



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON JUNE 30, 2019

Summary of Activity

(Expressed in thousands of constant Argentine Pesos)

As of June 30, 2019, we had 3,320,121 open accounts under the Naranja brand. This figure reaches a total of 4,665,869 customers when considering Naranja additional cardholders.

During the six-month period under review, we completed 90,062,000 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 June 30, 2019 was AR\$ 186,545, and Equity amounted to AR\$ 12,679,792.

Sources of Financing

During the first six-month period 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\$ 1,500,469.

Additionally, during such period, the Company repaid principal and interest with regard to Notes (“*Obligaciones Negociables*”), Borrowings, Credit Lines and Leases for AR\$ 6,704,793.

Review of Operations as of June 30

“Branches of the Future” Project

In April and May, the Company opened up the first “*branches of the future.*” These new Naranja’s branches started to operate in three locations of Argentina in the cities of Córdoba and Buenos Aires, as pilot tests of a new service model that seeks to embed the best of the digital world into the off-line world.

At these branches, customers have a multi-channel experience, with systems specially designed to solve all interactions on the first contact, embracing a “shoulder-to-shoulder” customer service approach. Employees are equipped with tablets and are focused on giving advice and support to our customers on the use of technology, offering them customized experiences, with the warmth typically associated with the brand.

Our New Website - Naranja.com

As part of its digital evolution project, Naranja launched a new cutting-edge and sales-oriented web site, becoming the first company in the Argentine financial system in developing its site in a PWA (Progressive Web App). This design 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. Users of Naranja.com may apply for a credit card in less than five 5 minutes, through an entirely online process.

End of the Sponsoring Agreement with Argentina's National Soccer Team

After having sponsored Argentina's National Soccer Team for eight years, our commercial agreement came to an end. The decision was solely based on a branding strategy aimed at focusing on the developing of new value propositions for Naranja's customers.

Naranja's sponsorship has yielded extremely positive results in terms of brand exposure, awareness and positioning, but mostly in terms of the social impact it has achieved through its program "*Un Gol Un Potrero*" (One Goal, One Soccer Field), which will continue to be pursued.

Naranja at the Hot Sale

From May 13 to May 15, Naranja participated in the Hot Sale offering promotions at several sites under the Tienda Naranja and Naranja Viajes brands.

Customers purchased home appliances, technology, tools and other products at the e-commerce site, in up to 14 interest-free installments and with substantial discounts. Some of the available products included free-shipping.

At Naranja's tourism platform, customers were offered gateways under the Z Plan (3 interest-free installments) plus a 10% refund, 6 interest-free six installments, and up to 40% discounts on selected destinations. As part of its vertical products in the air-ticket category, Naranja continued pursuing its promotions with Aerolíneas Argentinas, GOL, and Air Europa, offering 12 interest-free installment plans; 12 interest-free installment plans, or a 15% discount plus 6 interest-free six installments; and 6 interest-free six installment plans, respectively. In the hotel category, Naranja offered promotions including 6 interest-free installments and the Z Plan (3 interest-free installments), plus a 10% refund.

Naranja Achieved Outstanding Performance at GPTW and Merco Ranking

In May, the consulting firm Great Place to Work released the results of two rankings. Naranja occupied the first position in the ranking of "Argentina's Best Places to Work for Women" in the category of companies with "more than 1,000 employees." In addition, Naranja ranked 12th among the best Latin-American companies to work for.

Once again, Naranja participated in the Ranking of Corporate Social Responsibility and Corporate Governance compiled by Merco and published by Clarín newspaper, ranking first in the financial and credit card sector, and 22nd among the 100 most responsible companies with best corporate governance in a survey among 1,465 thought leaders (including businessmen, corporate executives, Corporate Social Responsibility experts, and journalists).

New Contactless Naranja Visa Cards

These new cards, which are issued for new cardholders and for card replacements and renewals, are equipped with technology that allows customers to make faster and safer contactless payment transactions.

"Hay Más Naranja" Campaign Kickoff

In May, Naranja launched its campaign "*Hay Más Naranja*" (There's Much More Naranja). The new campaign encompassed the production and broadcasting of an advertising spot that reflects the evolution process Naranja has been undergoing to digitalize and expand its business. Working jointly with BBDO, the new brand positioning starts to take shape in this campaign, as Naranja reinforces its commitment to the people, offering products and services with a single click.

End of Leandro Erlich's Exhibition at Casa Naranja

The "Real" exhibition by the artist Leandro Erlich featured at Naranja's cultural venue in Córdoba ended on June 15. The exhibition was visited by more than 12,000 people, including 2,300 children from several schools, who were able to enjoy guided tours filled with arts and games.

In addition, as part of the "Música en Colores" (Music in Colors) acoustic shows, Estelares and Amaia Montero gave acoustic performances at Casa Naranja's auditorium, which the fans could follow through the Company's social media and by Cadena 3 radio station.

New CEO at Naranja Fintech

Gastón Irigoyen was appointed CEO of Naranja's Fintech. As new CEO, he will lead an autonomous and independent technological company, with the mission of strengthening Naranja's value proposition to meet the financial and digital needs of individuals, merchants and small business in Argentina.

Outlook

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

Towards the end of the six-month period under review, we have noticed an improvement in our loan loss ratio, which is expected to improve even further, 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

Naranja	06.30.19	06.30.18
Open Accounts (in Thousands)	3,320	3,043
Monthly Average Consumption per Active Account (in Thousands of AR\$) ⁽¹⁾	5.56	4.62

Nevada	06.30.19	06.30.18
Open Accounts (in Thousands)	0	675
Monthly Average Consumption per Active Account (in Thousands of AR\$)	0	3.26

(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	06.30.19	06.30.18
Amounts in Thousands (until June) ⁽¹⁾	90,062	80,182
Monthly Average Amount (in Thousands of AR\$) ⁽¹⁾	17,522,583	13,119,936

Merchants' Average Fee	2.01%	2.17%
------------------------	-------	-------

Transactions with Nevada	06.30.19	06.30.18
Amounts in Thousands	0	14,465
Monthly Average Amount (in Thousands of AR\$)	0	1,722,156

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

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

	06.30.19	06.30.18
Tarjeta Naranja Clásica and Oro	4,666	4,336
Tarjeta Naranja Visa	3,463	3,117
Tarjeta Naranja MasterCard	468	516
Tarjeta Naranja Amex	48	43
Tarjeta Nevada	-	831
Tarjetas Nevada Visa	-	474
Total	8,645	9,317

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

	06.30.19	06.30.18
Current Assets	50,436,340	59,694,257
Non-current Assets	5,617,374	5,913,238
Assets	56,053,714	65,607,495
Current Liabilities	35,376,525	35,032,347
Non-current Liabilities	7,997,397	16,020,325
Liabilities	43,373,922	51,052,673
Equity	12,679,792	14,554,822

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

	06.30.19	06.30.18
Operating Revenue	9,827,759	11,873,365
Operating Revenue, Net of Provision for Loan Losses	6,883,278	9,436,879
Total Operating Expenses	(6,714,163)	(7,749,767)
(Loss) Income from Investments Accounted for Using the Equity Method	(570)	240
Profit before Income Tax	168,545	1,687,352

Income Tax	17,950	(1,146,108)
Profit for the Year	186,495	541,244
Comprehensive Income for the Year	186,495	541,244

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

	06.30.19	06.30.18
Net Cash Inflow / (Outflow) from Operating Activities	6,262,664	(3,567,296)
Net Cash Outflow from Investing Activities	(291,492)	(366,004)
(Outflow) / Inflow from Financing Activities	(5,237,280)	3,683,260
Total Net Cash (Outflow) / Inflow during the Six-month Period	733,892	(250,040)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6,187,166	3,879,582
Inflation Loss Attributable to Cash	(1,160,124)	(554,193)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	(21,979)	(755)
CASH AND CASH EQUIVALENTS AT YEAR-END	5,738,955	3,074,594

RATIOS

	06.30.19	06.30.18
Liquidity	1.426	1.704
Indebtedness	3.421	3.508
Solvency	0.292	0.285
Tied-up Capital	0.100	0,090
ROE for the Period	(1) 1.48%	3.66%
ROA for the Period	(2) 0.31%	0.82%

(1) PROFIT (LOSS) FOR THE PERIOD / (EQUITY 06/19+ EQUITY 12/18) / 2

(2) PROFIT (LOSS) FOR THE PERIOD / (ASSETS 06/19+ ASSETS 12/18) / 2

Statement of Profit or Loss

For the years ended June 30, 2019 and 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Notes	Year-to-Date		Quarter	
		01.01.2019	01.01.2018	04.01.2019	04.01.2018
		06.30.2019	06.30.2018	06.30.2019	06.30.2018
		In Thousands of AR\$			
Revenues from Services	7	6,608,158	7,700,165	3,301,291	3,826,555
Costs of Services	8	(769,835)	(1,119,906)	(398,174)	(583,979)
Net Revenues from Services		5,838,323	6,580,259	2,903,117	3,242,576
Revenues from Financing	9	9,181,276	9,502,596	4,265,486	4,851,101
Costs of Financing	10	(4,385,858)	(2,714,364)	(2,110,766)	(1,530,568)
Loss on Net Monetary Position		(1,758,905)	(1,840,191)	(789,304)	(1,018,710)
Net Revenues from Financing		3,036,513	4,948,041	1,365,416	2,301,823
Net Income from Short-term Investments	11	952,923	345,065	502,779	188,450
Operating Revenue		9,827,759	11,873,365	4,771,312	5,732,849
Provision for Loan Losses	12	(2,944,481)	(2,436,486)	(1,367,079)	(1,327,650)
Operating Revenue, Net of Provision for Loan Losses		6,883,278	9,436,879	3,404,233	4,405,199
Employee Benefits Expenses	13	(2,134,813)	(2,966,334)	(1,053,049)	(1,525,210)
Taxes and Charges	14	(1,756,279)	(1,899,792)	(828,382)	(887,817)
Marketing Expenses	15	(247,921)	(330,291)	(163,389)	(203,284)
Depreciation and Amortization	16	(433,839)	(316,584)	(219,959)	(170,725)
Other Operating Expenses	17	(2,141,311)	(2,236,766)	(1,176,621)	(1,159,992)
Total Operating Expenses		(6,714,163)	(7,749,767)	(3,441,400)	(3,947,028)
Net Profit (Loss) before Income from Investments Accounted for Using the Equity Method		169,115	1,687,112	(37,167)	458,171
Income (Loss) from Investments Accounted for Using the Equity Method	18	(570)	240	(169)	226
Profit before Income Tax		168,545	1,687,352	(37,336)	458,397
Income Tax	19	17,950	(1,146,108)	202,378	(484,006)
Profit (Loss) for the Period		186,495	541,244	165,042	(25,609)
Earnings per Share					
Basic and Diluted Earnings per Share		66.04	191.66	58.44	(9.07)

Statement of Other Comprehensive Income

For the years ended June 30, 2019 and 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Year-to-Date		Quarter	
	01.01.2019	01.01.2018	04.01.2019	04.01.2018
	06.30.2019	06.30.2018	06.30.2019	06.30.2018
	In Thousands of AR\$			
Profit (Loss) for the Period	186,495	541,244	165,042	(25,609)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income (Loss) for the Period	186,495	541,244	165,042	(25,609)
Earnings per Share				
Basic and Diluted Earnings per Share	66.04	191.66	58.44	(9.07)

Balance Sheet

For the years ended June 30, 2019 and December 31, 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Note	06.30.2019	12.31.2018		Note	06.30.2019	12.31.2018
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	20	5,738,955	6,187,166	Trade and Other Payables	26	24,403,429	27,958,117
Receivables from Trade	21	44,366,628	52,162,199	Borrowings	27	9,043,325	10,431,073
Other Receivables	22	330,757	324,470	Employee Benefit Obligations	28	585,781	971,144
				Current Tax Liabilities	29	1,068,497	1,205,256
				Other Liabilities	30	24,179	35,617
				Income Tax Provision	19	251,314	46,681
Total Current Assets		50,436,340	58,673,835	Total Current Liabilities		35,376,525	40,647,888
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	21	931,730	1,487,635	Borrowings	27	7,919,353	10,517,250
Other Receivables	22	33,442	7,740	Other Liabilities	30	8,724	12,366
Deferred Tax Assets	19	1,001,190	619,854	Provisions	31	69,320	79,560
Investments Accounted for Using the Equity Method	23	6,106	2,593				
Property, Plant and Equipment	24	2,855,935	2,209,608				
Intangible Assets	25	788,971	749,096				
Total Non-current Assets		5,617,374	5,076,526	Total Non-current Liabilities		7,997,397	10,609,176
				Total Liabilities		43,373,922	51,257,064
				EQUITY		12,679,792	12,493,297
Total Assets		56,053,714	63,750,361	Total Liabilities and Equity		56,053,714	63,750,361