



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2018

Summary of Activity

As of September 30, 2018, we had 3,185,000 open accounts under the Naranja brand and 387,000 open accounts under the Nevada brand, out of which 13,000 accounts bear both brands.

Transactions with Naranja for the nine-month period then ended grew by 9% vis-a-vis the same period the previous year, while combined transactions (Naranja and Nevada) rose by 26%. In turn, average consumption per active account (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs) during the period experienced a 37% 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 32%.

Profit before Income Tax as of September 30, 2018 was AR\$ 3,039,607, and Equity amounted to AR\$ 9,390,670.

Sources of Financing

During the first nine months of the year, the Company entered into new Credit Line arrangements in the amount of AR\$ 1,050,000 and new Borrowings in the amount of AR\$ 1,570,000.

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.

Additionally, during such period, the Company repaid principal and interest with regard to Notes (*"Obligaciones Negociables"*), Borrowings and Finance Leases for AR\$ 3,053,101.

Review of Operations as of September 30

Merger with Nevada

The deployment of the rollover aimed at combining operations moved to its second stage, including the provinces of San Luis, Salta, Jujuy, Tucumán, Santiago del Estero, Catamarca and La Rioja. In September, more than 270,000 former customers of Nevada had its Naranja card, with more than 1,700 merchants from the Northwest, Northeast, Patagonia and Central regions of Argentina having joined the brand. Approximately 150 regional employees of Nevada were transferred to Naranja's branches.

Digital Evolution for our Customers

As part of its evolution towards a leading company in the digital field, in July the Company entered into a strategic partnership with Samsung. Customers may now purchase smartphones and tablets at Tienda Naranja (Naranja Store) and at major branches in Córdoba and Buenos Aires, under exclusive financing terms.

During the period, the Company made progress in migrating customers' payments to electronic channels. To date, 18% of the customer portfolio pays their account statements using the Payment Button from the App or through Naranja Online and third parties' digital channels.

In August, the number of active digital users surpassed the million mark.

Promotions and Benefits

During the period, customers continued enjoying the benefits of the Smartes promotion, with up to 30% discounts on major brands throughout the country and on special dates, such as, the Children's Day.

In the Travel category, customers enjoyed promotions with Aerolíneas Argentinas and GOL offering up to 20% discounts and payment plans of up to 6 and 12 interest-free installments.

Le Parc at Casa Naranja

In September, the Company launched *Visión Le Parc*, a world-class exhibition by the optical artist Julio Le Parc. Visitors may enjoy this exhibition until January 31, 2019 for free. *Visión Le Parc* was declared a "cultural interest" event by the Municipality of Córdoba, and features guided visits for the general public and a pedagogic tour for elementary and secondary schools.

Naranja among the 20 Best Corporate Reputation Companies in Argentina

Once again, Naranja has ranked 1st in the Ranking of Corporate Reputation compiled by MERCO (as per its initials in Spanish) in the Financial and Credit Card sector, and 20th in the overall ranking of companies.

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.

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.

The macroeconomic conditions prevailing in Argentina affected our access to financing; therefore, we were forced to restrict credit facilities to our customers. In addition, we have seen incremental arrears among customers and a substantial increase in financial costs.

As always, 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 PERIODS

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

TARJETA NARANJA S.A.'S USERS

Naranja	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Open Accounts (in Thousands)	3,185	2,948	2,915	2,725	2,500
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	4.65	3.39	2.64	1.97	1.45

Nevada	09.30.18
Open Accounts (in Thousands) (2)	387
Monthly Average Consumption per Active Account for the Period (in Thousands of AR\$) (3)	3.34

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

(2) It includes 13,000 accounts held by customers who also have Naranja.

(3) It includes the managed brand Nevada Visa.

TRANSACTIONS AT SUBSCRIBED STORES

Transactions with Naranja	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Amounts in Thousands (for the Period) (1)	121,033	111,387	104,829	95,626	89,921
Monthly Average Amount (in Thousands of AR\$) (1)	13,368,373	9,779,380	7,358,518	5,005,285	3,489,803
Merchants' Average Fee	2.15%	2.69%	2.77%	2.78%	2.70%

Transactions with Nevada	09.30.18
Amounts in Thousands (for the Period) (2)	19,055
Monthly Average Amount for the Period (in Thousands of AR\$) (2)	1,549,474

(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)

	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Tarjeta Naranja Clásica and Oro	4,487	4,232	4,198	3,955	3,662
Tarjeta Naranja Visa	3,272	3,140	4,085	3,546	3,038
Tarjeta Naranja Mastercard	506	577	706	647	525
Tarjeta Naranja Amex	45	44	57	45	36
Tarjeta Nevada	473	-	-	-	-
Tarjetas Nevada Visa	264	-	-	-	-
Total	9,047	7,993	9,046	8,193	7,261

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

	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Current Assets	41,831,391	24,134,484	20,455,766	14,338,611	11,506,095
Assets Classified as Held for Sale	-	-	-	-	7,479
Non-current Assets	3,353,157	1,935,596	1,443,516	1,096,189	892,208
Assets	45,184,548	26,070,080	21,899,282	15,434,800	12,405,782
Current Liabilities	26,243,522	13,744,038	15,299,941	10,147,243	8,422,547
Non-current Liabilities	9,550,356	6,278,252	2,396,071	2,141,573	1,718,150
Liabilities	35,793,878	20,022,290	17,696,012	12,288,816	10,140,697
Equity	9,390,670	6,047,790	4,203,270	3,145,984	2,265,085

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

	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Operating Revenue	12,530,322	8,026,131	5,348,159	3,963,888	2,994,775
Operating Revenue, Net of Provision for Loan Losses	10,335,173	7,136,614	4,852,297	3,742,842	2,618,058
Total Operating Expenses	(7,295,968)	(4,496,401)	(3,379,109)	(2,413,073)	(1,907,520)
Income from Investments Accounted for Using the Equity Method	402	2,413	1,910	2,237	1,700
Profit before Income Tax	3,039,607	2,642,626	1,475,098	1,332,006	712,238
Income Tax	(899,748)	(916,267)	(508,173)	(466,781)	(243,403)
Profit for the Period (from Continuing Operations)	2,139,859	1,726,359	966,925	865,225	468,835
Loss for the Period (from Discontinued Operations)	-	-	-	-	(15,484)
Comprehensive Income for the Year	2,139,859	1,726,359	966,925	865,225	453,351

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

	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Net Cash Inflow / (Outflow) from Operating Activities	(2,632,705)	1,686,746	(1,199,209)	198,803	183,199
Net Cash Inflow / (Outflow) from Investing Activities	(1,169,343)	(160,535)	447,997	(365,443)	(101,097)
Net Cash Inflow / (Outflow) from Financing Activities	3,941,333	(2,170,463)	1,641,151	(518,873)	(125,507)
Total Net Cash Inflow / (Outflow) during the Period	139,285	(644,252)	889,939	(685,513)	(43,405)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	3,036	2,648	6,892	462	1,236

RATIOS

	09.30.18	09.30.17	09.30.16	09.30.15	09.30.14
Liquidity	1.594	1.756	1.337	1.413	1.366
Indebtedness	3.812	3.311	4.210	3.906	4.477
Solvency	0.262	0.302	0.238	0.256	0.223
Tied-up Capital	0.074	0.074	0.066	0.071	0.072
ROE for the Period (1)	24.66%	32.81%	24.99%	31.67%	21.93%
ROA for the Period (2)	5.28%	6.90%	4.91%	5.99%	3.91%

(1) Profit (Loss) for the Period / (Equity 12/17+ Equity 03/18 + Equity 06/18 + Equity 09/18) / 4

(2) Profit (Loss) for the Period / (Assets 12/17+ Assets 03/18 + Assets 06/18 + Assets 09/18) / 4

Statement of Profit or Loss

For the nine-month periods ended September 30, 2018 and 2017
Expressed in thousands of Argentine Pesos

	Notes	Year-to-Date		Quarter	
		01.01.2018	01.01.2017	07.01.2018	07.01.2017
		09.30.2018	09.30.2017	09.30.2018	09.30.2017
		In Thousands of AR\$			
Revenues from Services	7	7,138,759	4,937,153	2,523,345	1,780,213
Costs of Services	8	(1,054,679)	(683,122)	(382,488)	(242,750)
Net Revenues from Services		6,084,080	4,254,031	2,140,857	1,537,463
Revenues from Financing	9	9,096,682	5,024,208	3,392,712	1,724,739
Costs of Financing	10	(3,061,729)	(1,380,989)	(1,425,433)	(446,646)
Net Revenues from Financing		6,034,953	3,643,219	1,967,279	1,278,093
Net Income from Short-term Investments	11	411,289	128,881	204,016	39,038
Operating Revenue		12,530,322	8,026,131	4,312,152	2,854,594
Provision for Loan Losses	12	(2,195,149)	(889,517)	(726,646)	(249,185)
Operating Revenue, Net of Provision for Loan Losses		10,335,173	7,136,614	3,585,506	2,605,409
Employee Benefits Expenses	13	(2,729,585)	(1,816,316)	(950,625)	(652,956)
Taxes and Charges	14	(1,797,933)	(1,135,490)	(661,614)	(401,580)
Marketing Expenses	15	(302,285)	(206,180)	(102,030)	(58,819)
Depreciation and Amortization	16	(199,308)	(94,927)	(73,711)	(35,420)
Other Operating Expenses	17	(2,266,857)	(1,243,488)	(922,612)	(453,028)
Total Operating Expenses		(7,295,968)	(4,496,401)	(2,710,592)	(1,601,803)
Net Profit before Income from Investments Accounted for Using the Equity Method		3,039,205	2,640,213	874,914	1,003,606
Income from Investments Accounted for Using the Equity Method	18	402	2,413	253	575
Profit before Income Tax		3,039,607	2,642,626	875,167	1,004,181
Income Tax	19	(899,748)	(916,267)	(255,780)	(346,569)
Profit for the Period		2,139,859	1,726,359	619,387	657,612
Earnings per Share					
Basic and Diluted Earnings per Share		757.74	719.32	219.33	274.01

Statement of Other Comprehensive Income

For the nine-month periods ended September 30, 2018 and 2017
Expressed in thousands of Argentine Pesos

	Year-to-Date		Quarter	
	01.01.2018 09.30.2018	01.01.2017 09.30.2017	07.01.2018 09.30.2018	07.01.2017 09.30.2017
	In Thousands of AR\$			
Profit for the Period	2,139,859	1,726,359	619,387	657,612
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	2,139,859	1,726,359	619,387	657,612
Earnings per Share				
Basic and Diluted Earnings per Share	757.74	719.32	219.33	274.01

Balance Sheet

As of September 30, 2018 and December 31, 2017
Expressed in thousands of Argentine Pesos

	Note	09.30.2018	12.31.2017		Note	09.30.2018	12.31.2017
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	20	2,288,996	2,146,675	Trade and Other Payables	27	18,363,405	16,373,115
Investments	21	749,050	207,294	Borrowings	28	5,614,040	1,084,051
Receivables from Trade	22	38,443,492	30,932,400	Employee Benefit Obligations	29	592,154	563,886
Other Receivables	23	349,853	228,644	Current Tax Liabilities	30	933,480	655,969
				Other Liabilities	31	405,439	29,707
				Income Tax Provision	19	335,004	694,774
Total Current Assets		41,831,391	33,515,013	Total Current Liabilities		26,243,522	19,401,502
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	22	1,433,933	1,020,292	Borrowings	28	9,483,404	8,724,269
Other Receivables	23	6,593	6,333	Other Liabilities	31	9,872	-
Deferred Tax Assets	19	778,575	575,779	Provisions	32	57,080	48,487
Investments Accounted for Using the Equity Method	24	2,176	1,774				
Property, Plant and Equipment	25	776,597	668,428				
Intangible Assets	26	355,283	237,450				
Total Non-current Assets		3,353,157	2,510,056	Total Non-current Liabilities		9,550,356	8,772,756
				Total Liabilities		35,793,878	28,174,258
				EQUITY		9,390,670	7,850,811
Total Assets		45,184,548	36,025,069	Total Liabilities and Equity		45,184,548	36,025,069