



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON DECEMBER 31, 2018

Summary of Activity

As of December 31, 2018, we had 3,412,955 open accounts under the Naranja brand.

Combined transactions (Naranja and Nevada) grew by 18% vis-a-vis the previous year. In turn, average consumption per active account (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs) as of December 31, 2018 experienced a 31% increase in nominal terms, compared to the previous year.

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

Originally reported comparative figures were adjusted accordingly.

Inflation-adjusted Profit before Income Tax as of December 31, 2018 was AR\$ 309,358, and Equity amounted to AR\$ 10,206,552.

Following the application of IAS 29, Profit before Income Tax declined due to a number of reasons, including: (i) the recognition of a loss from inflation adjustment in the amount of AR\$3,408,607, as a result of the net monetary asset position maintained during the year exposed to inflation; and (ii) an increase in the Provision for Loan Losses, and in Operating Expenses, driven by the costs of the merger process with Tarjetas Cuyanas S.A. and expenses allocated to the Company's Digital Transformation process.

Sources of Financing (Figures Expressed in Nominal Amounts)

During the year, Naranja entered into Credit Lines arrangements in the amount of AR\$ 1,050,000 and Borrowings in the amount of AR\$ 1,770,000 with several financial institutions.

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; on April 10, 2018, the Company issued Class XL Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 2,000,000; on November 15, 2018, the Company issued Class XLI Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 1,197,657; and finally the Company issued Class XLII Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 1,266,303. Additionally, during such period, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings, Credit Lines and Finance Leases for AR\$ 5,713,415.

Review of Operations as of December 31

Merger with Tarjetas Cuyanas S.A. - Brand Unification

In January 2018, the sale of Nevada cards was discontinued in the Northeast, Northwest, Patagonia and Central regions of Argentina. During the first quarter of 2018, the Company devised a strategy to unify operations to be implemented in three stages. The first stage was deployed in May, including the cities of Resistencia, Corrientes, Formosa, Neuquén, Cipolletti, General Roca, Cutral Có, Zapala, General Pico and Santa Rosa de La Pampa. In August, the Company deployed the second stage, including the provinces of San Luis, Salta, Jujuy, Tucumán, Santiago del Estero, Catamarca and La Rioja. The last stage was deployed in November in the provinces of San Juan and Mendoza.

As a result of the unification, Naranja gained 404,000 new customers, and 15,560 new Merchants (“*Comercios Amigos*”) and 24 branches joined the brand. Following the merger with Nevada, Naranja extended its footprint countrywide.

The Digital Evolution Moving Forward

During 2018, the Company strived to digitalize customer's trips, develop digital marketing, embrace advanced analytics, and design new digital products. The Company implemented improvements to streamline several processes, including account origination, collection procedures, subscription to HBO Go, and application for personal loans through digital channels. More than 100,000 new accounts were opened up through Naranja's digital channels during the year.

In an effort to boost the migration of payments to electronic channels, the Company implemented the Payment Button in Naranja Online and Naranja App, reaching 141,000 transactions per month. The on-line channel accounted for 27% of collections from customers, including payments through third parties' digital channels.

The partnership with Samsung boosted sales of cell phones, tablets and accessories for several consumer segments at Tienda Naranja (Naranja Store) and selected branches in Córdoba (Subte and Rivera Indarte) and Buenos Aires (Flores, Lomas de Zamora and La Plata).

Currently, we have 1,137,000 active digital users that choose our on-line channels to make inquiries and transactions. Also during this year, customers continued migrating to digital account statements, reaching a total of 2,200,000 as of December 2018.

In December 2018, the Company announced the launch of Naranja PoS - a new service that allows merchants, freelance professionals and other parties to cash payments through debit or credit cards by means of a reader with Bluetooth connectivity to cell phones or tablets.

Promotions and Benefits

During the 2018 summer, customers enjoyed discounts of up to 15% and payment plans of up to 10 interest-free installments at restaurants, entertainment, transportation, hotels and travel agencies. In late March and in anticipation of the World Cup, Naranja partnered with Noblex to offer customers Smart TVs 4K and sound towers payable in up to 36 interest-free installments.

In May, Tienda Naranja (Naranja Store) participated in the Hot Sale and Cyber Monday initiatives, offering promotions and discounts in technology, electronics, furniture and sports, with payment plans of up to 25 interest-free installments and free shipping. In addition, Naranja launched promotions and offered up to 30% discounts on special dates, such as the Children's Day, the Mother's Day, the Father's Day, and Christmas.

In the Travel category, the Company pushed promotions with Aerolíneas Argentinas and GOL offering payment plans of up to 12 interest-free installments and up to 20% discounts on the purchase of air-tickets. In September, Naranja partnered with Air Europa to offer payment plans of up to 12 interest-free installments for the purchase of air-tickets.

Since March through December (excluding July and August), customers enjoyed the benefits of SMartes, a promotion that offers up to 25% unlimited discounts every Tuesday on major brands throughout the country, and an additional 5% discount to customers who have been cardholders for over 10 years. As of December 31, 2018, SMartes recorded AR\$ 576 million in revenues countrywide.

Awards and Distinctions

In November, Great Place to Work® ranked Naranja as the second best company to work for in Argentina, within the category of companies with over 1,000 employees. This award is an acknowledgment to the Company as best employer and highest-quality workplace.

In the same line, the Company has ranked 9th in MERCO Talento, a ranking compiled by MERCO (Monitor Empresarial de Reputación Corporativa) which monitors companies attracting and retaining the best talent in Argentina.

Once again, Naranja has ranked 1st in the Ranking of Corporate Governance and Accountability compiled by MERCO in the financial and credit card sector, and 21st in the overall ranking of the 100 companies with best reputation in Argentina, developed on the basis of a survey among corporate directors, professionals and consumers.

This year, the Company climbed to the 22nd position in the ranking of the Best Argentine Companies in terms of Corporate Image published by the business magazine Apertura. In addition, the Company occupied the 10th place in the Care for Human Resources ranking compiled by the same magazine.

For the first time, Naranja has ranked among the top ten Most Prestigious Companies, a ranking compiled by *Prensa Económica* magazine, occupying the 9th position in the banking segment.

Alejandro Asrin and David Ruda set foot in MERCO Líderes, the ranking of the 50 most recognized leaders in Argentina compiled by MERCO.

Outlook

In the light of the expected macroeconomic conditions for 2019, we should be cautious about our access to the capital markets to increase our lending offering.

Our loan loss ratio is expected to improve, as long as economic activity levels rebound in Argentina.

Our financial spreads - which in 2018 were affected by a sharp increase in borrowing rates and the slow increase in returns on assets - are expected to improve in 2019.

We expect that, as a result of the completion of the merger with Tarjetas Cuyanas S.A. and the unification of brands, our operating costs will decline and the Naranja brand will consolidate countrywide in fiscal year 2019.

A lower inflation rate in 2019 would soften its negative impact on inflation gains (losses).

In 2019, the Company will continue pursuing its Digital Evolution projects. We will continue striving to achieve gradual growth in customer acquisition, account statements, payments and other digital interactions, and will launch a pilot project named *Sucursal del Futuro* (Branch of the Future), with a technology-based person-to-person service approach. We also expect to launch the digital account *Naranja Cuenta*, laying the groundwork for Naranja to become a product and service ecosystem. All these projects are aimed at improving the customer's experience and cost efficiency.

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

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

TARJETA NARANJA S.A.'S USERS

Naranja	12.31.18	12.31.17
Open Accounts (in Thousands)	3,413	2,977
Monthly Average Consumption per Active Account (in Thousands of AR\$) ⁽¹⁾	4.79	3.62

Nevada	12.31.18	12.31.17
Open Accounts (in Thousands)	-	781
Monthly Average Consumption per Active Account (in Thousands of AR\$)	3.36	3.02

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

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

Transactions with Naranja	12.31.18	12.31.17
Amounts in Thousands (until December) ⁽¹⁾	166,330	150,033
Monthly Average Amount (in Thousands of AR\$) ⁽¹⁾	14,090,812	10,196,831
Merchants' Average Fee	2.19%	2.33%

Transactions with Nevada	12.31.18	12.31.17
Amounts in Thousands	20,142	7,837
Monthly Average Amount (in Thousands of AR\$)	1,494,013	1,722,122

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

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

	12.31.18	12.31.17
Tarjeta Naranja Clásica and Oro	4,777	4,266
Tarjeta Naranja Visa	3,504	2,968
Tarjeta Naranja MasterCard	491	531
Tarjeta Naranja Amex	46	41
Tarjeta Nevada	-	960
Tarjetas Nevada Visa	-	551
Total	8,818	9,317

COMPARATIVE CHART OF BALANCE SHEET (in Thousands of AR\$) (1)

	12.31.18	12.31.17
Current Assets	47,934,305	49,476,967
Non-current Assets	4,147,329	4,371,595
Assets	52,081,634	53,848,562
Current Liabilities	33,207,788	28,638,988
Non-current Liabilities	8,667,294	12,952,587
Liabilities	41,875,082	41,591,575
Equity	10,206,552	12,256,987

(1) See Note 48 to the Financial Statements for more information about the effects of the merger.

COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS (in Thousands of AR\$) (1)

	12.31.18	12.31.17
Operating Revenue	17,360,214	17,521,872
Operating Revenue, Net of Provision for Loan Losses	13,112,641	15,333,193
Total Operating Expenses	(12,803,733)	(10,818,064)
Income from Investments Accounted for Using the Equity Method	450	4,252
Profit before Income Tax	309,358	4,539,381
Income Tax	(1,551,368)	(2,424,839)
Profit / (Loss) for the Period	(1,242,010)	2,114,542
Comprehensive Income (Loss) for the Year	(1,242,010)	2,114,542

(1) See Note 48 to the Financial Statements for more information about the effects of the merger.

COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS (in Thousands of AR\$)

(1)

	12.31.18	12.31.17
Net Cash Inflow from Operating Activities	1,364,299	4,280,210
Net Cash Outflow from Investing Activities	(765,074)	(755,982)
Net Cash Inflow / (Outflow) from Financing Activities	2,539,050	(3,938,545)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,138,275	(414,317)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,169,472	3,373,947
Increase in Cash and Cash Equivalents from Merger	-	478,851
Inflation Loss Attributable to Cash	(1,248,851)	(271,959)
(Decrease) / Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	(4,214)	2,950
CASH AND CASH EQUIVALENTS AT YEAR-END	5,054,682	3,169,472

(1) See Note 48 to the Financial Statements for more information about the effects of the merger.

RATIOS (3)

	12.31.18	12.31.17
Liquidity	1.443	1.728
Indebtedness	4.103	3.393
Solvency	0.244	0.295
Tied-up Capital	0.080	0.081
ROE for the Period (1)	(11.06%)	19.62%
ROA for the Period (2)	(2.34%)	4.18%

(1) **PROFIT (LOSS) FOR THE PERIOD / (EQUITY 12/17+ EQUITY 12/18) / 2**

(2) **PROFIT (LOSS) FOR THE PERIOD / (ASSETS 12/17+ ASSETS 12/18) / 2**

(3) **SEE NOTE 48 TO THE FINANCIAL STATEMENTS FOR MORE INFORMATION ABOUT THE EFFECTS OF THE MERGER.**

Statement of Profit or Loss
For the years ended December 31, 2018 and 2017
Expressed in thousands of constant Argentine Pesos

	Notes	12.31.2018	12.31.2017
		In Thousands of AR\$	
Revenues from Services	6	12,036,988	11,722,948
Costs of Services	7	(1,789,654)	(1,626,948)
Net Revenues from Services		10,247,334	10,096,000
Revenues from Financing	8	15,801,536	12,018,887
Costs of Financing	9	(6,060,622)	(3,281,362)
Loss from Inflation Adjustment		(3,408,607)	(1,687,980)
Net Revenues from Financing		6,332,307	7,049,545
Net Income from Short-term Investments	10	780,573	376,327
Operating Revenue		17,360,214	17,521,872
Provision for Loan Losses	11	(4,247,573)	(2,168,679)
Operating Revenue, Net of Provision for Loan Losses		13,112,641	15,353,193
Employee Benefits Expenses	12	(4,774,991)	(4,337,059)
Taxes and Charges	13	(3,022,623)	(2,685,816)
Marketing Expenses	14	(505,808)	(474,019)
Depreciation and Amortization	15	(520,702)	(363,594)
Other Operating Expenses	16	(3,979,609)	(2,957,576)
Total Operating Expenses		(12,803,733)	(10,818,064)
Net Profit before Income from Investments Accounted for Using the Equity Method		308,908	4,535,129
Income from Investments Accounted for Using the Equity Method	17	450	4,252
Profit before Income Tax		309,358	4,539,381
Income Tax	18	(1,551,368)	(2,424,839)
Profit / (Loss) for the Year		(1,242,010)	2,114,542
Earnings per Share			
Basic and Diluted Earnings per Share		(439.81)	748.78

Statement of Other Comprehensive Income

For the years ended December 31, 2018 and 2017
Expressed in thousands of constant Argentine Pesos

	Notes	12.31.2018	12.31.2017
		In Thousands of AR\$	
Profit / (Loss) for the Year		(1,242,010)	2,114,542
Other Comprehensive Income		-	-
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income (Loss) for the Year		(1,242,010)	2,114,542
Earnings per Share			
Basic and Diluted Earnings per Share		(439.81)	748.78

Balance Sheet

For the years ended December 31, 2018 and 2017
Expressed in thousands of constant Argentine Pesos

	Note	12.31.2018	12.31.2017		Note	12.31.2018	12.31.2017
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	19	5,054,682	3,169,472	Trade and Other Payables	26	22,840,725	24,174,181
Investments	20	-	306,060	Borrowings	27	8,521,792	1,594,082
Receivables from Trade	21	42,614,544	45,670,324	Employee Benefit Obligations	28	793,388	832,553
Other Receivables	22	265,079	331,111	Current Tax Liabilities	29	984,648	968,509
				Other Liabilities	30	29,098	43,860
				Income Tax Provision	18	38,137	1,025,803
Total Current Assets		47,934,305	49,476,967	Total Current Liabilities		33,207,788	28,638,988
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	21	1,215,342	1,506,415	Borrowings	27	8,592,195	12,880,998
Other Receivables	22	6,323	9,350	Other Liabilities	30	10,102	-
Deferred Tax Assets	18	506,397	628,242	Provisions	31	64,997	71,589
Investments Accounted for Using the Equity Method	23	2,118	2,619				
Property, Plant and Equipment	24	1,805,166	1,721,986				
Intangible Assets	25	611,983	502,983				
Total Non-current Assets		4,147,329	4,371,595	Total Non-current Liabilities		8,667,294	12,952,587
				Total Liabilities		41,875,082	41,591,575
				EQUITY		10,206,552	12,256,987
Total Assets		52,081,634	53,848,562	Total Liabilities and Equity		52,081,634	53,848,562