for the Period / Year (1)	1,468,404	1,417,583
Increase Resulting from Merger (Note 47)	-	780,938
Applications and Uses	(395,066)	(302,930)
Portfolio Sale	(651,361)	(767,078)
<b>Balances at Period-End / Year-End</b>	<b>2,802,130</b>	<b>2,380,153</b>

(1) The provision for loan losses amounting to AR\$ 1,587,444, disclosed in the Statement of Profit or Loss and in Note 12 includes AR\$ 119,040 for direct charges.

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

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### NOTE 22 – RECEIVABLES FROM TRADE (CONTINUED)

#### Memorandum Accounts

Additionally, as of June 30, 2018 and December 31, 2017, the Company recorded AR\$ 1,475,975 and AR\$ 1,246,064, 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 23 – OTHER RECEIVABLES

	<u>06.30.2018</u>	<u>12.31.2017</u>
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Deposits for Checking Account Attachments (Note 43)	1,943	1,143
Prepaid Expenses	60,768	38,370
Life Insurance Receivable	130	288
Commissions Receivable	68,344	97,580
Advance Payments to Suppliers	23,109	8,502
Sundry Receivables	125,942	82,761
<b>Total</b>	<b><u>280,236</u></b>	<b><u>228,644</u></b>
<b>Non-current</b>		
Security Deposits (Note 43)	4,741	4,653
Prepaid Expenses	1,505	1,680
<b>Total</b>	<b><u>6,246</u></b>	<b><u>6,333</u></b>

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

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### NOTE 24 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Issuing Company	Interest Percentage	Book Value as of 06.30.2018	Book Value as of 12.31.2017	Issuer Information				Balance at 06.30.2018		
		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%	1,923	1,774	Integral Advisory Services for Credit Risk Analysis	Ordinary registered shares	10,000	0.1	1,000	38,460	2,982
<b>Totals</b>		<b>1,923</b>	<b>1,774</b>							

(1) Values are stated in units.

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### NOTE 25 – PROPERTY, PLANT AND EQUIPMENT

#### Property, Plant and Equipment at 06.30.2018

	ORIGINAL VALUE				DEPRECIATION				NET BOOK AMOUNT		
	Opening Book Amount	Disposals	Additions	Transfers	Closing Book Amount	Opening Book Amount	Disposals	Depreciation Charge	Closing Book Amount	06.30.2018	12.31.2017
	In Thousands of AR\$										
Land	25,393	-	-	-	25,393	-	-	-	-	25,393	25,393
Buildings	299,449	-	1,737	-	301,186	(19,933)	-	(2,959)	(22,892)	278,294	279,516
Cost of Adapting Stores	180,963	-	33,209	-	214,172	(103,908)	-	(14,604)	(118,512)	95,660	77,055
Furniture and Fixtures	96,046	(147)	2,958	1,574	100,431	(35,677)	48	(4,863)	(40,492)	59,939	60,369
Hardware	268,899	(469)	15,637	12,262	296,329	(150,626)	292	(23,485)	(173,819)	122,510	118,273
Facilities and Improvements	133,176	(19)	13,347	2,177	148,681	(48,587)	20	(8,611)	(57,178)	91,503	84,589
Assets at Warehouse	23,233	(309)	19,512	(16,013)	26,423	-	-	-	-	26,423	23,233
<b>Totals as of 06.30.2018</b>	<b>1,027,159</b>	<b>(944)</b>	<b>86,400</b>	<b>-</b>	<b>1,112,615</b>	<b>(358,731)</b>	<b>360</b>	<b>(54,522)</b>	<b>(412,893)</b>	<b>699,722</b>	<b>668,428</b>

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### NOTE 25 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Property, Plant and Equipment at 12.31.2017

Items	ORIGINAL VALUE					DEPRECIATION					NET BOOK AMOUNT		
	Opening Book Amount	Disposals	Additions	Addition Resulting from Merger (Note 47)	Transfers	Closing Book Amount	Opening Book Amount	Addition Resulting from Merger (Note 47)	Disposals	Depreciation Charge	Closing Book Amount	12.31.2017	12.31.2016
In Thousands of AR\$													
Land	25,327	(29)	-	95	-	25,393	-	-	-	-	-	25,393	25,327
Buildings	291,243	-	8,206	-	-	299,449	(14,122)	-	-	(5,811)	(19,933)	279,516	277,121
Cost of Adapting Stores	175,544	(48,676)	29,208	24,887	-	180,963	(107,213)	(17,801)	48,676	(27,570)	(103,908)	77,055	68,331
Furniture and Fixtures	70,610	(7,733)	14,967	14,955	3,247	96,046	(27,766)	(8,485)	7,723	(7,149)	(35,677)	60,369	42,844
Hardware	144,405	(31,998)	25,504	80,186	50,802	268,899	(81,613)	(66,897)	28,172	(30,288)	(150,626)	118,273	62,792
Facilities and Improvements	92,561	(10,501)	27,451	20,946	2,719	133,176	(37,731)	(11,218)	10,303	(9,941)	(48,587)	84,589	54,830
Work in Progress	35,255	(463)	45,209	-	(56,768)	23,233	-	-	-	-	-	23,233	35,255
Totals as of 12.31.2017	834,945	(99,400)	150,545	141,069	-	1,027,159	(268,445)	(104,401)	94,874	(80,759)	(358,731)	668,428	566,500
Totals as of 12.31.2016	686,659	(8,121)	156,407	-	-	834,945	(220,204)	-	7,132	(55,373)	(268,445)	-	-

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### NOTE 26 – INTANGIBLE ASSETS

#### Intangible Assets at 06.30.2018

Items	ORIGINAL VALUE				AMORTIZATION				NET BOOK AMOUNT	
	Opening Book Amount	Disposals	Additions	Closing Book Amount	Opening Book Amount	Amortization Charge	Closing Book Amount	06.30.2018	12.31.2017	
Patents and Software	589,304	(2,175)	148,958	736,087	(356,881)	(71,075)	(427,956)	308,131	232,423	
Other Intangible Assets	5,027	-	-	5,027	-	-	-	5,027	5,027	
<b>Totals as of 06.30.2018</b>	<b>594,331</b>	<b>(2,175)</b>	<b>148,958</b>	<b>741,114</b>	<b>(356,881)</b>	<b>(71,075)</b>	<b>(427,956)</b>	<b>313,158</b>	<b>237,450</b>	

#### Intangible Assets at 12.31.2017

Items	ORIGINAL VALUE				AMORTIZATION				NET BOOK AMOUNT		
	Opening Book Amount	Disposals	Additions	Closing Book Amount	Opening Book Amount	Disposals	Amortization Charge	Addition Resulting from Merger (Note 47)	Closing Book Amount	12.31.2017	12.31.2016
Patents and Software	287,223	-	134,458	589,304	(148,303)	-	(67,726)	(140,852)	(356,881)	232,423	138,920
Other Intangible Assets	5,027	-	-	5,027	-	-	-	-	-	5,027	5,027
<b>Totals as of 12.31.2017</b>	<b>292,250</b>	<b>-</b>	<b>134,458</b>	<b>594,331</b>	<b>(148,303)</b>	<b>-</b>	<b>(67,726)</b>	<b>(140,852)</b>	<b>(356,881)</b>	<b>237,450</b>	
<b>Totals as of 12.31.2016</b>	<b>210,311</b>	<b>(1,411)</b>	<b>83,350</b>	<b>292,250</b>	<b>(118,080)</b>	<b>-</b>	<b>(30,223)</b>	<b>-</b>	<b>(148,303)</b>		<b>143,947</b>

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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

# Tarjeta Naranja S.A.

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### NOTE 27 – TRADE AND OTHER PAYABLES

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Merchants (“Comercios Amigos”)	16,051,674	15,545,412
Suppliers	700,839	561,955
Life Insurance Payable	117	335
Collections on Account of Third Parties Payable	265,736	265,413
<b>Total</b>	<b>17,018,366</b>	<b>16,373,115</b>

### NOTE 28 – BORROWINGS

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Notes (“Obligaciones Negociables”)	1,736,961	919,916
Bank and Financial Loans	639,969	137,474
Financial Leases (Note 35)	26,953	26,661
Credit Lines	991,061	-
<b>Total</b>	<b>3,394,944</b>	<b>1,084,051</b>
<b>Non-current</b>		
Notes (“Obligaciones Negociables”)	10,078,212	8,556,415
Financial Leases (Note 35)	156,244	167,854
<b>Total</b>	<b>10,234,456</b>	<b>8,724,269</b>

### NOTE 29 – EMPLOYEE BENEFIT OBLIGATIONS

	06.30.2018	12.31.2017
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Salaries Payable	116,738	106,187
Social Security Charges	139,676	138,158
Provisions	197,433	173,038
Bonuses for the Personnel	61,684	95,787
Rewards for the Personnel	60,313	50,716
<b>Total</b>	<b>575,844</b>	<b>563,886</b>

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### NOTE 30 – CURRENT TAX LIABILITIES

	06.30.2018	12.31.2017
	In Thousands of AR\$	
Current		
Trade and Industry Tax Payable	39,733	33,409
Tax Withholdings and Additional Tax Withholdings Made from Third Parties	268,467	204,899
Value-added Tax Payable	436,287	334,971
Turnover Tax Payable	118,299	82,690
<b>Total</b>	<b>862,786</b>	<b>655,969</b>

### NOTE 31 – OTHER LIABILITIES

	06.30.2018	12.31.2017
	In Thousands of AR\$	
Current		
Fees Payable to Directors and Supervisory Committee	14,883	22,360
Advanced Payments to Directors	(4,988)	(7,609)
Dividends Payable	373,864	-
Other Miscellaneous Liabilities	20,343	14,956
<b>Total</b>	<b>404,102</b>	<b>29,707</b>

### NOTE 32 – 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.

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### NOTE 32 – PROVISIONS (CONTINUED)

#### (2) Tax Claims:

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 Río 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 amount claimed totaled AR\$ 2,422 and AR\$ 2,315 as of June 30, 2018 and December 31, 2017, respectively.

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. As of June 30, 2018, the amount involved totaled AR\$ 10,545.

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, 2018 and December 31, 2017, total municipal claims against the Company amounted to AR\$ 20,034 and AR\$ 21,511, 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. 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. 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.

As of June 30, 2018, the Company did not record a credit on this item since, pursuant to the provisions set forth by IAS 37, this item should be considered as a contingent asset.

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### NOTE 32 – PROVISIONS (CONTINUED)

The breakdown and changes of contingent liabilities as of June 30, 2018 are as follows:

	Balance at the Beginning of the Year	Additions (1)	Disposals (1)	Payments	Balance at Period-end
Tax Matters	12,011	377	(1,537)	(774)	10,077
Consumer Protection	6,217	4,076	(66)	(5,032)	5,195
Labor Matters	27,901	15,700	(7,923)	(6,604)	29,074
Damages	1,989	5,544	(749)	(200)	6,584
Others	369	365	(234)	(88)	412
<b>Total</b>	<b>48,487</b>	<b>26,062</b>	<b>(10,509)</b>	<b>(12,698)</b>	<b>51,342</b>

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

In addition, the breakdown and changes of contingent liabilities as of December 31, 2017 are as follows:

	Balance at the Beginning of the Year	Additions	Addition Resulting from Merger (Note 47)	Disposals	Payments	Balance at Year-end
Tax Matters	4,126	6,523	4,745	(2,820)	(563)	12,011
Consumer Protection	19,225	1,613	-	-	(14,621)	6,217
Labor Matters	13,855	18,656	10,909	(5,569)	(9,950)	27,901
Damages	1,544	1,796	-	(600)	(751)	1,989
Others	56	105	231	(23)	-	369
<b>Total</b>	<b>38,806</b>	<b>28,693</b>	<b>15,885</b>	<b>(9,012)</b>	<b>(25,885)</b>	<b>48,487</b>

### NOTE 33 - FINANCIAL LIABILITIES BY CONTRACTUAL DUE DATE

The table below breaks down financial liabilities by contractual due date as of June 30, 2018:

	June 30, 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	
<b>Financial Liabilities</b>						
Trade and Other Payables	16,168,413	849,953	-	-	-	17,018,366
Borrowings	950,249	5,794,636	6,625,167	7,261,618	88,175	20,719,845
Other Liabilities	20,335	383,759	-	-	-	404,094
<b>Total Financial Liabilities</b>	<b>17,138,997</b>	<b>7,028,348</b>	<b>6,625,167</b>	<b>7,261,618</b>	<b>88,175</b>	<b>38,142,305</b>

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### NOTE 33 - FINANCIAL LIABILITIES BY CONTRACTUAL DUE DATE (CONTINUED)

The table below breaks down financial liabilities by contractual due date as of December 31, 2017:

	December 31, 2017					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	
<b>Financial Liabilities</b>						
Trade and Other Payables	15,674,762	698,353	-	-	-	16,373,115
Borrowings	882,701	2,341,124	4,101,440	9,027,977	114,606	16,467,848
Other Liabilities	14,948	14,751	-	-	-	29,699
<b>Total Financial Liabilities</b>	<b>16,572,411</b>	<b>3,054,228</b>	<b>4,101,440</b>	<b>9,027,977</b>	<b>114,606</b>	<b>32,870,662</b>

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### NOTE 34 – 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, 2018 are summarized as follows, in chronological order:

Institution	Currency of the Loan	Date of Disbursement	Maturity Date	Term	Loan Amount	Outstanding Principal Amount as of 06.30.2018	Principal Payments	Interest Payments	Interest Rate
Banco Santander Rio S.A.	Pesos (AR\$)	04/05/2018	04/05/2019	12 months	500,000	500,000	One payment at maturity	Quarterly	Corrected Badlar + 2.70%
Banco Hipotecario S.A.	Pesos (AR\$)	05/31/2018	05/31/2019	12 months	100,000	100,000	One payment at maturity	Monthly	Badlar + 3.90%

#### 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 06.30.2018 (*)	Principal Payments	Interest Payments	Interest Rate
Banco Macro S.A.	Pesos (AR\$)	03/22/2018	03/21/2019	400,000	Upon maturity	Upon maturity	28.00%
Banco Macro S.A.	Pesos (AR\$)	03/22/2018	03/21/2019	100,000	Upon maturity	Upon maturity	28.00%
Banco Itaú S.A.	Pesos (AR\$)	03/26/2018	03/26/2019	450,000	Upon maturity	Monthly	27.50%

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

#### Memorandum Accounts

As of June 30, 2018, the Company recorded unused amounts of credit lines borrowed (commitment agreements) amounting to AR\$ 100,000, under memorandum accounts.

As of June 30, 2018, such amount corresponds to the unused amount of the Company's commitment to:

- a) Banco Patagonia S.A. for AR\$ 100,000, effective from March 23, 2018 to March 22, 2019.

As of December 31, 2017, the Company had no commitment agreements.

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### NOTE 35 – FINANCE LEASES

The Company has entered into finance lease agreements, the main characteristics of which are detailed below:

Subject-matter	Month of Origin	Institution	Installments	Payment Method	Purchase Option	Lease Payments
Building Located in Río Grande	November 2007	Banco de Galicia y Buenos Aires S.A.	121	Monthly	AR\$ 48 at the time of paying the last installment	60 lease payments of AR\$ 15 and 61 lease payments of AR\$ 3, plus interest at a variable rate. In both cases, interest is computed based on the Corrected Survey Rate for Private Banks, plus a 5.5% spread.
Building Located in the City of Córdoba, at Humberto Primo Street (a)	July 2008	Banco de Galicia y Buenos Aires S.A.	121	Monthly	AR\$ 6,407 at the time of paying the last installment	AR\$ 1,935 plus interest at a variable rate based on the Corrected Survey Rate for Private Banks plus a 6% spread. a)
Buildings Located in the City of Córdoba, at Jujuy Street (a)	July 2008	Banco de Galicia y Buenos Aires S.A.	121	Monthly	AR\$ 400 at the time of paying the last installment	
Buildings Located in the City of Córdoba, at Jujuy and Bv. Mitre Streets (a)	October 2012	Banco de Galicia y Buenos Aires S.A.	121	Monthly	AR\$ 435 at the time of paying the last installment	

a) On September 10, 2015, leasehold improvements on these buildings were completed. The term of transactions was extended to 121 months as from such date and the related lease payments were unified.

The following are the minimum lease payments as of June 30, 2018 and the related present value:

	Minimum Lease Payments	Present Value of Minimum Lease Payments
	<b>06.30.2018</b>	
Less than One Year	86,200	26,953
From 1 to 5 Years	301,635	116,105
Over 5 Years	53,212	40,139
Minus Future Financing Charges	(257,850)	
<b>Present Value of Minimum Lease Payments</b>	<b>183,197</b>	<b>183,197</b>
	<b>06.30.2018</b>	
Included in the Financial Statements as:		
Current Finance Lease	26,953	
Non-current Finance Lease	156,244	
<b>Total</b>	<b>183,197</b>	

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### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”)

As of June 30, 2018, the Company has the Global Program approved by Resolutions No. 15220, No. 15361, No. 15785, No. 16319, No. 16571, No. 16822 and No. 17676 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 36 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Below is a breakdown of the main characteristics of Notes and their balance at June 30, 2018 and December 31, 2017:

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Authorized by C.N.V. on	Book Value (*)	
									06.30.18	12.31.17
04/13/2016	AR\$ (1)	XXXIII Series II	366,908	Simple notes, not convertible into shares	1,095 days	04/13/2019	Minimum 37 % Rate / Badlar + 5.40 %	03/28/2016	366,908	366,908
05/05/2016	AR\$ (2)	XXIV Series II (Note 47)	234,309	Simple notes, not convertible into shares	1,095 days	05/05/2019	Minimum 37 % Rate / Badlar + 4.98%	04/22/2016	234,309	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 % Rate / Badlar + 4.67 %	06/21/2016	475,397	475,397
07/26/2016	AR\$ (4)	XXV (Note 47)	400,000	Simple notes, not convertible into shares	1,461 days	07/26/2020	Minimum 30 % Rate / Badlar + 3.94%	07/13/2016	400,000	400,000
09/27/2016	AR\$ (5)	XXXV Series I	225,611	Simple notes, not convertible into shares	546 days	03/27/2018	Minimum 26 % Rate / Badlar + 2.99 %	09/15/2016	-	225,611
09/27/2016	AR\$ (5)	XXXV Series II	774,389	Simple notes, not convertible into shares	1,461 days	09/27/2020	Minimum 26 % Rate / Badlar + 3.99 %	09/15/2016	774,389	774,389
10/24/2016	AR\$ (6)	XXVI Series I (Note 47)	149,763	Simple notes, not convertible into shares	547 days	04/24/2018	Minimum 26 % Rate / Badlar + 2.75%	10/14/2016	-	149,763
10/24/2016	AR\$ (6)	XXVI Series II (Note 47)	350,237	Simple notes, not convertible into shares	1,461 days	10/24/2020	Minimum 26 % Rate / Badlar + 4%	10/14/2016	350,237	350,237
12/07/2016	AR\$ (7)	XXXVI Series I	210,571	Simple notes, not convertible into shares	547 days	06/07/2018	Minimum 25.25 % Rate / Badlar + 3.25 %	11/23/2016	-	210,571
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 %	11/23/2016	636,409	636,409
02/10/2017	AR\$ (8)	XXVII Series II (Note 47)	500,000	Simple notes, not convertible into shares	1,095 days	02/10/2020	Minimum 23.50% Rate / Badlar + 3.50%	02/02/2017	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 %	03/30/2017	3,845,700	3,845,700
06/09/2017	AR\$ (10)	XXVIII Series I (Note 47)	128,175	Simple notes, not convertible into shares	730 days	06/09/2019	Minimum 25% Rate / Badlar + 3.05%	05/29/2017	128,175	128,175
06/09/2017	AR\$ (10)	XXVIII Series II (Note 47)	371,825	Simple notes, not convertible into shares	1,461 days	06/09/2021	Minimum 25% Rate / Badlar + 3.7%	05/29/2017	371,825	371,825

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### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Authorized by C.N.V. on	Book Value (*)	
									06.30.18	12.31.17
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%	11/07/2017	503,333	503,333
02/14/2018	AR\$ (12)	XXXIX	754,539	Simple notes, not convertible into shares	546 days	09/14/2019	Minimum 26.75% Rate / TM 20 + 3.40%	02/02/2018	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	03/27/2018	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% Rate / Badlar + 3.69%	03/27/2018	1,402,500	-

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

- (1) 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. Principal of Series I was already settled and principal of Series II will be settled upon maturity.
- (2) 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. Principal of Series I was already settled and principal of Series II will be settled upon maturity.
- (3) 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.
- (4) 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.
- (5) 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.
- (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. Principal of Series I was already settled and principal of Series II will be settled upon maturity.
- (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.
- (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 both Series 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. Principal will be settled upon maturity.
- (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.
- (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.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Cr. Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. No. 10.11421.4 – C.P.C.E.Cba.

# 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 period ended June 30, 2018, presented in comparative format

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### NOTE 36 – 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 and XL Notes, 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 37 – CASH AND CASH EQUIVALENTS – STATEMENT OF CASH FLOWS

	<u>06.30.2018</u>	<u>06.30.2017</u>
	<u>In Thousands of AR\$</u>	
Cash	694,888	464,971
Placements of Cash-equivalent Funds	1,279,142	80,860
Bank Overdrafts	(626)	(269,984)
<b>Total</b>	<b><u>1,973,404</u></b>	<b><u>275,847</u></b>

### NOTE 38 – ADJUSTMENTS TO CALCULATE THE NET CASH FLOWS FROM OPERATING ACTIVITIES

	<u>06.30.2018</u>	<u>06.30.2017</u>
	<u>In Thousands of AR\$</u>	
Provision for Loan Losses	1,587,444	731,463
Provision for Contingencies, Net of Recoveries	15,553	6,847
Provision for Employee Benefit Obligations	327,302	214,580
Provision for Fees Payable to Directors and Members of the Supervisory Committee	17,328	16,055
Foreign Exchange Gain	(3,560)	(12,970)
Income from Investments Accounted for Using the Equity Method	(149)	(1,838)
Decrease in Property, Plant and Equipment	584	156
Decrease in Intangible Assets	2,175	-
Depreciation of Property, Plant and Equipment	54,522	34,726
Amortization of Intangible Assets	71,075	24,781
<b>Total</b>	<b><u>2,072,274</u></b>	<b><u>1,013,800</u></b>

### NOTE 39 – CHANGES IN OPERATING ASSETS

	<u>06.30.2018</u>	<u>06.30.2017</u>
	<u>In Thousands of AR\$</u>	
(Increase) in Receivables from Trade	(7,237,249)	(1,771,535)
(Increase) / Decrease in Other Receivables	(56,641)	112,490
<b>Total</b>	<b><u>(7,293,890)</u></b>	<b><u>(1,659,045)</u></b>

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### NOTE 40 – CHANGES IN OPERATING LIABILITIES

	06.30.2018	06.30.2017
	In Thousands of AR\$	
(Decrease) in Employee Benefit Obligations	(315,343)	(226,636)
Increase in Trade and Other Payables	138,989	189,824
Increase in Tax Liabilities	206,817	46,525
Income Tax Payments	(1,195,159)	(591,954)
(Decrease) in Other Liabilities	(16,797)	(25,512)
Contingency Payments	(12,698)	(2,599)
<b>Total</b>	<b>(1,194,191)</b>	<b>(610,352)</b>

### NOTE 41 – 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	Borrowing	Principal and Interest Payments	Interest and Expenses Payable	At Period-end
Notes ("Obligaciones Negociables")	9,476,331	2,672,880	(1,760,533)	1,426,495	11,815,173
Borrowings	137,474	600,000	(147,161)	49,656	639,969
Finance Leases	194,515	-	(40,629)	29,311	183,197
Credit Lines	-	950,000	(31,191)	72,252	991,061
<b>Total</b>	<b>9,808,320</b>	<b>4,222,880</b>	<b>(1,979,514)</b>	<b>1,577,714</b>	<b>13,629,400</b>

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

	06.30.2018	06.30.2017
	In Thousands of AR\$	
Payment in Kind for the Issuance of Class XL Series I and Series II Notes ("Obligaciones Negociables") (Class XXXV Series I Notes)	81,659	-
Dividends Paid in Kind related to 2017 (Lebacs - Securities I16Y8; I21J8)	225,924	-

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### NOTE 42 – 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 - Piso 19 - 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, 2° Piso, Autonomous City of Buenos Aires, has an 83% equity interest in Tarjetas Regionales S.A.

The Ordinary and Extraordinary Shareholders' Meeting of Banco de Galicia y Buenos Aires S.A. held on December 14, 2017 decided to initiate a corporate reorganization process involving the split-off of a portion of the Bank's assets, comprised by its 77% equity interest in Tarjetas Regionales S.A. to be merged into its controlling company, Grupo Financiero Galicia S.A., effective January 1, 2018.

Tarjetas Cuyanas S.A. was a corporation incorporated in Argentina, with domicile at Belgrano 1415, City of Mendoza, Argentina, which held 24 shares, representing 1% of the Company's capital stock. As detailed in Note 47, Tarjetas Cuyanas merged into Tarjeta Naranja, effective October 1, 2017.

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

The following are Tarjeta Naranja S.A.'s balances with related companies as of June 30, 2018:

Companies under Section 33 of Law No. 19550			
	Banco de Galicia y Buenos Aires S.A.	Tarjetas Regionales S.A.	Total
In Thousands of AR\$			
<b>ASSETS</b>			
Cash and Cash Equivalents	61,219	-	61,219
Other Receivables	26,378	-	26,378
<b>Total Current Assets as of 06.30.2018</b>	<b>87,597</b>	<b>-</b>	<b>87,597</b>
<b>Total Assets as of 06.30.2018</b>	<b>87,597</b>	<b>-</b>	<b>87,597</b>
<b>LIABILITIES</b>			
Trade and Other Payables	268,835	-	268,835
Borrowings	27,579	-	27,579
Other Liabilities	-	(373,864)	(373,864)
<b>Total Current Liabilities as of 06.30.2018</b>	<b>296,414</b>	<b>(373,864)</b>	<b>(77,450)</b>
Borrowings	156,244	-	156,244
<b>Total Non-current Liabilities as of 06.30.2018</b>	<b>156,244</b>	<b>-</b>	<b>156,244</b>
<b>Total Liabilities as of 06.30.2018</b>	<b>452,658</b>	<b>(373,864)</b>	<b>78,794</b>

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#### NOTE 42 – 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, 2018:

	Other Related Parties				Total
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Key Management Personnel	Parque Azul S.R.L.	
	AR\$				
ASSETS					
Other Receivables	26,374	6,580	-	-	32,954
<b>Total Current Assets as of 06.30.18</b>	<b>26,374</b>	<b>6,580</b>	<b>-</b>	<b>-</b>	<b>32,954</b>
<b>Total Assets as of 06.30.18</b>	<b>26,374</b>	<b>6,580</b>	<b>-</b>	<b>-</b>	<b>32,954</b>
LIABILITIES					
Trade and Other Payables	60,083	-	-	8,311	68,394
Salaries Payable	-	-	2,343	-	2,343
Other Liabilities	-	-	9,583	-	9,583
<b>Total Current Liabilities as of 06.30.18</b>	<b>60,083</b>	<b>-</b>	<b>11,926</b>	<b>8,311</b>	<b>80,320</b>
<b>Total Liabilities as of 06.30.18</b>	<b>60,083</b>	<b>-</b>	<b>11,926</b>	<b>8,311</b>	<b>80,320</b>

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### NOTE 42 – 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.
	In Thousands of AR\$
REVENUES	
Revenues from Services	60,344
<b>Totals as of 06.30.18</b>	<b>60,344</b>
EXPENSES	
Rentals	(1,366)
Bank and Financial Interest	(31,820)
Bank Expenses	(7,873)
Professional Fees	(11,698)
<b>Totals as of 06.30.18</b>	<b>(52,757)</b>

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#### NOTE 42 – 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	Colores S.A.
	In Thousands of AR\$				
REVENUES					
Revenues from Services	530	132,196	1,125	-	-
Revenues from Financing	-	-	483	-	-
<b>Totals as of 06.30.18</b>	<b>530</b>	<b>132,196</b>	<b>1,608</b>	<b>-</b>	<b>-</b>
EXPENSES					
Rentals	-	-	-	-	-
Professional Fees	(158,269)	-	-	-	(1,790)
Directors' Fees	-	-	-	(16,197)	-
Salaries	-	-	-	(11,103)	-
<b>Totals as of 06.30.18</b>	<b>(158,269)</b>	<b>-</b>	<b>-</b>	<b>(27,300)</b>	<b>(1,790)</b>
					<b>(530)</b>

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### NOTE 42 – 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, 2017:

Companies under Section 33 of Law No. 19550		
	Banco de Galicia y de Buenos Aires S.A.	Total
In Thousands of AR\$		
<b>ASSETS</b>		
Cash and Cash Equivalents	61,146	61,146
Other Receivables	53,885	53,885
<b>Total Current Assets as of 12.31.2017</b>	<b>115,031</b>	<b>115,031</b>
<b>Total Assets as of 12.31.2017</b>	<b>115,031</b>	<b>115,031</b>
<b>LIABILITIES</b>		
Trade and Other Payables	269,097	269,097
Borrowings	26,699	26,699
<b>Total Current Liabilities as of 12.31.2017</b>	<b>295,796</b>	<b>295,796</b>
Borrowings	167,854	167,854
<b>Total Non-current Liabilities as of</b>	<b>167,854</b>	<b>167,854</b>
<b>Total Liabilities as of 12.31.2017</b>	<b>463,650</b>	<b>463,650</b>

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#### NOTE 42 – 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, 2017:

	Other Related Parties				Total
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Key Management Personnel	Parque Azul S.R.L.	
	AR\$				
ASSETS					
Other Receivables	-	8,612	-	-	8,612
<b>Total Current Assets as of 12.31.17</b>	<b>-</b>	<b>8,612</b>	<b>-</b>	<b>-</b>	<b>8,612</b>
<b>Total Assets as of 12.31.17</b>	<b>-</b>	<b>8,612</b>	<b>-</b>	<b>-</b>	<b>8,612</b>
LIABILITIES					
Trade and Other Payables	22,251	-	-	7,634	29,885
Salaries Payable	-	-	2,060	-	2,060
Other Liabilities	-	-	14,061	-	14,061
<b>Total Current Liabilities as of 12.31.17</b>	<b>22,251</b>	<b>-</b>	<b>16,121</b>	<b>7,634</b>	<b>46,006</b>
<b>Total Liabilities as of 12.31.17</b>	<b>22,251</b>	<b>-</b>	<b>16,121</b>	<b>7,634</b>	<b>46,006</b>

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### NOTE 42 – 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, 2017:

	Companies under Section 33 of Law No. 19550
	Banco de Galicia y Buenos Aires S.A.
	In Thousands of AR\$
REVENUES	
Revenues from Services	150,000
<b>Total as of 06.30.17</b>	<b>150,000</b>
EXPENSES	
Rentals	(788)
Bank and Financial Interest	(35,233)
Bank Expenses	(16,265)
<b>Total as of 06.30.17</b>	<b>(52,286)</b>

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## 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)

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#### NOTE 42 – 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, 2017:

	Other Related Parties							
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Parque Azul S.R.L.	Key Management Personnel	Golden S.A.	Colores S.A.	Compañía Financiera Argentina S.A.	Procesadora Regional S.A.
	In Thousands of AR\$							
<b>REVENUES</b>								
Revenues from Services	453	121,763	1,155	-	-	-	-	-
Revenues from Financing	-	-	561	-	-	-	-	-
Interest on Time Deposits and Interest-bearing Checking Accounts	-	-	-	-	-	-	9,831	-
<b>Total as of 06.30.17</b>	<b>453</b>	<b>121,763</b>	<b>1,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,831</b>	<b>-</b>
<b>EXPENSES</b>								
Rentals	-	-	-	-	(1,319)	(424)	-	-
Professional Fees	(68,027)	-	-	(9,449)	-	-	-	(5,724)
Salaries	-	-	-	(9,449)	-	-	-	-
<b>Total as of 06.30.17</b>	<b>(68,027)</b>	<b>-</b>	<b>-</b>	<b>(9,449)</b>	<b>(1,319)</b>	<b>(424)</b>	<b>-</b>	<b>(5,724)</b>

Please refer to our report dated August 8, 2018

**PRICE WATERHOUSE & CO. S.R.L.**

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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### NOTE 43 - RESTRICTED ASSETS

#### Liens in Force

As of June 30, 2018 and December 31, 2017, liens for a total amount of AR\$ 1,943 and AR\$ 1,143, 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 and XXXIX Notes ("*Obligaciones Negociables*") issued by the Company are mentioned in Note 36.

#### Security Deposits

As of June 30, 2018 and December 31, 2017, the Company has paid AR\$ 4,741 and AR\$ 4,653, respectively, for security related to certain buildings lease agreements. The se 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 44 – INFORMATION ABOUT EXPENSES AND THEIR ALLOCATION UNDER SECTION 64 SUBSECTION B) OF LAW 19550

Items	Totals as of 06.30.2018	Administrative Expenses	Marketing Expenses	Totals as of 06.30.2017
<b>In Thousands of AR\$</b>				
Directors and Supervisory Committee Members' Fees	17,328	17,328	-	16,055
Bonuses for the Personnel	168,705	52,299	116,406	126,248
Compensation and Social Security Charges	1,487,316	517,411	969,905	955,925
Taxes, Rates and Contributions	1,136,319	209,923	926,396	733,910
Travel Expenses and Per Diem	30,927	10,765	20,162	22,272
Maintenance of Equipment and Buildings	40,274	39,868	406	30,483
Depreciation of Property, Plant and Equipment	54,522	38,165	16,357	34,726
Amortization of Intangible Assets	71,075	71,075	-	24,781
Rentals	105,302	8,481	96,821	65,683
Stationery and Office Supplies	24,944	6,377	18,567	17,176
Opening of Accounts	33,579	-	33,579	22,147
Publicity and Advertising	200,255	-	200,255	147,361
Donations	1,993	1,993	-	1,882
Electricity, Natural Gas and Communications	65,426	42,106	23,320	39,476
Third Parties' Fees	310,169	214,265	95,904	127,092
Insurance and Security Services	128,936	5,627	123,309	94,011
Bank and Financial Expenses	27,845	27,845	-	31,520
Regular Mail Services	18,811	2,921	15,890	18,027
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	156,965	156,965	-	67,519
Collection Expenses	321,074	321,074	-	188,558
General Expenses	344,934	135,030	209,904	226,428
Expenses for Telephone Sale Channel	166,286	-	166,286	82,560
Printing and Distribution Expenses	171,200	-	171,200	151,712
Cleaning Expenses	35,186	10,426	24,760	20,893
Special Promotions	59,231	-	59,231	26,103
Expenses from Call Center Services	78,965	60,444	18,521	62,422
<b>Totals as of 06.30.2018</b>	(1) <b>5,257,567</b>	<b>1,950,388</b>	<b>3,307,179</b>	
<b>Totals as of 06.30.2017</b>		<b>1,221,025</b>	<b>2,113,945</b>	(1) <b>3,334,970</b>

- (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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### NOTE 45 – 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 06.30.2018	Amount in Argentine Currency as of 12.31.2017
				In Thousands of AR\$	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents					
Deposits in Argentina	US\$	65.77	28.4	4,708	2,274
Deposits Abroad	US\$	8.73	28.4	248	102
<b>Total Current Assets</b>				<b>4,956</b>	<b>2,376</b>
<b>NON-CURRENT ASSETS</b>					
Other Receivables					
Security Deposits	US\$	25	28.4	710	460
<b>Total Non-current Assets</b>				<b>710</b>	<b>460</b>
<b>Total Assets</b>				<b>5,666</b>	<b>2,836</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables					
Collections on Account of Third Parties				-	27,143
<b>Total Current Liabilities</b>				<b>-</b>	<b>27,143</b>
<b>Total Liabilities</b>				<b>-</b>	<b>27,143</b>

US\$: United States Dollars.

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### NOTE 46 – 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 47 - MERGER BY ABSORPTION OF TARJETAS CUYANAS S.A. INTO TARJETA NARANJA S.A.

On September 5, 2017, Tarjeta Naranja S.A. (the "Absorbing Company") and Tarjetas Cuyanas S.A. (the "Absorbed Company") entered into a preliminary merger agreement, whereby Tarjeta Naranja S.A. merged into the assets and liabilities of Tarjetas Cuyanas S.A., effective October 1, 2017.

Then, on October 24, 2017, the shareholders of the Tarjeta Naranja S.A. and, on October 23, 2017, the shareholders of Tarjetas Cuyanas S.A., both gathered at the General Extraordinary Shareholders' Meeting of such companies, approved of the merger by absorption of Tarjetas Cuyanas S.A. into Tarjeta Naranja S.A., as well as the dissolution of the former without liquidation.

The merger by absorption was completed abiding by the provisions of Sections 77 and 78 of Law No. 20628.

In the face of Tarjetas Cuyanas S.A.'s merger into Tarjeta Naranja S.A., which entailed a capital increase in Tarjeta Naranja S.A. due to the inclusion of Tarjetas Cuyanas S.A.'s assets, Tarjetas Regionales S.A. (the controlling company of both companies) received 447 ordinary shares of Tarjeta Naranja S.A., with a face value of AR\$ 10,000 and one voting right each, in exchange for the 3,200,950 shares it held in Tarjetas Cuyanas S.A.'s capital stock.

According to the Argentine General Companies Law, Tarjeta Naranja S.A., which held 1.000005% of Tarjetas Cuyanas S.A.'s capital stock before the merger, was not allowed to purchase its own shares by reason of the capital increase; hence, it did not receive the share exchange. The shares held by Tarjeta Naranja S.A. in Tarjetas Cuyanas S.A.'s capital stock that were merged into Tarjeta Naranja S.A. as a consequence of Tarjetas Cuyanas S.A.'s absorption were canceled following a capital stock reduction. As part of said reorganization and as mentioned above, Tarjeta Naranja S.A. decided to increase its capital stock by AR\$ 4,470,000, represented by 447 ordinary shares, with a face value of AR\$ 10,000 and one voting right each, delivered to Tarjetas Regionales S.A. in exchange.

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### NOTE 47 - MERGER BY ABSORPTION OF TARJETAS CUYANAS S.A. INTO TARJETA NARANJA S.A. (CONTINUED)

At the same time, Tarjeta Naranja S.A. decided to reduce its capital stock by 23 ordinary shares of its own capital stock, with a face value of AR\$10,000 and one voting right each, deriving from the merger by absorption with Tarjetas Cuyanas S.A. Accordingly, Tarjeta Naranja S.A.'s definitive capital stock amounts to AR\$ 28,240,000, represented by 2,824 ordinary shares, with a face value of AR\$ 10,000 and one voting right each.

Following the transaction, Tarjeta Naranja S.A. equity interests were as follows: (i) Tarjetas Regionales S.A.: 2,823 shares with a face value of AR\$ 10,000 and (ii) Procesadoras Regionales S.A.: 1 share with a face value of AR\$ 10,000.

For accounting purposes, since Tarjeta Naranja S.A. and Tarjetas Cuyanas S.A. are subsidiaries of Tarjetas Regionales S.A., the transaction was not eligible to be accounted for as a business combination under IFRS 3 "Business Combinations," but rather as a business reorganization within the same business group.

According to Tarjeta Naranja S.A.'s accounting policies, the "predecessor method" was used, pursuant to which the assets and liabilities of the absorbed entity are taken at their book value, with measurement at fair value not being required. In addition, no goodwill arose from the transaction. Any difference between the consideration delivered and the aggregate book value of the acquiree's assets and liabilities on the transaction date is disclosed in equity.

In turn, the balances are disclosed as per the prospective method, pursuant to which the absorbed entity's profits or losses and balance sheet are included prospectively, commencing on the date on which the merger took effect, that is, October 1, 2017.

Tarjetas Cuyanas S.A.'s assets and liabilities as of October 1, 2017, included as a result of the merger, arise from the following table (figures expressed in thousands of Argentine Pesos):

<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>CURRENT ASSETS</b>		<b>CURRENT LIABILITIES</b>	
Cash and Cash Equivalents	482,725	Trade and Other Payables	1,801,287
Receivables from Trade	4,725,293	Borrowings	484,175
Other Receivables	28,203	Employee Benefit Obligations	65,092
		Current Tax Liabilities	79,657
<b>Total Current Assets</b>	<b>5,236,221</b>	Other Liabilities	21,283
<b>NON-CURRENT ASSETS</b>		Provision for Income Tax, Net	32,862
Receivables from Trade	33,756	<b>Total Current Liabilities</b>	<b>2,484,356</b>
Other Receivables	1,672	<b>NON-CURRENT LIABILITIES</b>	
Deferred Tax Assets	222,745	Borrowings	1,984,546
Investments in Other Companies	57,958	Provisions	15,885
Property, Plant and Equipment	36,668	<b>Total Non-current Liabilities</b>	<b>2,000,431</b>
Intangible Assets	26,771	Total Liabilities	4,484,787
<b>Total Non-current Assets</b>	<b>379,570</b>	Equity Attributable to the Company's Shareholders	1,131,004
<b>Total Assets</b>	<b>5,615,791</b>	<b>Total Liabilities and Equity</b>	<b>5,615,791</b>

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### NOTE 47 - MERGER BY ABSORPTION OF TARJETAS CUYANAS S.A. INTO TARJETA NARANJA S.A. (CONTINUED)

It should be noted that when the prospective method is used, the financial statements do not reflect the profits or losses of the acquiree during the previous period to the transaction. The previous year's amounts are not adjusted either. Accordingly, for the purposes of understanding the comparative changes in profits or losses for the year, the effects of the merger by absorption of this business on the results of operations can be found in Note 5 – Segment Information, under the column entitled "Nevada".

### NOTE 48 – PORTFOLIO ASSIGNMENT

As of June 30, 2018, the Company entered into Credit Portfolio Assignment agreements, as detailed below:

Date	Trustee	Sale Price	Portfolio Assignment
04/06/2018	Comafi Fiduciario Financiero S.A. (Frankel)	33,893	302,617
06/22/2018	Comafi Fiduciario Financiero S.A. (Frankel)	12,673	139,106
06/22/2018	Banco Comafi S.A.	31,287	343,431

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 Condensed Interim 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, 2018:

	<b>Receivables from Trade</b>
	<b>In Thousands of AR\$</b>
Before 06.30.17	346,553
Between 06.30.17 and 12.31.17	930,244
Between 12.31.17 and 03.31.18	989,055
Between 03.31.18 and 06.30.18	1,713,746
Subtotal	3,979,598
Provision for Loan Losses (1)	(2,025,700)
<b>Total Past-due Receivables</b>	<b>1,953,898</b>

(1) The difference of AR\$ 776,430 with respect to the total provision for loan losses for AR\$ 2,802,130 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, 2018:

	<b>Other Receivables</b>	<b>Deferred Tax Assets</b>
	<b>In Thousands of AR\$</b>	
No Fixed Term	(1) 5,672	668,559

(1) Other Receivables with No Fixed Term: AR\$ 931 are recorded as other current receivables and AR\$ 4,741 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

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c) Receivables from Trade and Other Receivables to Become Due as of June 30, 2018:

		Receivables from Trade	Other Receivables
		In Thousands of AR\$	
<b>Current</b>	09/30/18	22,610,511	246,364
	12/31/18	6,944,825	14,463
	03/31/19	3,718,695	9,307
	06/30/19	1,620,739	9,171
	Provision for Loan Losses (1)	(776,430)	-
<b>Non-current</b>		1,533,374	1,505

(1) The difference of AR\$ 2,025,700 with respect to the total provision for loan losses for AR\$ 2,802,130 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, 2018:

There are no past-due debts as of June 30, 2018.

b) Debts with No Fixed Term as of June 30, 2018:

As of June 30, 2018, 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, 2018:

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities	
	In Thousands of AR\$						
<b>Current</b>	09/30/18	16,168,414	579,824	414,525	862,786	-	20,335
	12/31/18	849,401	-	27,723	-	-	-
	03/31/19	452	983,606	54,297	-	-	-
	06/30/19	99	1,831,514	79,299	-	236,363	363,759
	<b>Non-current</b>	-	10,234,456	-	-	-	-

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### 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	40,407,742	285,772	668,559
Provision for Loan Losses AR\$	(2,802,130)	-	-
In Foreign Currency	-	710	-
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	15,759,020	-	-
Non-interest Bearing Balances	24,648,722	286,482	668,559

### 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	17,018,366	13,629,400	575,844	862,786	236,363	404,102
In Foreign Currency	-	-	-	-	-	-

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

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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	-	13,071,368	-	-	-	-
Non-interest Bearing Balances	17,018,366	558,032	575,844	862,786	236,363	404,102

### 7. INVESTMENT IN COMPANIES

As of June 30, 2018, 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, 2018, there are advances to directors and supervisory committee members for AR\$ 4,988, 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 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Cr. Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. No. 10.11421.4 – C.P.C.E.Cba.

# Tarjeta Naranja S.A.

## Additional Information to the Notes to the Condensed Interim Financial Statements

As of June 30, 2018 (Continued)

Expressed in thousands of Argentine Pesos

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

### 15. 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
156749	CHUBB	Civil Liability Multi-Peril Operational Insurance	04/15/2019	AR\$ 20,000	-
839455	BERKLEY	Theft	04/15/2019	US\$ 340	-
160017687	ZURICH	Excess Liability	04/15/2019	AR\$ 18,000	-
985235	CHUBB	Commercial Buildings Security	06/30/2019	AR\$ 209	-
842927	CHUBB	Civil Liability Work	04/15/2019	AR\$ 5,000	-
2240410	CHUBB	EPEC Award Process in Public Services and/or Supplies	Annual Renewal	AR\$ 3,000	-
2242053	CHUBB	Lease Surety - Commercial Buildings	05/31/2019	AR\$ 244	-
2249342	CHUBB	Surety - Preliminary Injunctions	08/10/2018	AR\$ 1,065	-
2248879	CHUBB	Security for Lease- MARSCIO	08/07/2018	AR\$ 204	-
210118215	ZURICH	Surety	09/12/2018	AR\$ 30	-
1313493	ASEGURADORA DE CREDITOS Y GARANTIAS S.A.	Store Surety	09/27/2018	AR\$ 27	-
984212	CHUBB	House Surety	06/22/2019	AR\$ 349	-
4545536	RSEA - SURA	Motorbike Insurance	10/15/2018	AR\$ 6,000	-
824033	CAUCIONES S.A.	Surety for the Municipality of Morón	09/01/2018	AR\$ 1,004	-
1004104	CHUBB	Lease Surety	12/12/2018	AR\$ 250	-
1004103	CHUBB	Lease Surety	12/12/2018	AR\$ 705	-
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	-
100602	GALICIA SEGUROS S.A.	Credit Insurance	Monthly Renewal	AR\$ 3,660	-
100585	GALICIA SEGUROS S.A.	Credit Insurance	Monthly Renewal	AR\$ 4,257	-
51773	MAPFRE	Credit Insurance	Monthly Renewal	AR\$ 274	-
46070	MAPFRE	Credit Insurance	Monthly Renewal	AR\$ 134	-
5022998	VICTORIA	Credit Insurance	Monthly Renewal	AR\$ 77	-
5022997	VICTORIA	Credit Insurance	Monthly Renewal	AR\$ 28	-
659130	SANCOR SEGUROS S.A.	Group Life Insurance Required by Law	03/01/2019	AR\$ 252	-
100686	GALICIA SEGUROS S.A.	Life Insurance for Employees Out of Collective Bargaining Agreement	07/01/2019	AR\$ 273,481	-
500605	GALICIA SEGUROS S.A.	Group Life Insurance Required by Law	10/01/2019	AR\$ 204,930	-
33000292	ZURICH	Personal Accidents	09/01/2018	AR\$ 1,000	-
8171809	ZURICH	Homeowners' Insurance	12/18/2018	AR\$ 3,300	-

Please refer to our report dated August 8, 2018

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

Cr. Andrés Suarez

Certified Public Accountant (U.B.A.)

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

# Tarjeta Naranja S.A.

## Additional Information to the Notes to the Condensed Interim Financial Statements

As of June 30, 2018 (Continued)

Expressed in thousands of Argentine Pesos

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

### 16. 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.

### 17. CONTINGENCIES

There are no significant contingent situations as of June 30, 2018, which have not been given accounting recognition.

### 18. DIVIDENDS ON PREFERRED SHARES

There are no preferred shares.

### 19. RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS

Restrictions on the distribution of retained earnings are detailed in Note 43 to the condensed interim financial statements as of June 30, 2018.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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C.P.C.E.Cba. N° 21.00004.3  
Cr. Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. No. 10.11421.4 – C.P.C.E.Cba.

# Tarjeta Naranja S.A.

## Summary of Activity

As of June 30, 2018

Expressed in thousands of Argentine Pesos

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

As of June 30, 2018, we had 3,043 open accounts under the Naranja brand and 675 open accounts under the Nevada brand, out of which 108 accounts bear both brands.

Transactions for the six-month period grew by 8% vis-a-vis the same period the previous year, while combined transactions (Naranja and Nevada) rose by 28%. In turn, average consumption per active account (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs) during the period experienced a 40% increase in nominal terms, compared to the same six-month period the previous year. If we take into consideration total consumption (Naranja and Nevada), such increase stands at 33%.

Profit before Income Tax as of June 30, 2018 was AR\$ 2,164,440, and Equity amounted to AR\$ 8,771,283.

### Sources of Financing

During the first six months of 2018, the Company entered into new Credit Line arrangements in the amount of AR\$ 950,000 and new Borrowings in the amount of AR\$ 600,000.

Within the framework of the Global Program for the Issuance of Notes ("*Obligaciones Negociables*"), on February 14, 2018 the Company issued Class XXXIX Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 754,539; while on April 10, 2018, the Company issued Class XL Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 2,000,000. This last issuance was carried out in two series: Series I for an aggregate principal amount of AR\$ 597,500 at 18 months with principal and interest payable upon maturity and 25.98% fixed rate; and Series II for an aggregate principal amount of AR\$ 1,402,500 at 30 months, with interest being payable on a quarterly basis and principal upon maturity. The interest rate is variable Badlar plus a 3.69% margin, with a minimum of 27% for two interest periods.

Additionally, during the first six months of the year, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings and Finance Leases for AR\$ 2,061,173.

### Review of Operations as of June 30

#### Merger with Nevada

The Company initiated the deployment of a rollover strategy aimed at combining operations. In May, the Company deployed the first stage of such strategy, including the cities of Resistencia, Corrientes, Formosa, Neuquén, Cipolletti, General Roca, Cutral Có, Zapala, General Pico and Santa Rosa de La Pampa. As a result of this process, over 56 thousand customers migrated their accounts to the Naranja brand. In addition, 40 employees of Nevada were transferred to join Naranja's teams.

#### Digital Evolution and Customer's Experience

The Company redesigned account statements, providing better information and enhancing the layout of the most appealing topics to customers.

In June, 20% of approved account openings were applied for through digital channels. Cards can be applied for from anywhere in the country and additional cardholders may become primary cardholders through an entirely digital process.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. No. 21.00004.3

Alejandro Asrin  
President

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of June 30, 2018

Expressed in thousands of Argentine Pesos

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

During the reporting period, the Company made improvements to Naranja Online and the App, enhancing the customer experience when paying their account statements, applying for a loan, or subscribing to the HBO product.

The Company also deployed an Advanced Analytics tool named "*Próximo Producto a Comprar*" (Next Product to Buy), which predicts the likelihood that a customer will buy a new product in order to boost sustainable sales.

### Promotions and Benefits

During the summer, customers were offered discounts of up to 15% and payment plans of up to 10 interest-free installments at restaurants, entertainment, transportation, hotels and travel agencies. In the Travel category, customers enjoyed promotions with Aerolíneas Argentinas and GOL offering up to 25% discounts and payment plans of up to 6, 15 and 18 interest-free installments.

In May, Tienda Naranja (Naranja Store) participated in the Hot Sale initiative, offering promotions in several categories, including technology, electronics, furniture and sports, with payment plans of up to 25 interest-free installments, discounts on selected products, and free shipping.

During the period, the Smartes promotion continued offering discounts of up to 30% on major brands throughout the country and on special dates.

### Cultural Agenda at Casa Naranja

Casa Naranja's cultural agenda for 2018 was opened up in March with *Futuro Volátil* (Volatile Future), an exhibition that convened 22 national and international artists. During three months, the exhibition received 7,000 visitors who enjoyed guided tours and online audio guides.

In May, in association with Marta Minujín, Naranja donated the Soft Gallery, created in 2017 for the exhibition at Casa Naranja, to the Emilio Caraffa Museum. The artwork is now part of Córdoba's cultural heritage.

### World Cup Campaign

As an official sponsor of the National Soccer Team, Naranja designed a 360 campaign, including exclusive benefits for customers and payment plans of up to 18 and 12 interest-free installments on the purchase of mobile phones with Claro and Personal, respectively. Naranja also partnered with Nóblex to offer customers Smart TVs 4K payable in up to 24 interest-free installments.

Besides, Naranja introduced social media content and launched an advertisement and a social campaign named "*El jueguito más largo del mundo*" (The Longest Keepie-Uppie Ever), which benefited 2,500 kids from several sport venues countrywide.

### Awards and Distinctions

Once again, Naranja has ranked 1st in the Ranking of Corporate Governance and Accountability compiled by MERCO (Monitor Empresarial de Reputación Corporativa) in the Financial and Credit Card sector, and 21st in the overall ranking, developed on the basis of a survey among corporate directors, professionals and consumers.

On the other hand, the Company climbed to the 22nd position in the Ranking of the Best Argentine Companies in terms of Corporate Image published by Apertura magazine.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. No. 21.00004.3

Alejandro Asrin  
President

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of June 30, 2018

Expressed in thousands of Argentine Pesos

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

### Outlook

Following the merger with Tarjetas Cuyanas S.A., since October 2017 Naranja has managed to achieve strong presence in the provinces of Mendoza and San Juan, with increased market share in 13 provinces.

The combination of both brands into the Naranja umbrella is a three-phase process underway expected to be completed at year-end. This action will streamline operations and result in efficiencies, improvements in customer's experience and brand strengthening.

Through the Digital Evolution program, the Company will continue digitalizing critical business processes, from an approach based on the use of mobile phones by customers. The introduction of new Advanced Analytics models and the ongoing improvement of Digital Marketing are facilitating product cross-selling to our existing customers and helping to capture new ones.

As a consequence of the depreciation of the local currency and increasing interest rates, the Company expects restricted financing availability for the second half of the year, with incremental financial costs and arrears.

As always, all our actions will continue to be based on our strategic pillars: Organization Culture and Customer's Experience.

### 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	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Open Accounts (in Thousands)	3,043	2,911	2,883	2,645	2,464
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	4.62	3.31	2.54	1.91	1.39

Nevada	06.30.18
Open Accounts (in Thousands) (2)	675
Monthly Average Consumption per Active Account for the Six-Month Period (in Thousands of AR\$) (3)	3.26

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

(2) It includes 108,000 accounts held by customers who also have Naranja.

(3) It includes the managed brand Nevada Visa.

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. No. 21.00004.3

Alejandro Asrin  
President



# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of June 30, 2018

Expressed in thousands of Argentine Pesos

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

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

Transactions with Naranja	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Amounts in Thousands (for the Six-Month Period) (1)	80,182	74,107	69,155	63,489	59,919
Monthly Average Amount (in Thousands of AR\$) (1)	13,119,936	9,517,753	7,028,190	4,789,014	3,345,452
Merchants' Average Fee	2.17%	2.69%	2.77%	2.78%	2.70%

Transactions with Nevada	06.30.18
Amounts in Thousands (for the Six-Month Period) (2)	14,465
Monthly Average Amount for the Six-Month Period (in Thousands of AR\$) (2)	1,722,156

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

(2) It includes the managed brand Nevada Visa.

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

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Tarjetas Naranja Clásica and Oro	4,336	4,182	4,150	3,849	3,610
Tarjetas Naranja Visa	3,117	3,331	3,863	3,369	2,870
Tarjetas Naranja Mastercard	516	616	692	614	521
Tarjetas Naranja Amex	43	47	51	43	34
Tarjetas Nevada	831	-	-	-	-
Tarjetas Nevada Visa	474	-	-	-	-
<b>Total</b>	<b>9,317</b>	<b>8,176</b>	<b>8,756</b>	<b>7,875</b>	<b>7,035</b>

### COMPARATIVE CHART OF BALANCE SHEET

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Current Assets	38,326,504	23,174,357	18,698,951	13,800,767	11,012,617
Assets Classified as Held for Sale	-	-	-	-	7,254
Non-current Assets	3,222,982	1,757,792	1,327,307	997,066	835,440
Assets	41,549,486	24,932,149	20,026,258	14,797,833	11,855,311
Current Liabilities	22,492,405	13,263,125	14,610,852	9,686,273	8,095,873
Non-current Liabilities	10,285,798	6,278,846	1,587,849	2,316,303	1,725,901
Liabilities	32,778,203	19,541,971	16,198,701	12,002,576	9,821,774
Equity	8,771,283	5,390,178	3,827,557	2,795,257	2,033,537

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. No. 21.00004.3

Alejandro Asrin  
President



# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of June 30, 2018

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

### COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Operating Revenue	8,218,170	5,171,537	3,338,568	2,500,347	1,875,330
Operating Revenue, Net of Provision for Loan Losses	6,749,667	4,531,205	3,040,634	2,317,305	1,586,590
Total Operating Expenses	(4,585,376)	(2,894,598)	(2,140,208)	(1,535,679)	(1,231,221)
Income from Investments Accounted for Using the Equity Method	149	1,838	1,423	1,336	1,032
Profit before Income Tax	2,164,440	1,638,445	901,849	782,962	356,401
Income Tax	(643,968)	(569,698)	(310,637)	(268,464)	(119,114)
Profit for the Period (from Continuing Operations)	1,520,472	1,068,747	591,212	514,498	237,287
Loss for the Period (from Discontinued Operations)	-	-	-	-	(15,484)
Comprehensive Income for the Year	1,520,472	1,068,747	591,212	514,498	221,803

### COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Net Cash Inflow / (Outflow) from Operating Activities	(2,633,701)	1,308,396	(952,180)	116,986	(76,154)
Net Cash Inflow / (Outflow) from Investing Activities	(235,358)	(309,404)	512,084	16,142	(157,935)
Net Cash Inflow from Financing Activities	2,693,375	(2,557,243)	597,318	(423,756)	17,600
Total Net Cash (Outflow) / Inflow during the Year	(175,684)	(1,558,251)	157,222	(290,628)	(216,489)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	2,413	2,971	(7,439)	208	1,496

### RATIOS

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Liquidity	1.704	1.747	1.280	1.425	1.360
Indebtedness	3.737	3.625	4.232	4.294	4.830
Solvency	0.268	0.276	0.236	0.233	0.207
Tied-up Capital	0.078	0.071	0.066	0.067	0.070
ROE for the Period	18.02%	21.38%	15.73%	19.84%	11.08%
ROA for the Period	3.91%	4.33%	3.12%	3.65%	1.96%

Please refer to our report dated August 8, 2018  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. No. 21.00004.3

Alejandro Asrin  
President

## SUPERVISORY COMMITTEE'S REPORT

To the Shareholders, President and Directors of  
TARJETA NARANJA S.A.  
Legal Domicile: La Tablada 451  
CORDOBA-ARGENTINA

1. We have reviewed the accompanying condensed interim financial statements of Tarjeta Naranja S.A., which include the Condensed Balance Sheet as of June 30, 2018, the Condensed Interim Statements of Profit or Loss and Comprehensive Income for the six-month period ended June 30, 2018, and the Condensed Interim Statements of Changes in Equity and Cash Flows for the six-month period then ended and selected explanatory notes. The balances and other information for the year 2017 and for the interim periods are an integral part of the condensed interim financial statements and, therefore, should be considered in relation to those statements.
2. The Company's Board of Directors is responsible for the preparation and presentation of the financial statements, in accordance with the accounting guidance set forth by the Argentine National Securities Commission (C.N.V.). 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, particularly, 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 the temporary exclusion of paragraph 5.5 of IFRS 9, "Impairment."
3. Our examination was carried out in accordance with 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, we have reviewed the work performed by the external auditors of the Company, Price Waterhouse & Co. S.R.L., 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), who issued their review report on August 8, 2018, without any qualified opinion. A review of interim financial information consists of making inquiries to 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 on the Company's financial position, comprehensive income and cash flows.

We have not assessed the business criteria regarding the different areas of the Company, as these matters 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.

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.

4. Based on our review, performed within the scope described in paragraph 3 above, we inform the following:
  - i) The condensed interim financial statements of Tarjeta Naranja S.A. as of June 30, 2018, prepared in accordance with IAS 34, consider all the significant events and circumstances that we are aware of and on which we have no observations to make except for the last paragraph of paragraph 3 of this report;
  - ii) In compliance with the legality control that is part of our field of competence, we have no observations to make;
  - iii) Tarjeta Naranja S.A.'s condensed interim financial statements arise from accounting records kept, in all formal aspects, in compliance with legal regulations;
  - iv) With regard to the Summary of Activity and the Additional Information to the Notes to the Condensed Interim Financial Statements required by the regulations issued by the Argentine National Securities Commission submitted by the Board of Directors, insofar as concerns our field of competence, we have no observations to make.

Córdoba, August 8, 2018

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Dr. Jorge F. Gregorat  
For the Supervisory Committee



## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders, President and Directors of  
TARJETA NARANJA S.A.  
La Tablada 451  
CÓRDOBA – ARGENTINA

### Introduction

We have reviewed the accompanying Condensed Interim Financial Statements of Tarjeta Naranja S.A. which include the Condensed Balance Sheet as of June 30, 2018, the Condensed Statements of Profit or Loss and the Condensed Statement of Other Comprehensive Income for the six and three month periods ended June 30, 2018 and the Condensed Statements of Changes in Equity and Condensed 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 2017 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

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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.

### **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 8, 2018

PRICE WATERHOUSE & CO. S.R.L.

A large, handwritten signature in black ink, appearing to read 'Andrés Suarez', is written over a horizontal line. The signature is somewhat stylized and loops back.

(Partner)

Andrés Suarez  
Public Accountant