Operator: Good evening, ladies and gentlemen. Welcome to Nu Holdings conference call to discuss the results for the first quarter of 2026. A slide presentation accompanies today's webcast, which is available on Nu's Investors Relations website: www.investors.nu in English and www.investidores.nu in Portuguese. This conference is being recorded and the replay can also be accessed on the company's IR website.

This call is also available in Portuguese. To access it, press the globe icon on the lower right side of your Zoom screen, then select the "Portuguese room". After that, select "mute original audio".

Para acessar nossa conferência em português, clique no ícone do globo ao lado inferior direito da sua tela Zoom e selecione a opção "Portuguese room". Ao acessar a nova sala, certifique-se de mutar o áudio original.

Please be advised that all participants will be in listen-only mode. You may submit online questions at any time today, using the Q&A box on the webcast.

I would now like to turn the call over to Mr. Guilherme Souto, Investor Relations Officer at Nu Holdings. Mr. Souto, you may proceed.

Guilherme Souto: Thank you operator. And thank you everyone for joining our earnings call today.

With me on today's call are David Velez, our Founder, Chief Executive Officer and Chairman, and Guilherme Lago our Chief Financial Officer.

All financial metrics discussed and presented today reflect our Managerial P&L framework, which we introduced in our fourth quarter 2025 results. These managerial measures are important to how we manage the business but are not financial measures as defined under IFRS and may not be comparable to other companies. A full reconciliation to the most directly comparable IFRS figures is available in our Managerial P&L Reconciliation Report and in the appendix to this presentation. We are aware that consensus estimates across the sell-side reflect a mix of IFRS and Managerial frameworks — we encourage everyone to use the reconciliation report as the reference point for aligning models going forward.

Unless otherwise noted, all growth rates discussed today are presented on a year-over-year FX-neutral basis.

Today's discussion may include forward-looking statements, which are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those expressed or implied. Please refer to the forward-looking statements disclosure included in this earnings presentation for additional information.

With that, I'll now turn the call over to David. Please go ahead, David.

David Velez: Hello everyone, and thank you for joining us today.

For several years now, our results have followed the same earnings-generating formula: a growing, more engaged customer base, monetized at higher ARPAC, on a scalable low-cost platform, translating into outsized earnings. The first quarter of 2026 was another clean expression of that model.

Our customer base now stands above 135 million customers. In Brazil, we surpassed 115 million customers and solidified our position as the largest private financial institution in the country. In Mexico, we crossed 15 million customers, becoming the third largest financial institution in the market. And in Colombia, we delivered another solid quarter of net additions and are getting close to 5 million customers.

Despite typical first-quarter seasonality, consolidated monthly activity rate held at 83 percent, and expanded sequentially. In Brazil, we are approaching 100 million monthly active customers.

Customer growth combined with ARPAC expansion, which has expanded sequentially every quarter since we began reporting and now sits at around 16 dollars per active customer, compounded into record revenue, reaching 5 billion dollars for the first time in our history.

The higher revenue translated into strong operating leverage in the quarter, leading to a record-low efficiency ratio below 18 percent — a result that reflects both structural progress and some timing benefits that Lago will unpack shortly. This is happening despite our laying the foundations for our international expansion, and accelerating an AI Transformation that I will come back to in a few minutes.

On the credit side, three things — (i) seasonality, (ii) growth, and (iii) mix — drove higher provisions. These reflect our ability to continue gaining market share with compelling and resilient unit economics, and do not suggest any signs of asset quality degradation in our portfolio. Understanding this difference is key for those following high-growth credit-led fintechs.

We delivered a Q1 historical-high net income of 871 million dollars, compounding at more than 80 percent a year on an FX-neutral basis from 2022.

With that as the backdrop, let me start with our biggest market, where we still have a long road ahead of us.

Brazil is, by any measure, one of the most attractive banking markets in the world. Across just the products and segments we serve today, the addressable profit pool already exceeds 100 billion dollars in annual gross profit, and is expected to keep showing healthy growth for years to come. As we expand our product shelf and deepen customer engagement, that profit pool becomes even larger.

Even after a year of meaningful share gains, it's still "Day 1" for Nubank in Brazil: our share of that pool stands at roughly 7 percent even though we are already the largest private financial institution in Brazil by customer base, with the strongest brand and the highest customer satisfaction scores.

And in our second-largest market, the runway is even bigger.

The opportunity in Mexico is, in many ways, where Brazil was a decade ago.

The profit pool of the products we want to serve consumers with already exceeds $40 billion in annual gross profit, and is growing faster than most major banking markets in the world. The banking system in Mexico remains structurally underpenetrated: cash still dominates everyday transactions, less than half of adults hold a formal credit product, and a meaningful portion of the population still lacks access to banking.

Our share of that profit pool is still below 1% today, a fraction of where we are in Brazil and a fraction of where we believe we can go.

What makes this opportunity particularly compelling is the dual dynamic at play: we are not only taking share of the existing pie, we are also helping grow it, bringing simple, digital, transparent financial products to broader segments of the population that have historically been left out of the formal banking system.

That combination is what gives us such a long horizon ahead, and the proof of that thesis is already starting to show up in the numbers.

The same earnings-generating formula I described at the start of our remarks is now unfolding in Mexico, only earlier in its curve.

In four years, our customer base there has grown from just over 2 million to 15 million today, roughly seven times larger. ARPAC has nearly doubled, even as we have onboarded millions of newer, less mature customers. Our efficiency ratio has come down by 78 percentage points. And on the bottom line, we have moved from a 30-million-dollar quarterly loss to our first quarter of IFRS profitability — a milestone that arrived ahead of our own internal plan.

Underpinning our operations in Latin America — including Brazil, Mexico and Colombia — and what we believe will further accelerate our impact in the region for years to come, is the AI technology shift I referenced at the start of our remarks.

Our ongoing AI Transformation is a core priority of Nu.

Some companies see AI as a productivity enhancement tool. That is useful, but it is not the real opportunity in our view. AI Transformation is something different. It means redesigning from the ground up how financial products and services are manufactured — and, possibly, distributed.

There is a parallel here to the bet we made when we started Nubank a little over a decade ago. We did not digitize a branch; we built a bank without branches. We are applying the same logic to AI: we are not adding AI to banking; we are rebuilding banking around AI.

This transformation is already underway, and unfolding in three phases at different stages of progress.

The first phase, AI Assistance, is largely complete. We are reaching close to 100% utilization of AI tools among our employees across all functions of the organization. This enablement is driving productivity gains across the company, with engineering throughput up over 50 percent year-over-year, weekly token consumption nearly ten times higher than at the start of the year, and testing cycles 90 percent faster.

The second phase, Workflow Reinvention, is in motion. The principle is simple: AI executes, humans hold judgment. Customer journeys are being rebuilt end-to-end, and new AI-native customer experiences will reach our customers this year, deepening engagement and expanding monetization. A number of teams at Nubank are already working on products and features that we had originally planned to launch only in mid 2027.

The third phase, the AI-Native Bank, is still early, but the foundations are visible. AI Private Banker functionalities such as financial insights, payments, credit advice, and debt resolution across the app are already serving more than 15 million monthly active users, across. NuFormer, our set of proprietary foundation models, are in production today for credit card decisioning in Brazil and Mexico, and for unsecured lending in Brazil. We are now able to use real-time AI valuation for every personal loan request, priced and approved individually based on its predicted NPV, in under a second. These capabilities have been a meaningful driver of the significant expansion in our credit portfolio over the last twelve months — enabling us to grow limits with resilience, not just speed.

And we believe Nu is uniquely positioned to win in an AI-accelerated world, anchored by three structural advantages.

First, our scaled first-party data: 135 million customers transacting on our platform every day, generating one of the largest, cleanest, and most differentiated financial datasets in the world.

Second, our proprietary technology stack: cloud-native, with core banking systems built internally, data unified across the company, and the ability to move from experiment to production in days rather than quarters.

Third, our talent and culture: a world-class bench of employees from more than 50 nationalities, with offices across six countries, all working under a single AI mandate, and one we keep reinforcing with the recent appointment of Carl Rivera as our new Chief Product Officer.

AI is not an experiment at Nubank. It is reshaping how we build, how we decide, and how we serve, and we are still very early in what this transformation will eventually deliver.

Taken together, this is the model we are running in 2026: deepening Brazil from a position of leadership, scaling Mexico and Colombia through their inflection points, and making AI compound through every layer of the company, including investing further in our internationalization plans.

With that, I'll hand it over to Lago, our CFO, to walk you through the financial highlights of the quarter.

Guilherme Lago: Thank you, David. Good evening, everyone.

Beginning with our consolidated credit portfolio, we ended the quarter at 37.2 billion dollars, up 40 percent year-over-year on an FX-neutral basis, and up 7 percent quarter-over-quarter.

Growth was strong across all products, especially when Q1 seasonality is considered. Credit cards grew 36 percent year-over-year on an FX-neutral basis. Unsecured lending grew 53 percent, reaching ten billion dollars in total portfolio. And secured lending grew 38 percent, keeping pace with the rest of the book and holding its 8 percent mix, even with the setback from FGTS loans last year.

Turning to deposits. Total deposits reached 42.4 billion dollars in the quarter, up 22 percent year-over-year on an FX-neutral basis.

Deposits in Brazil declined modestly due to seasonality, while Colombia kept growing.

In Mexico, the deposit outflow reflects two specific dynamics: (i) a sharper-than-expected reversal of seasonal year-end inflows, and (ii) our deliberate decision to optimize cost of funds amid very low loan-to-deposit ratios.

Our consolidated cost of deposits closed at 88 percent of the interbank rate, slightly higher sequentially. Even though we saw improvements in the cost of funds in Mexico and Colombia, this was offset by Brazil, reflecting the reversion of a fourth-quarter seasonal effect: year-end inflows tend to land in short-tenure balances that carry low cost of funds, and in the first quarter these balances naturally migrate into longer-tenure, yield-bearing products.

We remain comfortable with our current balance levels and cost of deposits. We will continue managing this franchise to build resilience, deepen customer engagement, and preserve its attractive economics.

Moving to our P&L.

Net Interest Income reached a record 3.25 billion dollars in the quarter, up 12 percent quarter-over-quarter on an FX-neutral basis. This expansion was driven by strong revenue growth across the franchise, combined with our credit portfolio expanding faster than our liabilities. That mix shift continues to optimize our balance sheet, lifting NIM to 21.1 percent.

Credit Loss Allowances closed at 1.79 billion dollars in the quarter, up 33 percent quarter-over-quarter on an FX-neutral basis, mostly driven by three specific dynamics already mentioned by David: (i) seasonality, (ii) portfolio growth, and (iii) portfolio mix, which I will unpack in the next slides.

As a result, Risk-Adjusted NIM came in at 9.5 percent, down 100 basis points sequentially from 10.5 percent. We expect Risk-Adjusted NIM to move back toward the levels we operated at during the second half of 2025, as the dynamics of Q1 normalize over the coming quarters.

With that, let me now turn to the three dynamics I mentioned that drove CLA this quarter, and walk you through each one.

Starting with the first reason: seasonality.

As you can see on the chart, our 15-to-90 day ratio is highly seasonal: it tends to peak in the first quarter and then resume its trend through the rest of the year. The first-quarter 2026 print of 5.0 percent, up 89 basis points from year-end, is consistent with that seasonal pattern and broadly in line with what we saw in 2024 and 2025.

On the right, 90+ NPLs, our late-stage delinquencies, continues to ease, closing at 6.5 percent in the first quarter of 2026, 10 basis points lower than the fourth quarter of 2025, and well below the 7.0 percent peak we reached in the third quarter of 2024.

Both metrics came broadly in line with our own internal expectations for the quarter. And I want to pause on that phrase — because it is not incidental. The goal of our credit operation is not to minimize NPLs at a point in time — it is to optimize for resilient NPVs. NPLs only capture the cost side of the equation; they say nothing about the revenues we generate from the customers who perform. Pricing risk accurately is what reconciles both sides — it is the mechanism by which attractive returns and predictable losses coexist. When the first quarter unfolds as our models anticipated, that is not a coincidence. It is evidence that the pricing discipline is working well.

Before moving on, I want to address directly a concern we know is top of mind for many investors: Brazil's household debt-service ratio. We track this ratio closely, but the data tells a more nuanced story. The debt-service ratio in isolation has limited predictive power over delinquency outcomes. What actually drives credit performance is a broader set of income and employment dynamics — employment remains strong, and the income tax exemption for earnings up to five thousand reais per month is a meaningful structural tailwind for a large portion of our customer base, directly improving disposable income and debt-service capacity at the segment level where we operate.

And critically, as you will see on the next slides, our portfolio has a particularly short duration — which means that if we ever did see unexpected asset quality movements, we can react fast and consequentially, at a very granular level. Looking ahead, the Desenrola program is an additional tailwind expected to take form in the second and third quarters.

Now to the second reason: growth. And what matters here is not only our credit portfolio, but our total exposure, a broader measure that includes the on-balance-sheet credit balances and the off-balance-sheet credit card limits we extend to our customers. Both expand our IFRS 9 provisioning base.

On the left, total exposure reached 70.7 billion dollars in the quarter, up 44 percent year-over-year on an FX-neutral basis. Every dollar of incremental exposure carries upfront provisioning, regardless of whether the customer ever draws on it.

That brings me to the third reason: mix. On the right, the incremental exposure we added this quarter tilted further toward credit cards and unsecured lending, which together accounted for 98 percent of the new exposure, up from 88 percent in the same quarter a year ago. Secured lending's contribution stepped down, mostly reflecting the changes in FGTS loans at the end of 2025. And both credit cards and unsecured lending carry higher expected losses than secured lending, which mechanically lifts the marginal provisioning we book.

Growth means a larger exposure base, and mix means that base is tilted toward higher-yielding, higher-loss products. Both push the upfront ECL build higher, even before any change in underlying credit quality.

Bringing it all together, the three drivers we just walked through, seasonality, growth, and mix, are exactly what shaped the moves in NPL 15-to-90 and the ECL Allowance this quarter. There was no sign of credit portfolio degradation. Let me walk through each bridge.

On the left, the NPL 15-to-90 bridge moved from 4.11 percent at year-end to 5.00 percent in the first quarter, an 89 basis-point increase — 65 basis points from seasonality, 17 from intentional risk expansions, 4 from product mix shift, and the small remainder from other effects. None of these drivers reflect a systemic deterioration in underlying credit quality.

On the right, the ECL Allowance moved from 5.3 billion dollars at year-end to 6.1 billion dollars in the first quarter, an 800 million-dollar increase. The numbers here are worth pausing on. Portfolio growth alone contributed 423 million dollars — more than half of the total build — simply reflecting the upfront lifetime loss provisioning we book under IFRS 9 as we expand the credit book. Seasonality contributed another 267 million dollars, consistent with prior years. Together, growth and seasonality account for 86 percent of the entire allowance increase. Intentional risk expansions contributed 69 million dollars, product mix 16 million, and other minor effects the small remainder. Not one of those components reflects deterioration in underlying credit quality.

These moves reflect the deliberate scaling of our credit portfolio. We manage this business not to minimize NPLs or cost of risk in any given quarter, but to maximize long-term, resilient, risk-adjusted returns.

We see that discipline at work in the cohort unit economics of our three most relevant unsecured credit products.

Across all three, revenues consistently outweigh funding cost and expected losses, leading to return levels that are best-in-class for retail banking.

With a significant buffer, these portfolios remain NPV-positive even at substantially higher levels of expected losses. And the short duration of these portfolios is worth pausing on — it means that if we ever did observe unexpected asset quality movements, we can react fast and decisively, at a very granular level, well before they become a systemic issue. We are not a long-book lender waiting quarters to see the impact of a credit policy change. We see it in days, and we act on it immediately.

This is what grounds the strategy.

Beyond the unit economics, we also hold considerable buffers in the balance sheet. Our total coverage stands at 16.2 percent of the portfolio, roughly 2.5 times our entire 90+ delinquency balance. And we are adding to that buffer each quarter: our gross CLA against new 90+ NPL formation closed at 153.8 percent, which means the provisions we book are running ahead of the new NPLs forming.

This is a balance sheet engineered for resilience, and one that lets us grow the franchise from a position of strength.

That balance sheet resilience flows through the gross profit line, which closed at 1.88 billion dollars in the quarter, up 27 percent year-over-year on an FX-neutral basis.

This quarter's mix reflects the elevated CLA we just walked through, which directly reduced credit's contribution and brought float to roughly 40 percent of the total. Beneath that quarterly effect, a multi-quarter trend of genuine diversification continues: our credit, float and fee businesses have been scaling and balancing each other.

Our model allows us to build a more diversified gross profit base and, ultimately, a higher-quality earnings profile overall.

Turning to efficiency.

With net revenues outpacing operating expenses, we continued to deliver operating leverage in the quarter. Our efficiency ratio improved this quarter to 17.6 percent on a reported basis, and 16.6 percent at the core, which excludes our (i) return-to-office investments, (ii) our international expansion, and (iii) our investments in AI infrastructure.

Q1 came in better than expected, for two reasons working together. First, revenues accelerated faster than we anticipated, driven by ARPAC outperformance and continued portfolio growth. Second, opex came in below plan — and it is worth being precise about why.

Roughly one third reflects structural efficiency gains that are durable and compounding — mainly AI-driven improvements in operations and collections, software platform consolidation, and hiring discipline. The remaining two thirds reflects timing items that will normalize in the next quarters including real estate and marketing phasing.

So the 17.6 percent should not be extrapolated as a run rate. But even accounting for those normalizations, we expect our consolidated efficiency ratio for full-year 2026 to land at approximately 20 percent — broadly in line with where we ended 2025 — while our core efficiency ratio continues its natural downward trend. We remain confident in the attractiveness of our investments in return-to-office, US expansion, and AI infrastructure.

The positive effects of operating and financial leverage continued to flow through to the bottom line. Net income reached 871 million dollars in the quarter, the highest ever for a first quarter and up 41 percent year-over-year on an FX-neutral basis.

I want to be direct about our Effective Tax Rate (or ETR), because we know it will be a focus. The 8.7 percent IFRS rate this quarter reflects structural changes we have been making to our global operating and corporate structure — it is not a one-off, and it is not an accounting adjustment. It is a recurring, structural feature of how we operate. The Q1 rate is lower than our full-year run rate because it reflects some of the seasonal patterns discussed earlier in the call. For modeling purposes, we expect our IFRS ETR for the remainder of 2026 to converge toward the 15 to 20 percent range. Our managerial ETR, which we believe is the more economically meaningful comparison, should converge toward the 30 to 35 percent range, broadly in line with peers in the region.

The broader point is this: we are absorbing intentional investment headwinds on the opex line, and those are being more than offset by structural improvements in our ETR. The net result is a net income trajectory that remains durable and compounding — which is the right lens through which to assess the earnings power of this business.

To wrap up, this was another quarter that demonstrated the durability of our model: (i) a growing and engaged customer base, (ii) an expanding credit portfolio growing profitably and resiliently, (iii) a more diversified gross profit base, and (iv) one of the strongest balance sheets in financial services.

With that, I'll pass it over to David for closing remarks.

David Velez

Thanks Lago.

Nubank is incredibly well-positioned to continue strengthening its place as Latin America's leading digital bank. While our consumer base is large, our total market share is still small

— and that gap represents a long and visible growth runway in our core markets. This remains our number one priority.

But we continue to have conviction that the digital banking thesis we started to execute in 2013 is a global thesis, not a local or regional one. First-principles reasoning shows our advantages travel: our cost structure is 20 to 30 times more efficient than the incumbents that still own 90 percent of the world's banking market; our technology gives us the agility to move fast in any environment; our differentiated approach to credit gives us the tools to compete and grow within a segment that represents over 70 percent of the world's consumer banking profit pool; and our consumer obsession allows us to build relationships with fans, not just customers, creating one of the strongest and most authentic consumer brands wherever we operate.

That is why we are excited to be expanding our model to the US — deliberately and at a measured pace, treating it the way we treat every new market: with disciplined capital allocation. We invest a relatively small amount of capital and resources while we protect our core. Once we see product-market fit, we are ready to scale. To be precise: the maximum opex headwind we expect from US investment — in each of 2026 and 2027 — is less than 100 basis points on our consolidated efficiency ratio. And this is inside the 20 percent efficiency ratio level Lago mentioned before. For a company at our scale, that is quite affordable. Beyond that, any additional investment is explicitly contingent on clear evidence of product-market fit and a credible path to profitable scalability.

Even in a scenario where we do not find product-market fit, the cost to you as a shareholder is less than 100 basis points on our efficiency ratio — temporary, and fully absorbable without touching the trajectory of our core businesses. The upside, if we do find product-market fit, is a second Nu. We have seen this movie before in both Mexico and Colombia. The asymmetry between a bounded downside and an uncapped upside is at the center of our investment thesis in the US — and it does not change our long-term trajectory on efficiency.

With that, let's open it up for questions.

Operator: We will now start the Q&A session for investors and analysts. If you wish to ask a question, please press the "reaction" button and then click on "raise your hand". If your question is answered, you can exit the queue by clicking on "put your hand down". Please limit yourself to one question and a follow-up. If you have further questions, please re-enter the queue. You may submit online questions at any time today, using the Q&A box on the webcast.

I would like to turn the call over to Mr. Guilherme Souto, Investor Relations Officer.

Guilherme Souto: Thank you, operator. Could you please open the line for Mr. Jorge Kuri from Morgan Stanley?

Jorge Kuri, Morgan Stanley: Congrats on the results. And really much appreciated the incredible detail around delinquency and credit losses and provisions and expenses and sizing the U.S., I think that's going to go a long way in helping people understand the story better. So thank you.

My question is on an announcement, and I really don't have any questions on the quarter, sorry about that, but I did see an interesting announcement in the press that you're launching an SME-specific product in Brazil. And so I wonder if you can maybe talk about it, what type of products, how they're different from what your competitors offer? What is the edge, the moat that you guys are using in SMEs? And dream the dream, what size can this business be to you overall?

David Velez: Thanks, Jorge, for that question. I actually think this is probably one of the most underappreciated opportunities we have at Nu. We should be speaking more about it, but we're not. So thank you for asking the question. The reality is we've kind of silently built the largest SME base in Brazil with our 5 million SME customers effectively built with 0 customer acquisition cost. Since Brazil has a very large number of SME, a significant percentage of employment in Brazil, something like upwards of 70% is -- operates in small businesses. A very large percentage of our 110 million customers have their own businesses. And so we were able to cross-sell our SME product to them, and that took us at a 0 CAC to build this base of upwards of 5 million customers.

We've invested increasingly in building a better product savings account. Initially, we now crossed over 2 million credit cards for the small business. We recently announced what you probably saw is now a number of new lines of credit, both secured and unsecured. Some of them are using some of the government-available programs where entrepreneurs are able to use certain government guarantees to get loans.

And we see a blue ocean in that space, really, the kind of comparative advantages that we have on the individual side applies to the SME. This is a very underserved segment. And I think we're also -- while we began at the base of the pyramid with very small micro entrepreneurs, we've been slowly going up the base and starting to serve companies that are -- have more than 10 to 15 employees.

So I'll leave that for now, but we have an ambitious plan on that space. There's a lot of scarcity in the entire environment. It builds a lot of loyalty with our consumers since they get to back both their businesses and their individuals in the same place. And it brings pretty significant advantages on our flywheels.

Guilherme Souto: Operator, could you please open the line for Mr. Yuri Fernandes from JPMorgan?

Yuri Fernandes, JP Morgan: Everybody, congrats also here on the presentation, very clear. I have one regarding asset quality. And maybe 1 week ago, there was a podcast with Lago, [Jeremy and Tyler] to discuss asset quality. And I think one of the highlights in the podcast was how to read a good or a bad quarter for asset quality, right, especially regarding coverage formation and all those metrics.

And here in this quarter, it looks like, kind of an introduction for the quarter, in my view. Because we had a quarter that the company did a lot of provisions, right? The coverage went up. The new NPL formation when you look at the amount of coverage was over 150%. So my question here is, is Nubank being a little bit more conservative and building more reserves, maybe just to show the market that you have a very strong balance sheet? Or no? Or are you seeing a worsening outlook? Are you seeing something that we are not seeing? I guess, Lago already mentioned that he is not seeing a worsening, and the presentation was clear on that, but just reinforcing this message and trying to link with the past week's podcast.

Guilherme Lago: Thanks so much for the question. Look, we feel that our balance sheet is fairly robust, and we try to be extremely conservative in how we build our provisions over time. But I have also to say that the provisions that we have been doing over the past quarters, they do not reflect any directional outlook that we have on the credit cycle of each of the markets in which we operate.

The way that we have tried to do credit underwriting and consequently, to do credit provisioning is one where we always assume that the future will be worse than the past, irrespective of where any of us think we may be in the credit cycle. And then for each and every single cohort, we have the stress test whereby that cohort has to withstand a fairly material credit deterioration and still be kind of an NPV positive.

And then the additional disclosure that we are providing that may be helpful to address your question, Yuri, if you go to Slide 18, you can see the unit economics of our 3 core unsecured credit products, namely credit cards in Brazil, unsecured lending in Brazil and credit cards in Mexico, right? They account for the majority of our unsecured exposure. And I would underscore 2 things. First, if you go through the unit economics, it's kind of a healthy unit economics in our view. But more importantly, if you take a look at the ratio between losses and the net margin, you can see that they can withstand a lot of risk worsening and still being NPV positive.

The second thing I would underscore is the duration, right? If you take a look at the duration of each of those portfolios, we operate intentionally with much lower duration than the average of the market. This is a feature, this is not a bug. Why? Because it allows us to navigate with lots of agility at a very granular level.

All this to say that we are provisioning conservatively as we have provisioned in the past. Nothing has changed. We are not provisioning more or less because we have a directional view on the macro or on the micro, but we continue to provision and underwrite with what we believe to be a fairly healthy resilient buffer across every single segment that we do.

There are two things that I believe, Yuri, you have written extensively in your reports that we have not yet taken into account in credit underwriting and provisioning. The first one is the income tax exemption or reduction that has been announced in Brazil at the beginning of this year. That basically benefits consumers with up to BRL 7,400 per month of income. It may very well be a tailwind for us. It's hard to calibrate the magnitude, but that has not been taken into account in the provisions and credit results for.

The second one is the Desenrola 2.0 that we briefly mentioned and you also wrote about it. That, I think, can be a fairly important kind of a renegotiation tool sponsored by the federal government for our customers, which we believe can be, for Nubank, either neutral or positive.

Yuri Fernandes, JP Morgan: No. So basically, I guess, if I can summarize, first quarter is usually seasonal, higher provisions. Following the pattern, I guess, you mentioned this on your remarks, maybe cost of risk moves a little bit lower. Margins are higher. So risk adjusted, maybe the trajectory should be more positive going forward. Do you agree with the summary here?

Guilherme Lago: I do. And I think we even mentioned a bit in the opening remarks, if you go through Slide 14, Yuri, you can see that the risk-adjusted margin contracted from 10.5 to about 9.5 mostly because of the additional CLA in the first quarter, which does not indicate any sign of credit deterioration. And therefore, once seasonality goes out, you should see risk-adjusted NIMs converging back to the levels where it was towards the end of 2025.

Guilherme Souto: Operator, could you please open the line for Mr. Eduardo Rosman from BTG?

Eduardo Rosman, BTG: Hi, everyone. Look, I do see local Brazilian investors today being much more constructive than the foreigners regarding the investment story, right? They are less concerned about asset quality, more positive on the expansion into the U.S. So I just wanted to hear your thoughts based on your conversations that you have, right? Do you think that this is because maybe local investors were the ones skeptical at the time of the IPO? And naturally, you delivered a lot, right? I don't know, maybe foreign investors, they are more concerned about AI, disruption risk and maybe because they never saw a digital bank really succeeding at scale in the U.S. So trying to understand here, based on the conversations that you've been having with investors, if you can share your thoughts with us?

Guilherme Lago: I wouldn't go as far as segregating kind of local versus foreign investors or Brazilian versus non-Brazilian there. But there are, I think, a few topics that are top of mind for many of them. The ones that I would highlight first is kind of asset quality.

So I think when Nubank was founded 13 years ago, the bank had a fairly strong thesis and hypothesis on its ability to do credit underwriting at scale throughout multiple credit cycles in Latin America, which is one of the most volatile regions of the world. It was a hypothesis we couldn't prove at that point in time. You fast forward the move 13, 14 years, and I think we can both in Brazil, in Mexico and in Colombia, already now clearly highlight that we have developed the ability in terms of process, systems and talent to be able to do credit underwriting in a resilient manner at scale.

And I think the velocity to which Nubank has been able to gain market share has now encouraged or impressed some of them. So I think the credit underwriting capabilities of the bank and concerns with asset quality will always remain and they should remain because for any kind of digital bank that has been able to attack credit, we will always have credit risk first in our priority list. But I think at this point in time, let's say, across most of the investor spectrum when we speak, that has been more of a common theme.

The second question that I would say that is more polarizing is on our international expansion, specifically to the U.S. On one hand, Rosman, you do have investors that are extremely bullish on our ability to basically break into what is simply the largest retail financial services market globally, right? And there are key and relevant pockets of pain points on consumers there that a digital bank franchise can attract.

On the other hand, you have investors, they are more skeptical about this. At this point in time, we have deliberately chosen not to fully disclose the go-to-market strategy that we want to have in the U.S., mostly for competitive reasons. But I think what we can know -- and David tried to address this in his closing remarks, provide the comfort to investors is that we will be very deliberate and we will stage the deployment of capital and the deployment of talent and never putting at risk, our ability to execute in Latin America. So it's more of an attempt to balance the downside that hopefully will allow investors to more clearly identify the asymmetry of this bet.

And finally, the third one that I would say that it kind of has an even more heterogeneous assessment is the role that AI has been playing and will continue to play in digital banking or in banking in general, right? So a lot of companies have been talking about their efforts to kind of use AI. We have the first time, in the opening remarks of David, prove that we have been able to use AI to deliver impacts and results, not efforts. So a material growth of our customer base and credit underwriting hinges on our success to kind of embed AI across how we manage the company. A material improvement in our efficiency ratio hinges on our ability to fully embrace AI. And there's a ton of additional things for us to do, and we are very confident that we have the capabilities to continue on that front. So 3 points, Rosman: asset quality, internationalization and AI.

David Velez: Only thing I'll just add to everything that Lago said on internationalization is that it's interesting that every time we've launched a new country, the locals have been skeptical. When we launched in Brazil, the locals were very skeptical. When we launched in Mexico, the locals were very skeptical. And the capital came from the foreigners.

And so sort of the same thing kind of repeats, sometimes being a local is a little bit of a blessing. Sometimes, it's a little bit of a curse because if you're a local by definition, it's very hard for you to reimagine how things can happen differently. You are too consumed by the status quo. So I definitely do not want to minimize the challenge that a country like the U.S. will be clearly challenging. There's a lot of very competent competitors. But we think we have an insight, and we'll see how that goes. The good news is that if we're wrong, it's a small loss. If we're right, it's going to be a huge opportunity for us.

Guilherme Souto: Operator, could you please open the line for Mr. Daniel Vaz from Safra**?**

Daniel Vaz, Safra: Congrats on the results, and thanks for the insightful presentation. David, in the present agenda for the next years with AI transformation, Mexico and U.S. expansion, and so on and so forth. But let me ask you about Brazil. How specifically the team is looking at Brazil, right? So your incremental exposure is again on unsecured products. And all your competitors are trying to focus on exactly the opposite, like they're trying to grow in secured loans, private payroll.

So I guess my question is, how should we read that, right? So we realize that we can extract much more value and returns from these unsecured products compared to our peers, and we'll try to focus the most on it and dominate the market, especially the mass market. And as a follow-up, how should we think about the secured products like the private payroll loans? So if you can answer that, it's very helpful.

David Velez: Of course. And it's a great question. And that's why I think we wanted to -- if you go back to Slide 7, we wanted to -- this is a slide I would like to use maybe at least once a year to kind of anchor people on the opportunity. And to remind everybody how early it is, this story, even for us in Brazil, even though we're already -- in terms of number of customers, we have over 110 million Brazilians, and we're the largest private financial institution in the country.

But in terms of profit pool, we only have 7%. And I think the answer to your question is really the growth opportunities everywhere. In unsecured loans, there is a lot of growth ahead. We only have about 8% market share, but we have something like 25%, 30% market share of new originations every month. So we have a disproportionate amount of market share gains every month.

In secured loans, we are tiny. We started later, as you know, we've been kind of around for about 1.5 years, 2 years. Operationally, it's much more complex, especially on the public, what is called public payroll, [consignado]. There's been a fair amount of contracts that we needed to sign with the municipalities, and there is a fair amount of integrations that need to happen.

But if you look at the growth rate we're seeing in secured loans, it's growing pretty significantly as well. And we think that the growth in secured will be -- will continue to be even in something like FGTS, which we launched about 2 years ago, we became the largest FGTS provider, which is fully secured in about 18 months. Obviously, the product was restructured by the government.

But anyway, long way to say that the opportunity, the growth opportunity is in both, and we continue to see both. On private payrolls specifically, we've discussed that we've been slower at growing that, and that has been by design. Here, I think we have just a little bit of a different point of view than a lot of other players in the market. We think that this product began with more risk than people anticipated because there was -- there were a number of different points in the chain. And especially with integration with DataPrev and some of the providers that were untested. There were a lot of flows like what happens when employee goes from company to company that was completely untested.

And so we just took a more careful approach. And I think yes, we'll see how that goes, but we're seeing 10% to 15% for payment default. That's a very high FPD. That's a very high risk for supposedly, a secure product. We also decided not to put interest rate too high. We don't want to be charging too high of an interest rate for these products because they are supposed to be secured. And we thought that there was a lot of regulatory risk. And in fact, there is now a conversation about capping pricing, which is going to hurt more, the players that were too fast, pricing very high.

So we think in the long run, this is a winning product. We think in the long run, this is going to be great for customers to be able to have that security. And in the long run, we will also -- will stand ready to win this market with the same advantages that we have of data, of consumer trust, of cost to serve also apply for secured loans. But here, we decided to just be a little bit more careful and go a little bit slower as we measure them.

So long answer to say, there is no preference necessarily here. This is a wide open market. We're very well positioned to gain -- continue gaining share across the board, even in credit cards, which has been our first product. And so that's why we just say that this is sort of still the first minute of the first half in Brazil.

Guilherme Souto: Operator, could you please open the line for Mr. Marcelo Mizrahi from Bradesco BBI.

Marcelo Mizrahi, Bradesco BBI: I have two questions. First one is regarding the efficiency ratio. So you guys were saying that to target at a range to achieve a 20% efficiency ratio. So now we are below this level, just to understand, just how we can predict that. So how to forecast that looking forward? First one.

And the second one is about the private payroll. If you guys have any update in terms of the view of Nubank looking to this product and the possibility to this product to bring more clients or even some impact that could bring on the NIMs on the margins?

Guilherme Lago: Thanks so much for the question. I'll take the first one, and we can maybe refine David's last response on the private payroll loan. But the first one was about efficiency ratio. So I will draw your attention to Slide 21. And you can see that we have had kind of a positive trajectory on efficiency ratio overall.

Now last quarter, or last call, we did mention that we were making deliberate investments in 3 fields: return to office, internationalization, and AI infrastructure. And those investments would be kind of a headwind to our overall efficiency ratio. And therefore, we wouldn't be able to get the same level of efficiency ratio gains over time that we saw over the past 2 years.

We still believe this is going to be the case, but I wanted to kind of unpack the performance in the first quarter a little bit more. So in the first quarter, you can see that we got a 17.6% efficiency ratio. It was slightly better than even us expected there, but I would underscore a few things. First, about 2/3 of this kind of overperformance in efficiency ratio in the first quarter was mostly due to timing. What do I mean? It would mean the kind of operating expenses that would be incurred in the first quarter, but will likely be incurred in the subsequent quarters of the years. Examples, some marketing investments, some real estate, then it will be tied to the return to office.

Now about 1/3 of the overperformance is truly structural. They are mainly coming from some of the operation gains driven by some of the AI investments that we are making across the board, from BPOs to software consolidation to enterprise functions. And those will continue.

The second thing that I would highlight, as we mentioned in the last quarter that we would start breaking down the efficiency ratio in two. One is the consolidated efficiency ratio, which we can see is 17.6%. But also is the efficiency ratio that we would have had, had we not decided to make the investments in RTO, internationalization and AI infrastructure, which in this quarter will be 16.6%.

Now going forward, I think one should expect that our 2026 efficiency ratio will converge towards approximately 20%, which is largely in line with where we landed last year. And this 20% envelope includes those kind of strategic investments that I alluded to, both the RTO and U.S. expansions that David touched as well.

Your second point was on private payroll. I think I will -- David has covered kind of a little bit of the strategic reason for our choice to speed it up more or less. The one point that I would just underscore, if I got your question correctly, is we continue to believe that as the lowest cost manufacturer of this industry. We will be able to provide this kind of product at very competitive levels. And we are very bullish about this product specifically because it will allow us to have access to customers and data that we have been unable to do as we don't have a corporate business.

So if you are today an employee of a large corporate in Brazil, most likely, that corporate has a payroll agreement with 1 of the top 5 incumbent banks of the country. And we historically have had some limitations on the amount of data that we could get from those customers by virtue of not being able to offer that payroll services.

Now with private payroll, we can have access exactly to the data, by which I mean how much money you make, for how long you've been working at the company, what's your expected severance cost. So we basically closed entirely, the gap that we could have had on that specific segment against incumbent banks. So we will likely drive more customer acquisition, better credit underwriting, better cross-sell.

Guilherme Souto: Operator, could you please open the line for Mr. Tito Labarta from Goldman Sachs?

Tito Labarta, Goldman Sachs: Great job addressing a lot of the key concerns with the credit quality and expenses. I guess my question, a follow-up a little bit, I guess, on credit quality. I think part of the concern also is your relative exposure to the lower income segment. So the question is more, how is the high income segment going? I think that's still a big opportunity for you as well. Anything you can comment on that?

And also one follow-up on the secured lending side because I know you're not growing the private payroll now. And you still had the headwind from FGTS in the quarter, the full quarter impact. So I was a little surprised with the strong growth in the secured lending quarter-over-quarter. I imagine that's public payroll, but just to talk a little bit about that opportunity on the secured lending side? Not just private payroll, but I think public payrolls and other segment where you have a lot of opportunity to grow.

Guilherme Lago: Let me try to address some of your questions in order. So I'll start with what you call the high income, which I would mention kind of in the 3 segments that we have in the bank, so mass market, super core and the high income. Look, we have been kind of quite encouraged by the progress that we have made across the more affluent segments. Both the super core and the high income, which I think all our banks would probably core more of a mass affluent than the high income, which, just to be clear, those are customers who earn anywhere between BRL 5,000 to BRL 12,000 super core and more than BRL 12,000, the high income.

If you take a look at not only the number of products that we have been launching with the new UV credit cards, the [indiscernible], the 3 kind of international seen, the cashback, [indiscernible], so there's a lot of new products and features that we have been launching. And all of those things have been translating in not only more customers, but also more engagement, right?

So out of the high income, we now have about 2 out of every 5 high-income Brazilians who are customers of Nubank. The customer base has grown by about 24% year-over-year based at the end of the first quarter of 2026, with now monthly credit card kind of volumes up 42% year-over-year, assets under custody by like 36%. So we are seeing lots of traction there. In super core, 3 out of every 5 Brazilians are already customers of the bank, again, kind of TPV and AUC all growing between 35% and 40%. So happy with the traction that we have had over the past 2.5 years.

Now back to your question on credit exposure, you're absolutely right that still the bulk of our credit exposure is in what we call the mass market. That's a bigger exposure than what we have in kind of the more affluent customers. And then when you look at Slide 12, you will see the evolution of unsecured and secured. And in spite of the headwinds from the new regulations of FGTS, you can see that we continue to grow secured, as you pointed out.

But I would underscore one thing, Tito. As the duration of the FGTS portfolio is relatively long, so more than 36 months, it means that even if we decrease the origination, it takes some time for that to play out entirely in the balance, and that's the fact that you may be seeing. Now to counter the slowdown in originations of FGTS, we are seeing an increase in the originations of public payroll loans, and we do expect that we will also see a pickup in the originations of private payroll loans. So I would not expect that the volume of secured cards will suffer too much throughout the year, irrespective of the FGTS regulations.

David Velez: To your question, Tito, on high income specifically. We don't disclose the numbers particularly, but the PV growth for high income for us is one of the fastest segments that we have, growing upwards of 40%. So way faster, way higher than what we're seeing in mass market. And a lot of the benefits of these new models that allow us to give higher exposure. If you see the big growth in higher exposure is coming also disproportionately for being able to give better limits to high income population, which historically has been something that we hadn't really gotten, right, since our models were very much focused on mass market.

So from this exposure growth, there is a disproportionate amount of high income. And obviously, that's good news because this is a segment where we have a very large -- 2 out of 5 Brazilians with high income are already customers of Nubank, and we have a significant opportunity to continue growing that share and diversify the customer base that we have.

Guilherme Souto: We have now surpassed [60]min of this session, so we are now concluding today's call. On behalf of Nu Holdings and of our Investor Relations Team, I want to thank you very much for your time and participation in our earnings call today.

Over the coming days, we will be following-up with the questions received via our platform and with those that attempted, but were not able to ask questions tonight, so please do not hesitate to reach out to our team if you have any further questions.

Thank you and have a good night.

Operator: The Nu Holdings conference call has now concluded. Thank you for attending today's presentation. You may now disconnect.