



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON DECEMBER 31, 2017

Summary of Activity

As of December 31, 2017, we had 2,976,602 open accounts under the Naranja brand and 781,222 open accounts under the Nevada brand, out of which 130,834 accounts bear both brands.

Annual transactions rose by 5% and by 10%, if we consider the last quarter of the year when the absorption of Tarjetas Cuyanas S.A. was consummated. In turn, average consumption per open account (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs) during the year experienced a 30% increase in nominal terms.

Profit before Income Tax as of December 31, 2017 was AR\$ 3,910,703, and Equity amounted to AR\$ 7,850,811.

Sources of Financing

As a result of the merger with Tarjetas Cuyanas S.A., effective since October 1, 2017 the Company's balance sheet has reflected Borrowings from such entity for an aggregate amount of AR\$ 2,468,721. Since such date, the Company repaid principal and interest in respect of such debt for an aggregate amount of AR\$ 279,074.

Within the framework of the Global Program for the Issuance of Notes ("Obligaciones Negociables"), the Company issued Argentine Peso-linked Class XXXVII Notes ("Obligaciones Negociables") for an aggregate principal amount of US\$ 250,000 (equivalent to AR\$ 3,845,700) and Class XXXVIII Notes ("Obligaciones Negociables") for an aggregate amount of AR\$ 503,333 in April and November 2017, respectively.

Also during the year, the Company borrowed AR\$ 546,000 under Bank and Financial Loans and Cash Advances in Current Account, while other credit facilities for AR\$ 364,000 million were extended.

In addition to the payments referred to in the first paragraph of this section, during the year under review, the Company repaid principal and interest in respect of Notes ("Obligaciones Negociables"), and in respect of Bank and Financial Loans and Finance Leases for AR\$ 5,257,319 and US\$ 69,681, respectively.

Review of Operations as of December 31

Reduced Merchants' Fees

Since April, a voluntary reduction in the maximum fee applicable to merchants' sales has been in place, dropping from 3% to 2.5%.

The second phase of the voluntary reduction in the maximum fee applicable to merchants' sales will take place in January 2018, when such fee will fall to 2.35%.

Digital Evolution

In February 2017, the Company initiated a transformation process aimed at becoming a leading digital company in the financial industry. The strategy was based on two pillars: growing the current business and developing new adjacent businesses, including comprehensive solutions, and fully mobile first experiences based on advanced analytics and digital marketing.

Renovation of Naranja

In March 2017, Naranja introduced its new brand image conveying energy and spreading joy. We renewed ourselves and changed our traditional name "Tarjeta Naranja" for "Naranja." We designed a new and easily identifiable logo, with the digital ecosystem in mind and a renewed style to consolidate the brand equity.

Naranja Merges with Nevada and Consolidates its Presence Nationwide

In August, Naranja initiated the merger process of Tarjeta Cuyana S.A., owner of Nevada, the leading credit card in Mendoza and San Juan. The merger has become effective since October 1, 2017, and is the result of a strategic decision to continue consolidating Naranja's presence, increasing the scale of its business and the branch network nationwide.

Casa Naranja Opened its Doors to Over 40,000 Visitors

In 2017, over 40,000 people visited Casa Naranja to enjoy culture-related experiences for free. The agenda included outstanding events, such as the exhibitions by Marta Minujín and Antonio Seguí and the presence of Game of Thrones, in association with HBO.

To close the year, Naranja introduced in the City of Buenos Aires an artwork by Marta Minujín known as "*Escultura de los Deseos*" which attracted over 11,500 visitors who expressed their best wishes for 2018.

Discounts and Better Options for Customers All Year Long

In January and February, Naranja offered special benefits at the major tourist attractions in Argentina, in categories such as cuisine, entertainment, hotels and transport. In March, the Company relaunched discounts of up to 30% and 3 interest-free payments. These promotions were maintained throughout the year on the major brands and at shopping centers in Argentina, gaining momentum on special dates. The proposal for the Summer 2018 includes discounts on air tickets, travel agencies and entertainment, among other things.

In terms of digital technology, the Company has developed the Naranja App, a mobile platform that allows account holders to check their account information and download statements, recharge mobile phone credit and search for promotions, among other features.

In addition, the Company added Naranja Plus, a new payment option that allows customers to finance their purchases in installments (both in Argentine Pesos and U.S. Dollars), applicable to transactions made with any card issued by Naranja.

During the year, the Company opened new branches in San Isidro and Bolívar, Buenos Aires. In addition, 6 stores were moved and remodeled, with special focus on self-service through self-inquiry terminals and ATMs.

Naranja Landed in Entertainment with HBO

Since June, Naranja has offered its customers HBO GO - HBO's premium platform - as an on-line subscription service.

A Distinguished Company among the Best in Argentina

Naranja ranked 2nd in the prestigious international ranking Great Place to Work, which measures the best work environments, while ranking on top of the category of Companies with Over 1,000 Employees.

Naranja ranked 1st in the ranking of the Best Corporate Reputation Companies in the Financial and Credit Card sector and 19th in the ranking of the 100 Most Recognized Companies of Argentina, both compiled by the consulting firm MERCO (Monitor Empresarial de Reputación Corporativa).

Naranja also occupied distinguished positions in the ranking of the 100 Best Companies in terms of Corporate Image and Care for Human Resources put together by Revista Apertura, and in the ranking of the Best Companies in terms of Quality and Ongoing Improvement compiled by Revista Mercado, and also won the EIKON Award to Internal Communication.

Furthermore, Alejandro Asrin, the Company's Chairman, was elected the Businessman of the Year by the business community grouped by the Punto a Punto magazine.

Outlook

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

Both brands will be combined into the Naranja umbrella. This process will be carried out in 4 phases and will be completed in 2019. 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 our Digital Marketing division will facilitate product cross-selling to our existing customers and will help to capture new ones.

As concerns revenues, the Company expects to see an increase in financial income as a result of the larger portfolio volume and also due to slower-paced growth in revenues from trade, taking into account the new voluntary reduction in the maximum fee applicable to merchants' sales effective since January 2018.

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	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Open Accounts (in Thousands)	2,977	2,923	2,791	2,542	2,506
Monthly Average Consumption per Active Account (in Thousands of AR\$) ⁽¹⁾	3.620	2.789	2.082	1.541	1.176

Nevada	12.31.17
Open Accounts (in Thousands) ⁽²⁾	781
Monthly Average Consumption per Active Account for the 4th Quarter (in Thousands of AR\$) ⁽³⁾	3.017

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

(2) It includes 131,000 accounts held by customers who also have Naranja.

(3) It includes the managed brand Nevada Visa.

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

Transactions with Naranja	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Amounts in Thousands (Last 12 Months) ⁽¹⁾	150,033	142,874	128,198	121,715	118,135
Monthly Average Amount (in Thousands of AR\$) ⁽¹⁾	10,196,831	7,692,140	5,354,456	3,730,353	2,757,297
Merchants' Average Fee	2.33%	2.81%	2.84%	2.83%	2.85%

Transactions with Nevada	12.31.17
Amounts in Thousands (for the 4th Quarter) ⁽²⁾	7,837
Monthly Average Amount for the 4th Quarter (in Thousands of AR\$) ⁽²⁾	1,722,122

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

(5) (2) It includes the managed brand Nevada Visa.

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

	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Tarjeta Naranja Clásica and Oro	4,266	4,197	4,038	3,711	3,665
Tarjeta Naranja Visa	2,968	3,813	3,663	3,148	2,711
Tarjeta Naranja Mastercard	531	703	661	538	519
Tarjeta Naranja Amex	41	55	47	41	34
Tarjeta Nevada	784	-	-	-	-
Tarjeta Nevada Visa	551	-	-	-	-

COMPARATIVE CHART OF BALANCE SHEET

	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Current Assets	33,515,013	23,420,544	16,937,951	12,974,971	10,202,269
Non-current Assets	2,510,056	1,577,333	1,232,397	891,235	703,496
Assets	36,025,069	24,997,877	18,170,348	13,866,206	10,905,765
Current Liabilities	19,401,502	17,410,617	12,067,369	9,578,801	7,169,376
Non-current Liabilities	8,772,756	2,905,829	2,566,634	1,856,646	1,794,305
Liabilities	28,174,258	20,316,446	14,634,003	11,435,447	8,963,681
Equity	7,850,811	4,681,431	3,536,345	2,430,759	1,942,084
Attributable to the Controlling Interest	7,850,811	4,681,431	3,536,345	2,430,759	1,942,084

COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS

	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Operating Revenue	11,833,143	7,714,513	5,682,140	4,102,058	3,412,798
Operating Revenue, Net of Provision for Loan Losses	10,497,197	6,961,885	5,327,786	3,631,110	2,923,254
Total Operating Expenses	(6,589,021)	(4,757,753)	(3,415,345)	(2,677,763)	(2,159,126)
Income from Investments Accounted for Using the Equity Method	2,527	2,343	2,975	2,136	1,650
Profit before Income Tax	3,910,703	2,206,475	1,915,416	955,483	765,778
Income Tax Expense	(1,443,059)	(761,389)	(659,830)	(322,267)	(262,915)
Profit for the Year (from Continuing Operations)	2,467,644	1,445,086	1,255,586	633,216	502,863
Loss for the Year (from Discontinued Operations)	-	-	-	(14,191)	(13,150)
Profit for the Year	2,467,644	1,445,086	1,255,586	619,025	489,713
Profit Attributable to the Company's Shareholders	2,467,644	1,445,086	1,255,586	619,025	489,713
Reserve for Translation Differences Related to Foreign Operations	-	-	-	(5,350)	3,195
Comprehensive Income for the Year from Continuing Operations	2,467,644	1,445,086	1,255,586	633,216	502,863
Comprehensive Loss for the Year from Discontinued Operations	-	-	-	(19,541)	(9,955)
Comprehensive Income for the Year	2,467,644	1,445,086	1,255,586	613,675	492,908
Comprehensive Income for the Year Attributable to the Company's Shareholders	2,467,644	1,445,086	1,255,586	613,675	492,908

COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS

	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Net Cash Inflow / (Outflow) from Operating Activities	349,736	(2,386,748)	(1,547,214)	(379,318)	(1,078,647)
Net Cash Inflow / (Outflow) from Investing Activities	(484,501)	374,354	(454,994)	(166,112)	(143,042)
Net Cash (Outflow) / Inflow from Financing Activities	(30,716)	3,552,244	1,216,527	752,983	1,659,234
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(1,696)	6,681	7,122	654	3,605
Total Net Cash (Outflow) / Inflow during the Year	(167,177)	1,546,531	(778,559)	208,207	441,150

RATIOS

	12.31.17	12.31.16	12.31.15	12.31.14	12.31.13
Liquidity	1.727	1.345	1.404	1.355	1.423
Indebtedness	3.589	4.340	4.138	4.704	4.615
Solvency	0.279	0.230	0.242	0.213	0.217
Tied-up Capital	0.070	0.063	0.068	0.064	0.065
Profitability for the Year	39.38%	35.17%	42.08%	28.31%	27.97%
Return on Assets	8.89%	6.75%	8.09%	4.97%	5.25%

Statement of Profit or Loss
For the years ended December 31, 2017 and 2016
Expressed in thousands of Argentine Pesos

	12.31.2017	12.31.2016
	In Thousands of AR\$	
Revenues from Services	7,219,429	5,160,224
Costs of Services	(1,002,500)	(857,814)
Net Revenues from Services	6,216,929	4,302,410
Revenues from Financing	7,397,998	5,025,702
Costs of Financing	(2,016,783)	(1,719,167)
Net Revenues from Financing	5,381,215	3,306,535
Net Income from Short-term Investments	234,999	105,568
Operating Revenue	11,833,143	7,714,513
Provision for Loan Losses	(1,335,946)	(752,628)
Operating Revenue, Net of Provision for Loan Losses	10,497,197	6,961,885
Employee Benefits Expenses	(2,672,910)	(2,055,369)
Taxes and Charges	(1,652,561)	(1,177,521)
Marketing Expenses	(290,681)	(221,604)
Depreciation and Amortization	(148,485)	(85,596)
Other Operating Expenses	(1,824,384)	(1,217,663)
Total Operating Expenses	(6,589,021)	(4,757,753)
Net Profit before Income from Investments Accounted for Using the Equity Method	3,908,176	2,204,132
Income from Investments Accounted for Using the Equity Method	2,527	2,343
Profit before Income Tax	3,910,703	2,206,475
Income Tax Expense	(1,443,059)	(761,389)
Profit for the Year	2,467,644	1,445,086
Earnings per Share	873.81	602.12
Basic and Diluted Earnings per Share	873.81	602.12

Statement of Other Comprehensive Income

For the years ended December 31, 2017 and 2016

Expressed in thousands of Argentine Pesos

	12.31.2017	12.31.2016
	In Thousands of AR\$	
Profit for the Year	2,467,644	1,445,086
Other Comprehensive Income	-	-
Other Comprehensive Income for the Year	-	-
Total Comprehensive Income for the Year	2,467,644	1,445,086
Earnings per Share		
Basic and Diluted Earnings per Share	873.81	602.12

Balance Sheet

For the years ended December 31, 2017 and 2016
Expressed in thousands of Argentine Pesos

	12.31.2017	12.31.2016		12.31.2017	12.31.2016
	In Thousands of AR\$			In Thousands of AR\$	
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Cash Equivalents	2,146,675	1,831,127	Trade and Other Payables	16,373,115	11,754,729
Investments	207,294	-	Borrowings	1,084,051	4,477,785
Receivables from Trade	30,932,400	21,244,856	Employee Benefit Obligations	563,886	422,072
Other Receivables	228,644	344,561	Current Tax Liabilities	655,969	433,927
			Other Liabilities	29,707	21,677
			Income Tax Provision	694,774	300,427
Total Current Assets	33,515,013	23,420,544	Total Current Liabilities	19,401,502	17,410,617
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Receivables from Trade	1,020,292	534,188	Borrowings	8,724,269	2,867,023
Other Receivables	6,333	4,728	Provisions	48,487	38,806
Deferred Tax Assets	575,779	317,297			
Investments Accounted for Using the Equity Method	1,774	10,673			
Property, Plant and Equipment	668,428	566,500			
Intangible Assets	237,450	143,947			
Total Non-current Assets	2,510,056	1,577,333	Total Non-current Liabilities	8,772,756	2,905,829
			Total Liabilities	28,174,258	20,316,446
			EQUITY	7,850,811	4,681,431
Total Assets	36,025,069	24,997,877	Total Liabilities and Equity	36,025,069	24,997,877