



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

Summary of Activity

As of June 30, 2018, we had 3,043 open accounts under the Naranja brand and 675 open accounts under the Nevada brand, out of which 108 accounts bear both brands.

Transactions with Naranja for the six-month period grew by 8% vis-a-vis the same period the previous year, while combined transactions (Naranja and Nevada) rose by 28%. In turn, average consumption per active account (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs) during the period experienced a 40% 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 33%.

Profit before Income Tax as of June 30, 2018 was AR\$ 2,164,440, and Equity amounted to AR\$ 8,771,283.

Sources of Financing

During the first six months of 2018, the Company entered into new Credit Line arrangements in the amount of AR\$ 950,000 and new Borrowings in the amount of AR\$ 600,000.

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. This last issuance was carried out in two series: Series I for an aggregate principal amount of AR\$ 597,500 at 18 months with principal and interest payable upon maturity and 25.98% fixed rate; and Series II for an aggregate principal amount of AR\$ 1,402,500 at 30 months, with interest being payable on a quarterly basis and principal upon maturity. The interest rate is variable Badlar plus a 3.69% margin, with a minimum of 27% for two interest periods.

Additionally, during the first six months of the year, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings and Finance Leases for AR\$ 2,061,173.

Review of Operations as of June 30

Merger with Nevada

The Company initiated the deployment of a rollover strategy aimed at combining operations. In May, the Company deployed the first stage of such strategy, including the cities of Resistencia, Corrientes, Formosa, Neuquén, Cipolletti, General Roca, Cutral Có, Zapala, General Pico and Santa Rosa de La

Pampa. As a result of this process, over 56 thousand customers migrated their accounts to the Naranja brand. In addition, 40 employees of Nevada were transferred to join Naranja's teams.

Digital Evolution and Customer's Experience

The Company redesigned account statements, providing better information and enhancing the layout of the most appealing topics to customers.

In June, 20% of approved account openings were applied for through digital channels. Cards can be applied for from anywhere in the country and additional cardholders may become primary cardholders through an entirely digital process.

During the reporting period, the Company made improvements to Naranja Online and the App, enhancing the customer experience when paying their account statements, applying for a loan, or subscribing to the HBO product.

The Company also deployed an Advanced Analytics tool named "*Próximo Producto a Comprar*" (Next Product to Buy), which predicts the likelihood that a customer will buy a new product in order to boost sustainable sales.

Promotions and Benefits

During the summer, customers were offered discounts of up to 15% and payment plans of up to 10 interest-free installments at restaurants, entertainment, transportation, hotels and travel agencies. In the Travel category, customers enjoyed promotions with Aerolíneas Argentinas and GOL offering up to 25% discounts and payment plans of up to 6, 15 and 18 interest-free installments.

In May, Tienda Naranja (Naranja Store) participated in the Hot Sale initiative, offering promotions in several categories, including technology, electronics, furniture and sports, with payment plans of up to 25 interest-free installments, discounts on selected products, and free shipping.

During the period, the Smartes promotion continued offering discounts of up to 30% on major brands throughout the country and on special dates.

Cultural Agenda at Casa Naranja

Casa Naranja's cultural agenda for 2018 was opened up in March with *Futuro Volátil* (Volatile Future), an exhibition that convened 22 national and international artists. During three months, the exhibition received 7,000 visitors who enjoyed guided tours and online audio guides.

In May, in association with Marta Minujín, Naranja donated the Soft Gallery, created in 2017 for the exhibition at Casa Naranja, to the Emilio Caraffa Museum. The artwork is now part of Córdoba's cultural heritage.

World Cup Campaign

As an official sponsor of the National Soccer Team, Naranja designed a 360 campaign, including exclusive benefits for customers and payment plans of up to 18 and 12 interest-free installments on the purchase of mobile phones with Claro and Personal, respectively. Naranja also partnered with Nóblex to offer customers Smart TVs 4K payable in up to 24 interest-free installments.

Besides, Naranja introduced social media content and launched an advertisement and a social campaign named "*El jueguito más largo del mundo*" (The Longest Keepie-Uppie Ever), which benefited 2,500 kids from several sport venues countrywide.

Awards and Distinctions

Once again, Naranja has ranked 1st in the Ranking of Corporate Governance and Accountability compiled by MERCO (Monitor Empresarial de Reputación Corporativa) in the Financial and Credit Card sector, and 21st in the overall ranking, developed on the basis of a survey among corporate directors, professionals and consumers.

On the other hand, the Company climbed to the 22nd position in the Ranking of the Best Argentine Companies in terms of Corporate Image published by Apertura magazine.

Outlook

Following the merger with Tarjetas Cuyanas S.A., since October 2017 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.

As a consequence of the depreciation of the local currency and increasing interest rates, the Company expects restricted financing availability for the second half of the year, with incremental financial costs and arrears.

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 PERIODS

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

TARJETA NARANJA S.A.'S USERS

Naranja	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Open Accounts (in Thousands)	3,043	2,911	2,883	2,645	2,464
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	4.62	3.31	2.54	1.91	1.39

Nevada	06.30.18
Open Accounts (in Thousands) (2)	675
Monthly Average Consumption per Active Account for the Six-Month Period (in Thousands of AR\$) (3)	3.26

- (1) It includes the managed brands Naranja Visa, Naranja Mastercard, Naranja Amex.
 (2) It includes 108,000 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	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Amounts in Thousands (for the Six-Month Period) (1)	80,182	74,107	69,155	63,489	59,919
Monthly Average Amount (in Thousands of AR\$) (1)	13,119,936	9,517,753	7,028,190	4,789,014	3,345,452
Merchants' Average Fee	2.17%	2.69%	2.77%	2.78%	2.70%

Transactions with Nevada	06.30.18
Amounts in Thousands (for the Six-Month Period) (2)	14,465
Monthly Average Amount for the Six-Month Period (in Thousands of AR\$) (2)	1,722,156

- (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)

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Tarjeta Naranja Clásica and Oro	4,336	4,182	4,150	3,849	3,610
Tarjeta Naranja Visa	3,117	3,331	3,863	3,369	2,870
Tarjeta Naranja Mastercard	516	616	692	614	521
Tarjeta Naranja Amex	43	47	51	43	34
Tarjeta Nevada	831	-	-	-	-
Tarjetas Nevada Visa	474	-	-	-	-
Total	9,317	8,176	8,756	7,875	7,035

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

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Current Assets	38,326,504	23,174,357	18,698,951	13,800,767	11,012,617
Assets Classified as Held for Sale	-	-	-	-	7,254
Non-current Assets	3,222,982	1,757,792	1,327,307	997,066	835,440
Assets	41,549,486	24,932,149	20,026,258	14,797,833	11,855,311
Current Liabilities	22,492,405	13,263,125	14,610,852	9,686,273	8,095,873
Non-current Liabilities	10,285,798	6,278,846	1,587,849	2,316,303	1,725,901
Liabilities	32,778,203	19,541,971	16,198,701	12,002,576	9,821,774
Equity	8,771,283	5,390,178	3,827,557	2,795,257	2,033,537

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

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Operating Revenue	8,218,170	5,171,537	3,338,568	2,500,347	1,875,330
Operating Revenue, Net of Provision for Loan Losses	6,749,667	4,531,205	3,040,634	2,317,305	1,586,590
Total Operating Expenses	(4,585,376)	(2,894,598)	(2,140,208)	(1,535,679)	(1,231,221)
Income from Investments Accounted for Using the Equity Method	149	1,838	1,423	1,336	1,032
Profit before Income Tax	2,164,440	1,638,445	901,849	782,962	356,401
Income Tax	(643,968)	(569,698)	(310,637)	(268,464)	(119,114)
Profit for the Period (from Continuing Operations)	1,520,472	1,068,747	591,212	514,498	237,287
Loss for the Period (from Discontinued Operations)	-	-	-	-	(15,484)
Comprehensive Income for the Year	1,520,472	1,068,747	591,212	514,498	221,803

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

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Net Cash Inflow / (Outflow) from Operating Activities	(2,633,701)	1,308,396	(952,180)	116,986	(76,154)
Net Cash Inflow / (Outflow) from Investing Activities	(235,358)	(309,404)	512,084	16,142	(157,935)
Net Cash Inflow / (Outflow) from Financing Activities	2,693,375	(2,557,243)	597,318	(423,756)	17,600
Total Net Cash (Outflow) / Inflow during the Year	(175,684)	(1,558,251)	157,222	(290,628)	(216,489)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	2,413	2,971	(7,439)	208	1,496

RATIOS

	06.30.18	06.30.17	06.30.16	06.30.15	06.30.14
Liquidity	1.704	1.747	1.280	1.425	1.360
Indebtedness	3.737	3.625	4.232	4.294	4.830
Solvency	0.268	0.276	0.236	0.233	0.207
Tied-up Capital	0.078	0.071	0.066	0.067	0.070
ROE for the Period	18.02%	21.38%	15.73%	19.84%	11.08%
ROA for the Period	3.91%	4.33%	3.12%	3.65%	1.96%

Statement of Profit or Loss

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

	Notes	Year-to-Date		Quarter	
		01.01.2018	01.01.2017	04.01.2018	04.01.2017
		06.30.2018	06.30.2017	06.30.2018	06.30.2017
		In Thousands of AR\$			
Revenues from Services	7	4,615,414	3,156,940	2,380,412	1,591,158
Costs of Services	8	(672,191)	(440,372)	(363,340)	(239,829)
Net Revenues from Services		3,943,223	2,716,568	2,017,072	1,351,329
Revenues from Financing	9	5,703,970	3,299,469	3,020,786	1,698,122
Costs of Financing	10	(1,636,296)	(934,343)	(953,455)	(499,409)
Net Revenues from Financing		4,067,674	2,365,126	2,067,331	1,198,713
Net Income from Short-term Investments	11	207,273	89,843	117,059	59,173
Operating Revenue		8,218,170	5,171,537	4,201,462	2,609,215
Provision for Loan Losses	12	(1,468,503)	(640,332)	(827,317)	(353,814)
Operating Revenue, Net of Provision for Loan Losses		6,749,667	4,531,205	3,374,145	2,255,401
Employee Benefits Expenses	13	(1,778,960)	(1,163,360)	(948,349)	(620,327)
Taxes and Charges	14	(1,136,319)	(733,910)	(552,500)	(375,025)
Marketing Expenses	15	(200,255)	(147,361)	(126,660)	(85,766)
Depreciation and Amortization	16	(125,597)	(59,507)	(66,471)	(31,447)
Other Operating Expenses	17	(1,344,245)	(790,460)	(722,259)	(431,253)
Total Operating Expenses		(4,585,376)	(2,894,598)	(2,416,239)	(1,543,818)
Net Profit before Income from Investments Accounted for Using the Equity Method		2,164,291	1,636,607	957,906	711,583
Income from Investments Accounted for Using the Equity Method	18	149	1,838	140	919
Profit before Income Tax		2,164,440	1,638,445	958,046	712,502
Income Tax	19	(643,968)	(569,698)	(277,782)	(250,050)
Profit for the Period		1,520,472	1,068,747	680,264	462,452
Earnings per Share					
Basic and Diluted Earnings per Share		538.41	445.31	240.89	192.69

Statement of Other Comprehensive Income

For the three-month periods ended June 30, 2018 and 2017

Expressed in thousands of Argentine Pesos

	Year-to-Date		Quarter	
	01.01.2018 06.30.2018	01.01.2017 06.30.2017	04.01.2018 06.30.2018	04.01.2017 06.30.2017
	In Thousands of AR\$			
Profit for the Period	1,520,472	1,068,747	680,264	462,452
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	1,520,472	1,068,747	680,264	462,452
Earnings per Share				
Basic and Diluted Earnings per Share	538.41	445.31	240.89	192.69

Balance Sheet

As of June 30, 2018 and December 31, 2017

Expressed in thousands of Argentine Pesos

	Note	06.30.2018	12.31.2017		Note	06.30.2018	12.31.2017
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	20	1,974,030	2,146,675	Trade and Other Payables	27	17,018,366	16,373,115
Investments	21	-	207,294	Borrowings	28	3,394,944	1,084,051
Receivables from Trade	22	36,072,238	30,932,400	Employee Benefit Obligations	29	575,844	563,886
Other Receivables	23	280,236	228,644	Current Tax Liabilities	30	862,786	655,969
				Other Liabilities	31	404,102	29,707
				Income Tax Provision	19	236,363	694,774
Total Current Assets		38,326,504	33,515,013	Total Current Liabilities		22,492,405	19,401,502
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	22	1,533,374	1,020,292	Borrowings	28	10,234,456	8,724,269
Other Receivables	23	6,246	6,333	Employee Benefit Obligations	29	-	-
Deferred Tax Assets	19	668,559	575,779	Other Liabilities	31	-	-
Investments Accounted for Using the Equity Method	24	1,923	1,774	Income Tax Provision	19	-	-
Property, Plant and Equipment	25	699,722	668,428	Provisions	32	51,342	48,487
Intangible Assets	26	313,158	237,450				
Total Non-current Assets		3,222,982	2,510,056	Total Non-current Liabilities		10,285,798	8,772,756
				Total Liabilities		32,778,203	28,174,258
				EQUITY		8,771,283	7,850,811
Total Assets		41,549,486	36,025,069	Total Liabilities and Equity		41,549,486	36,025,069