



## **TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON MARCH 31, 2019**

### **Summary of Activity**

As of March 31, 2019, we had 3,446,966 open accounts under the Naranja brand. This figure reaches a total of 4,692,000 customers when considering Naranja additional cardholders. During the quarter, we completed 45,728,000 transactions, including purchases in stores and automatic debits, personal loans, cash advances and cash withdrawals from ATMs.

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

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

Originally reported comparative figures were adjusted accordingly.

Inflation-adjusted Profit before Income Tax as of March 31, 2019 was AR\$ 188,010, and Equity amounted to AR\$ 11,430,519.

### **Sources of Financing (Figures Expressed in Nominal Amounts)**

During the first quarter of 2019, and as part of the Global Program for the Issuance of Notes (*"Obligaciones Negociables"*), on February 19, 2019, the Company issued Class XLIII Notes (*"Obligaciones Negociables"*) for a total amount of AR\$ 1,370,475.

Additionally, during such period, the Company repaid principal and interest with regard to Notes (*"Obligaciones Negociables"*), Borrowings, Credit Lines and Finance Leases for AR\$ 3,620,689.

### **Review of Operations as of March 31**

#### **Promotions and Benefits**

As part of its summer benefits, Naranja continued offering promotions with Aerolíneas Argentinas, Air Europa and GOL to buy air-tickets in 6 up to 12 interest-free installments. In addition to these benefits, Naranja signed an agreement with Grupo Flecha for the purchase of bus tickets in up to 6 interest-free installments.

Under an agreement with Atrápalo.com, Naranja also offered up to 50% discounts and payment plans of up to 6 interest-free installments on the purchase of show tickets in Mar del Plata and the Autonomous City of Buenos Aires. Customers also enjoyed the current promotions in Carlos Paz, with up to 10% discounts and the Zeta Plan (up to 3 interest-free installments) in major theaters. Naranja's promotions during the period

also included benefits on movies under the Zeta Plan (up to 3 interest-free installments) at Village cinemas and a special 2x1 benefit at Showcase cinemas.

Through the “*Vuelta al Cole*” (Back to School) campaign, customers enjoyed several benefits at supermarkets (8 interest-free installments), Falabella (Zeta Plan, 3 interest-free installments), Mercado Libre (40% discount + 6 interest-free installments on selected products), MIMO (25% and 30% discounts), Dexter, Moov, Stock Center, Grupo Grimoldi (Grimoldi, Hush Puppies, Timberland, The North Face, Outscape) and Topper (20% discount + 6 interest-free installments).

### **Digital Evolution and Customer's Experience**

In January, Naranja continued pursuing efforts to further explore the Tourism segment. Segment operations were unified under the *Naranja Viajes* brand, incorporating the sale of air-tickets to the website, which boosted sales of the other vertical products available, such as hotels, buses, package tours and getaways.

At the same time, Naranja made progress in the development of the “Branches of the Future” program, a new customer service model that seeks to embrace new technologies for the evolution of its services. This initiative will allow Naranja’s customers to have a single multi-channel experience with more intuitive systems to solve all interactions on the first contact.

The digital account *Naranja Cuenta* was enabled in Córdoba for Android and iOS users. After completing an entirely on-line registration and validation process, users who download the app will be able to operate the digital account and use their mobile phones to pay bills, make account-to-account transfers, make payments with QR code at retail stores, and recharge their Red Bus cards. The digital account is expected to be deployed in the major cities of Argentina in 2019.

Finally, Naranja redesigned its website and app, becoming the first company in the Argentine financial system in developing its site in a PWA (Progressive Web App). This technology offers a mobile experience quite similar to that of a native application, streamlining loading speed, mobile phone performance and off-line browsing, without using up the device memory.

### **Casa Naranja Launches its New Cultural Agenda**

Casa Naranja launched its 2019 cultural agenda in January, with a performance by Soledad Pastorutti as part of the “*Música en Colores*” (Music in Colors) acoustic shows, a program that will span throughout the year, under an agreement with the Cadena 3 radio station.

In the field of visual arts, Naranja inaugurated the “Real” exhibition by the artist Leandro Erlich at Casa Naranja. The exhibition will be open for free until June 15, featuring educational and guided visits for the entire community.

### **Awards and Distinctions**

Naranja ranked 1st in the Ranking of Corporate Social Responsibility and Corporate Governance compiled by MERCOSUR in the financial and credit card sector; and 22nd among the 100 most responsible companies with best corporate governance in Argentina. This ranking is based on a survey among 1,465 thought leaders, including businessmen, corporate executives, Corporate Social Responsibility experts and journalists.

In addition, Naranja climbed to the 20th position in the ranking of the 100 Argentine Companies with Best Corporate Image published by Apertura magazine, up by two positions vis-a-vis the previous year.

## **Outlook**

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

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

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

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

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

### **TARJETA NARANJA S.A.'S USERS**

<b>Naranja</b>	<b>03.31.19</b>	<b>03.31.18</b>
Open Accounts (in Thousands)	3,347	2,978
Monthly Average Consumption per Active Account (in Thousands of AR\$) <sup>(1)</sup>	5.29	4.54

<b>Nevada</b>	<b>03.31.19</b>	<b>03.31.18</b>
Open Accounts (in Thousands)	0	781
Monthly Average Consumption per Active Account (in Thousands of AR\$)	0	3.19

(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)**

<b>Transactions with Naranja</b>	<b>03.31.19</b>	<b>03.31.18</b>
Amounts in Thousands (until March) <sup>(1)</sup>	45,728	39,770
Monthly Average Amount (in Thousands of AR\$) <sup>(1)</sup>	16,804,082	12,833,249
Merchants' Average Fee	1.97%	2.15%

<b>Transactions with Nevada</b>	<b>03.31.19</b>	<b>03.31.18</b>
Amounts in Thousands	0	7,668
Monthly Average Amount (in Thousands of AR\$)	0	1,787,578

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

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

	<b>03.31.19</b>	<b>03.31.18</b>
Tarjeta Naranja Clásica and Oro	4,692	4,263
Tarjeta Naranja Visa	3,467	2,993
Tarjeta Naranja MasterCard	479	523
Tarjeta Naranja Amex	47	42
Tarjeta Nevada	-	957
Tarjetas Nevada Visa	-	549
<b>Total</b>	<b>8,685</b>	<b>9,327</b>

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

	<b>03.31.19</b>	<b>03.31.18</b>
Current Assets	48,572,268	56,313,843
Non-current Assets	5,010,667	5,169,106
Assets	53,582,935	61,482,949
Current Liabilities	31,694,289	32,185,108
Non-current Liabilities	10,458,127	15,076,784
Liabilities	42,152,416	47,261,891
Equity	11,430,519	14,221,058

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

	<b>03.31.19</b>	<b>03.31.18</b>
Operating Revenue	4,617,478	5,608,527
Operating Revenue, Net of Provision for Loan Losses	3,177,017	4,595,757
Total Operating Expenses	(2,988,641)	(3,473,285)
Income (Loss) from Investments Accounted for Using the Equity Method	(366)	13
Profit before Income Tax	188,010	1,122,485
Income Tax	(168,417)	(604,740)
Profit for the Period	19,593	517,745
Comprehensive Income for the Period	19,593	517,745

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

	03.31.19	03.31.18
Net Cash Inflow from Operating Activities	3,367,374	(1,319,446)
Net Cash Outflow from Investing Activities	(131,666)	(150,786)
(Outflow) / Inflow from Financing Activities	(2,269,858)	1,334,676
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	965,850	(135,556)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5,651,134	3,543,470
Inflation Loss Attributable to Cash	(598,096)	(182,372)
(Decrease) / Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	(3,230)	(730)
<b>CASH AND CASH EQUIVALENTS AT PERIOD-END</b>	6,015,658	3,224,812

## RATIOS

	03.31.19	03.31.18
Liquidity	1.533	1.750
Indebtedness	3.688	3.323
Solvency	0.271	0.301
Tied-up Capital	0.094	0.084
ROE for the Period (1)	0.17%	3.71%
ROA for the Period (2)	0.04%	0.85%

(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

## Statement of Profit or Loss

For the years ended March 31, 2019 and 2018  
Expressed in thousands of constant Argentine Pesos at period-end

	Notes	Year-to-Date	
		01.01.2019	01.01.2018
		03.31.2019	03.31.2018
		<b>In Thousands of AR\$</b>	
Revenues from Services	7	3,019,785	3,538,016
Costs of Services	8	(339,396)	(489,497)
<b>Net Revenues from Services</b>		<b>2,680,389</b>	<b>3,048,519</b>
Revenues from Financing	9	4,467,137	4,248,509
Costs of Financing	10	(2,055,688)	(1,081,236)
Loss on Net Monetary Position		(885,425)	(750,311)
<b>Net Revenues from Financing</b>		<b>1,526,024</b>	<b>2,416,962</b>
Net Income from Short-term Investments	11	411,065	143,046
<b>Operating Revenue</b>		<b>4,617,478</b>	<b>5,608,527</b>
Provision for Loan Losses	12	(1,440,461)	(1,012,770)
<b>Operating Revenue, Net of Provision for Loan Losses</b>		<b>3,177,017</b>	<b>4,595,757</b>
Employee Benefits Expenses	13	(987,851)	(1,316,270)
Taxes and Charges	14	(847,342)	(924,302)
Marketing Expenses	15	(77,194)	(116,004)
Depreciation and Amortization	16	(195,311)	(133,221)
Other Operating Expenses	17	(880,943)	(983,488)
<b>Total Operating Expenses</b>		<b>(2,988,641)</b>	<b>(3,473,285)</b>
<b>Net Profit before Income from Investments Accounted for Using the Equity Method</b>		<b>188,376</b>	<b>1,122,472</b>
(Loss)/Income from Investments Accounted for Using the Equity Method	18	(366)	13
<b>Profit before Income Tax</b>		<b>188,010</b>	<b>1,122,485</b>
Income Tax	19	(168,417)	(604,740)
<b>Profit for the Period</b>		<b>19,593</b>	<b>517,745</b>
<b>Earnings per Share</b>			
Basic and Diluted Earnings per Share		<b>6.94</b>	<b>183.34</b>

## Statement of Other Comprehensive Income

For the years ended March 31, 2019 and 2018  
Expressed in thousands of constant Argentine Pesos at period-end

	Year-to-Date	
	01.01.2019 03.31.2019	01.01.2018 03.31.2018
	In Thousands of AR\$	
<b>Profit for the Period</b>	<b>19,593</b>	<b>517,745</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Period</b>	<b>19,593</b>	<b>517,745</b>
<b>Earnings per Share</b>	<b>6.94</b>	<b>183.34</b>
Basic and Diluted Earnings per Share		

## Balance Sheet

For the years ended March 31, 2019 and December 31, 2018  
Expressed in thousands of constant Argentine Pesos at period-end

	Note	03.31.2019	12.31.2018		Note	03.31.2019	12.31.2018
		In Thousands of AR\$				In Thousands of AR\$	
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and Cash Equivalents	20	6,015,658	5,651,134	Trade and Other Payables	26	22,703,387	25,535,930
Receivables from Trade	21	42,235,792	47,643,060	Borrowings	27	7,496,995	9,527,363
Other Receivables	22	320,818	296,359	Employee Benefit Obligations	28	578,742	887,008
				Current Tax Liabilities	29	909,473	1,100,837
				Other Liabilities	30	5,692	32,532
				Income Tax Provision	19	-	42,637
<b>Total Current Assets</b>		<b>48,572,268</b>	<b>53,590,553</b>	<b>Total Current Liabilities</b>		<b>31,694,289</b>	<b>37,126,307</b>
<b>NON-CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Receivables from Trade	21	1,075,975	1,358,752	Borrowings	27	10,082,400	9,606,074
Other Receivables	22	24,155	7,072	Employee Benefit Obligations	28	38,664	-
Deferred Tax Assets	19	510,821	566,152	Other Liabilities	30	9,412	11,294
Investments Accounted for Using the Equity Method	23	6,274	2,370	Provisions	31	79,981	72,667
Property, Plant and Equipment	24	2,698,061	2,018,172	Income Tax Provision	19	247,670	-
Intangible Assets	25	695,381	684,197				
<b>Total Non-current Assets</b>		<b>5,010,667</b>	<b>4,636,715</b>	<b>Total Non-current Liabilities</b>		<b>10,458,127</b>	<b>9,690,035</b>
				<b>Total Liabilities</b>		<b>42,152,416</b>	<b>46,816,342</b>
				<b>EQUITY</b>		<b>11,430,519</b>	<b>11,410,926</b>
<b>Total Assets</b>		<b>53,582,935</b>	<b>58,227,268</b>	<b>Total Liabilities and Equity</b>		<b>53,582,935</b>	<b>58,227,268</b>