

**Operator:** Good evening, ladies and gentlemen. Welcome to Nu Holdings conference call to discuss the results for the **fourth quarter of 2025**. A slide presentation accompanies today's webcast, which is available on Nu's Investors Relations website: [www.investors.nu](http://www.investors.nu) in English and [www.investidores.nu](http://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".

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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**.

Starting with this quarter's results, we are introducing a new managerial reporting framework, including managerial indicators and our Managerial P&L. All financial metrics discussed and presented today reflect this framework.

Lago will provide additional details during his presentation.

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 similarly titled measures presented by 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.

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.

2025 was a fantastic year for Nubank, and Q4 '25 truly showed the strength of our business model. During the year, effectively most of our key indicators, from customer love to scale, engagement and profitability, moved in the right direction, while we continued to invest significantly on long term growth.

We closed the year with 131 million customers, adding 17 million net new customers, and maintaining an activity rate of 83%. Scale and engagement remain the foundation of our model.

ARPAC reached 15 dollars per active customer, up approximately 9% quarter-over-quarter and 27% year-over-year, driven by deeper monetization across our platform.

As a result of strong customer growth and higher ARPAC, revenues in Q4 '25 reached 4.9 billion dollars, up 45% year-over-year.

Gross profit in the period reached nearly 2.0 billion dollars, up 38% year-over-year. At the same time, we maintained discipline, with an efficiency ratio of 20% under the new methodology, even as we continued investing in our core markets and new technologies.

Net income reached 895 million dollars, translating into a record 33% ROE, while maintaining strong capital buffers and scaling our credit portfolio responsibly.

These results reflect the priorities we set and the discipline of execution throughout the year.

One way to see this execution is to look at what we put in customers' hands. Across our markets, we launched more than 100 new products and features. More important than the number was the intent: each launch aimed to deepen engagement, expand access, and strengthen unit economics. Individually, these initiatives are incremental. At scale, they compound.

In payments, we evolved PIX with AI-enabled features, launched instant payments in Colombia, and expanded Mexico's cash-in and cash-out network to more than 30,000 physical points.

In credit, we expanded responsibly, launching new payroll loan modalities in Brazil, the subscription-based credit card in Colombia, and rolling out programs like Fresh Start to help engaged customers regain access to credit. We also introduced the under-18 credit card, beginning to build financial relationships earlier in customers' lives.

In the affluent segment, Ultravioleta continued to strengthen our value proposition. For SMEs, we scaled credit products and launched tools like Charging Assistant to help small businesses manage cash flow.

Behind this execution was a clear set of priorities guiding our allocation of capital and talent throughout the year.

As you may recall, our top priority is to build the largest and most loved retail banking franchise in Latin America. In 2025, we made measurable progress across all three markets.

In Brazil, we became the largest private financial institution by number of customers, reaching 113 million with an activity rate of 86%. Scale and engagement continue to reinforce each other.

In Mexico, we reached 14 million customers, advanced our banking license process, and roughly half of our customers received their first credit card through Nu — reinforcing our role in expanding access to credit.

In Colombia, we surpassed 4 million customers, and the subscription-based credit card significantly increased approval rates while maintaining healthy unit economics.

In our digital ecosystem, we reached 12 million unique active customers across initiatives such as NuCel, NuPay, and Travel. Adoption remains early relative to our base, but growth and satisfaction indicators are compelling.

On AI and global expansion, our foundation model “nuFormer” is now in production for credit decisioning in Brazil and in testing across additional use cases. AI is already improving underwriting, conversion, and service quality — with PIX with AI surpassing 10 million monthly active users.

In January, we also received conditional approval from the OCC for a U.S. national bank charter.

Overall, we delivered on our 2025 priorities while strengthening the foundations for what comes next.

Let me now turn to how we are thinking about 2026.

As we enter 2026, we see this as an inflection year, the year we begin transitioning from a Latin American leader to a global digital banking platform. Our priorities are organized around three pillars.

First, winning in our core markets. Brazil and Mexico will continue to absorb the majority of our capital and management attention. In Brazil, we will deepen leadership in the mass market, expand share of wallet and ARPAC, strengthen SME, and grow our high-income presence through Ultravioleta. In Mexico, finalizing our banking license process is critical as it unlocks the next phase of credit growth and customer depth. In Colombia, we will continue scaling credit and bringing a number of new products. Across all three markets, our focus remains on experience, principality, and monetization.

Second, strengthen foundations for international expansion. During 2026, we will lay the operational groundwork for our U.S. opportunity, building on the conditional bank charter approval. Latin America remains our primary growth engine.

Third, AI as a superpower. We will expand nuFormer to lending in Brazil and credit cards in Mexico, and continue putting AI directly into customers' hands, moving closer to our long-term vision of an AI-powered personal banker in every customer's pocket.

With that context, I'll hand it over to Lago to walk through the quarter's financial results.

**Guilherme Lago:** Thank you, David, and good evening.

Before moving into the quarter's financials, I will briefly explain an evolution in our disclosures.

As Nubank has become a multi-product, multi-segment, and multi-country platform, we are introducing a Managerial P&L to provide a clearer view of value creation and internal performance.

This evolution does not change economic reality. It only clarifies it. The Managerial P&L is derived exclusively from our IFRS results and represents a structural reorganization of IFRS line items designed to enhance comparability and better reflect economic contribution.

The framework preserves net income, cash flow, equity, and regulatory capital, and is fully reconciled to IFRS.

The key benefit is clearer visibility into how margins, operating leverage, and value creation evolve as the platform scales across multiple products, segments and geographies.

To support this new disclosure, we are publishing a detailed Managerial P&L Reconciliation Report on our Investor Relations website, including the full bridge to IFRS and the complete methodology. We have also updated historical data back to the first quarter of 2021 under this framework.

With that context, I will now walk through the quarter's performance already using the Managerial P&L.

We ended the quarter with a total portfolio of 32.7 billion dollars, up 40% year-over-year, driven primarily by credit cards and unsecured lending.

Credit cards increased 12.2% quarter-over-quarter, the strongest quarterly growth since the end of 2023. This reflects continued limit expansion in Brazil, supported by our foundational credit model, along with typical fourth-quarter seasonality.

Unsecured lending balances surpassed 8 billion dollars, with record-high originations of 4 billion dollars in the quarter.

Secured lending grew 3.8% quarter-over-quarter. Recent changes to FGTS regulations reduced new originations by more than half, though the impact on the outstanding portfolio remains limited given the longer-duration nature of these loans.

We remain comfortable with the portfolio's growth trajectory and risk profile, underpinned by disciplined underwriting and our evolving credit models.

I'll now turn to deposits, where we continue to build a scalable and resilient funding base.

We ended the quarter with total deposits of 41.9 billion dollars, up 29% year-over-year, with growth across all three countries.

In Brazil, growth reflected typical fourth-quarter seasonality, including the 13th salary. In Mexico, following pricing and product adjustments in the third quarter, deposits resumed growth in the fourth quarter.

On funding costs, we saw improvement across all geographies. The cost of deposits declined to 87% of the interbank rate on a consolidated basis by quarter-end, reflecting mix dynamics, disciplined pricing and seasonality.

Deposits remain a strategic lever for us, strengthening balance sheet resilience, supporting earnings, and reinforcing customer engagement, while we continue to manage pricing with discipline to preserve attractive economics.

Turning to NII, CLA, and risk-adjusted margins.

Net interest income increased 13% quarter-over-quarter, driven by portfolio growth and improved funding costs, especially in Mexico.

Credit loss allowances increased primarily as a function of growth. As we expanded credit card limits and balances, provisions rose mechanically due to front-loaded origination accounting, while underlying credit quality remained stable.

We also recorded a one-off item related to Mexico. As background, Prosofipo is a sector-wide deposit insurance fund to which all Sofipos are required to contribute to. As the largest Sofipo in the country, Nu was required to make an extraordinary contribution of approximately 25 million dollars, which is reflected in interest expenses this quarter. This is a one-time, non-recurring regulatory levy on the sector, not a reflection of the credit quality or financial health of our Mexican operation.

Risk-adjusted NIM closed at 10.5% and would have been broadly stable quarter-over-quarter excluding the Prosofipo contribution.

Moving to asset quality.

As our portfolio has diversified across products, segments and geographies, we are now presenting consolidated NPL metrics. We believe this provides a more holistic view of credit quality across the platform.

Given Brazil's relative size, trends remain largely driven by the Brazilian portfolio, where credit performance continues to track our expectations, supported by disciplined underwriting.

Early-stage delinquencies, measured by 15–90 NPLs, improved for the fourth consecutive quarter, declining 20 basis points to 4.1%, partially reflecting the seasonality of the quarter in Brazil.

As a result of prior improvements in early delinquencies, 90+ NPLs declined 10 basis points to 6.6% in the quarter.

Coverage ratios remain strong, both on a total balance basis and over 90+ NPLs, providing continued comfort around loss absorption.

We typically see a seasonal uptick in 15–90 day NPLs in the first quarter of the year. This pattern is expected for next quarter, aligned with historical trends.

Overall, we see no signs of deterioration and remain comfortable with our credit quality indicators.

Turning to gross profit.

Gross profit reached nearly \$2 billion in the fourth quarter, up 38% year-over-year.

In terms of composition, float contribution increased, reflecting strong deposit inflows in Brazil and improved funding economics in Mexico following the pricing adjustments implemented in the prior quarters.

Fees also performed well, driven by strong purchase volumes, supporting the largest quarterly increase in our credit card market share in Brazil over the past ten quarters.

The credit component reflected higher front-loaded credit loss allowances, consistent with the strong portfolio growth in the quarter.

Looking ahead, we will remain credit-first. Credit represents the largest profit pool in financial services and is a key driver of engagement and relationship depth across our platform.

At the same time, fees and float provide diversification and support a more resilient gross profit profile as we continue to scale across products, segments and geos.

Going to the efficiency ratio now. As part of our disclosure evolution, we updated the methodology for calculating this metric to better align with industry practice and enhance comparability. Details of the new methodology are included in the appendix, and we are also presenting the ratio under the prior methodology for reference.

Under the new methodology, the efficiency ratio declined to 19.9%, falling below 20% for the first time. This reflects operating leverage, with net revenues growing faster than operating expenses, even after typical fourth-quarter seasonality in marketing and transaction costs.

In the fourth quarter, we recognized approximately 22 million dollars of transition expense provisions related to our return-to-office decision, which becomes effective in mid 2026. These costs are temporary and not indicative of the ongoing run rate.

Looking ahead, as David outlined, 2026 is an investment year. We are laying the operational foundations for global expansion and accelerating the adoption of AI and other new technologies across the platform. These are deliberate investments in long-term capacity, and they will likely put upward pressure on the efficiency ratio in the near term.

We are comfortable with that trade-off. The structural drivers of operating leverage — revenue growth, scale, and disciplined cost management — remain unchanged, and we expect efficiency to continue improving over the medium term as these investments begin to generate returns.

To close the P&L review, net income.

In the fourth quarter, net income increased 50% year-over-year to 895 million dollars, delivering a record-high ROE of 33%, while we continued investing in growth and maintaining robust capital buffers.

This includes certain non-recurring items in the quarter: a positive impact of approximately 58 million dollars on net income related to the remeasurement of deferred tax assets following the CSLL rate increase in Brazil, and a negative impact of approximately 29 million dollars related to return-to-office provisions and the Prosopifo levy in Mexico.

Together, these results demonstrate the scalability of our model: growing earnings while sustaining high returns.

Turning to capital and liquidity.

At the Holdings level, total capital stands at 8.9 billion dollars. Of that, (i) 3.6 billion covers regulatory requirements across our three geographies, (ii) 2.2 billion represents excess capital in our operating entities, and (iii) 3.0 billion dollars sits at Nu Holdings as unrestricted cash and equivalents, available to fund both continued growth in our core markets and our global ambitions.

On liquidity, available funding of 38.8 billion dollars represents approximately twice our net credit portfolio of 19.0 billion dollars — which represents our gross credit portfolio net of credit card accounts payable — providing significant headroom to continue scaling credit responsibly while also seizing opportunities coming from further balance sheet optimization.

Our capital and liquidity positions reinforce our ability to invest in growth from a position of strength — and that is exactly what we intend to do.

Taken together, our capital and liquidity positions are not simply a reflection of past performance — they are the foundation for what comes next. We enter 2026 with the financial strength to win in our core markets, the firepower to accelerate globally, and the discipline to do both responsibly.

Thank you, and we're happy to take your 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:** Thanks operator. Could you please open the line for Mr. Eduardo Rosman from BTG Pactual?

**Eduardo Rosman, BTG Pactual:** I have a question for David Velez regarding AI. David, do you see a risk that Nu could be disrupted by AI? Or do you see Nu as a potential winner in this transformation? It would be great if you could elaborate a little bit since I think the stock and then the sector in the U.S. has been suffering lately because of that.

**David Vélez:** Sure. And the answer is both. It is both a challenge and has potential for disruption as well as significant opportunity. Net-net, we think it's more opportunity than challenge for us. But we have to take it pretty seriously, and we are taking it very seriously.

A couple of ways to think about it. I think there is one specific trend or one common denominator across every technology transformation, and this goes all the way to even the internet era, which is any business model that relies on simply moving bytes from point A to point B, where you're effectively a broker, tends to be heard the quickest because one of the things that technology does is remove a lot of that friction in those processes.

So I think some of the commentary that has been around in the market about financial services is, I think, businesses in financial services that are simply moving money from one point to another point will have a higher risk of potential disruption. You need to be able to add more value than that. And I think from that

angle, we think -- we have always believed that credit, specifically, credit revenue is actually the most sustainable type of revenue in financial services because of the capital intensity, the regulatory nature of it, the balance sheet aspect and the proprietariness of the data where AI plays a role and ultimately allows you to make a better decision on that.

So I think from one angle, there is potential for challenges around the business model, but I think we're very well positioned given the way we are set up and the strength around credit. That we have. I think a couple of our opportunities are really on the revenue side. And as a reminder, our package is \$15 a day and our incumbent competitors are something like \$40, so we have a significant opportunity to increase ARPAC, is around new cross-sell and new products that can be delivered to the very significant consumer base that we have.

And I think everything around cross-sell, everything about using the data that we already have to offer new products and services, it's a big opportunity and nice and enabler. And here, we've discussed a few times over the past year the significant lift that we're seeing when we're using our own foundation model on credit but also cross-sell and a number of other revenue-related opportunities.

And then you have the cost side, and I think the cost side is a little bit more clear. I think every single company really might benefit from that, where every function that you do, especially as a bank from customer service to compliance to regulatory to AML, will be significantly enhanced or is being significantly enhanced through AI.

So net-net, I do think that there are potential disruptive vectors in some of the business models. But I think when you think about the fact that 95% of the world's financial services profits are still concentrated in incumbent banks that still have significantly larger cost structures, means that we're very well positioned to take advantage of AI as a technology enabler for revenue and cost and ultimately be one of the winners in this technology shift.

**Guilherme Souto:** Operator, could you please open the line for Mr. Jorge Kuri from Morgan Stanley?

**Jorge Kuri, Morgan Stanley:** Congrats on the numbers. I wanted to ask a question about your loan growth for the quarter. And I guess it's a two-part question. First, can you help us dimension the impact that your CLIP increases are having on your credit card growth? To what extent -- I know there is evidence in the seasonality, but if we think at the year-on-year growth, how much do you think came from those CLIP increases? How much of that acceleration in credit cards, do you think, is still going to roll over into 2026?

And then the second part is on FGTS. Is there a way to quantify what was the headwind on your loan book based on FGTS? In other words, excluding FGTS, what would have been the portfolio sequential growth?

**Guilherme Lago:** Thanks for the questions. Let me try to slice them in those 2 parts. So your first question was on the CLIP. Look, this was a year in which we have deployed this new technology and approach to credit underwriting very successfully so far in allowing our customers to increase their credit limits, especially in Brazil so far.

And the best way for me to kind of illustrate the magnitude of this increase is, Jorge, maybe, refer you to Explanatory Note #32 of our financial statements in which we are then starting to provide, what I call, the unused credit limits. And you can see that unused credit limits went from about \$18 billion to \$29 billion,

so an increase of about \$11 billion, which accounts for about 60% increase in unused credit limits. It's a big one.

And I think it wouldn't be possible for us to do so if we hadn't been leveraging the entirety of the predictive AI credit underwriting tools that have been kind of developed by us over the past 18 to 24 months. Have we seen all of those benefits translated into net income? The answer is no, not yet. So usually, I think at least I see some kind of credit limit increase playing out in 3 steps.

First, you have to offer additional credit limits. Then the credit limit translates into purchase volume. And then you have to see whether the purchase volume will then translate into IBB. We are starting to see the first step, Jorge, which is, in the fourth quarter of 2025, our market share in purchase volume in Brazil has gone up by about 50 basis points. It was the biggest market share gain that we've seen in Nubank over the past 10 to 11 quarters. There's 2 more to come, and then we still have to see kind of all of those purchase volumes reflecting into IBB.

Even though 2025 was, I think, a big sign of the magnitude of this ability to increase CLIP, I don't think it will stop there. You will continue to see this kind of unfolding in new models and new improvements throughout 2027 -- 2026, 2027 and onwards. And I would also say that the advent of predictive AI technology will not stop at CLIP Brazil, right? It will be and is being exported to clip Mexico, clip Colombia, and then we're going to go acquisition Brazil, acquisition Mexico and what -- you're going to go to fraud. It's going to go to deposits, pricing and designs. So it's -- there's a plethora of options that we're going to be leveraging on. So that's my attempt to address your first question, Jorge.

The second question was on FGTS. So the new regulations of FGTS came into effect on November 1, 2025. And we have seen our originations of FGTS loans dropping by about 50% to 60% in the period in which the new regulation has become effective. It was more than offset by the growth in public consignado, in public payroll loans, but it has certainly been a headwind to the origination of this very kind of interesting asset class.

**Jorge Kuri, Morgan Stanley:** And is there a way to quantify that? Thinking about it on a quarter-to-quarter basis, what would have been the total balance of credit expansion excluding that? So instead of the 11% FX-neutral quarter-on-quarter, what would have been the number without FGTS?

**Guilherme Lago:** Yes, it would have been about 13% to 14%.

**Guilherme Souto:** Operator, could you please open the line for Mr. Pedro Leduc from Itau BBA?

**Pedro Leduc, Itau BBA:** A little more as you look into 2026 and I'm going to use some of the prepared remarks there, especially in terms of efficiency trajectory. You mentioned that there might be some pressures. I want to see if you can maybe go into detail about it.

And of course, it's a ratio. And also as I'm trying to think about revenues, of course, you're ending on a very high pace of loan book, NII. But as I look forward, can you help us understand a bit on the drivers when we see funding costs go down, if we can see that continuing a little bit on the portfolio. Just help us think a bit about these drivers now that you are already 33% ROE.

**Guilherme Lago:** Leduc, thanks for the question. Look, I will refer to Slide 16 of our earnings deck, which brings the efficiency ratio evolution. And we have seen, kind of over the past quarters and years, the continuation of the operating leverage potential of the organization. We wanted to highlight very clearly

that we may see some kind of upward pressure on efficiency ratio in the coming quarters, i.e., in the short term, like the next 4 to 6 quarters.

As a result of very deliberate investments, I would bucket them in 3 categories. Number one is we have recently announced a return-to-office policy, right, and starting on July 1, 2026, employees will start going back up to the office 2 times per week. That means that we're going to have to kind of prepare the offices, increase the leased area to welcome our employees as they prepare to come back to the office.

We believe that this will bring enormous benefits to the company, including some kind of ingenuity, kind of innovation, coordination, but it does come with an increase in OpEx in the short term, and we wanted to clarify this. I would say that the return to the office will likely bring our efficiency ratio, all else constant, up by about 80 to 100 basis points.

The second bucket, I would say, Leduc, is all of the investments that we are making in AI and new technologies. So that brings new talent that we have to hire, eventually new investments in R&D and research in GPUs that will have kind of a short-term cost, which we believe will be way, way, way more offset by the medium-term gains that we're going to have, but we will not shy away to make investments in talent, R&D and GPU to maximize the impacts of our efforts in AI.

And I would say that kind of we have return to the office. You have AI. And the third one is globalization. So there is a lot of investments that we are making in laying down the foundation for us to go beyond Brazil, Mexico and Colombia. And no, a substantial amount of those expenses are not capitalized and are incurred in 2026, first, to collect revenues and margins in the following years. So that's the direction. I wouldn't be able to provide you, Leduc, at this point in time more kind of a precision on the effect of all of the 3, but we think that they would put some kind of upward pressure in the coming quarters.

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

**Yuri Fernandes, JPMorgan:** Congrats on the year. Most metrics, they look very good. But there is one line here that I think investors are a little bit more puzzled this quarter. That is the tax rate, right? And I know there are managerial adjustments, and we see some incumbents in Brazil also having similar adjustments. So I think it's easy to understand and explain. But regarding this quarter, and maybe Lago can help me here, I would like to understand what drove the lower accounting tax, if this was the DTA? And you have lower DTAs, but just checking if this was DTA, some kind of tax-exempt bond, IOC. And maybe some kind of color going ahead, what should we expect for the tax rate for Nubank?

**Guilherme Lago:** Sure. So Yuri, look, I think the lower effective tax rate in the fourth quarter can be explained by, I would say, largely 2 things: 1 completely non-recurring and 1 recurring. What's the non-recurring one? So about beginning of December 2025, the federal government approved an increase in the corporate income tax applicable to fintechs, including those like Nubank that essentially kind of increased progressively the corporate income tax from about 40% to 45% starting in 2026 and then going all the way in the next 2 years.

Even though that, in the medium term, is a headwind for our effective tax rate, in the quarter in which this kind of legislation is passed, we have to remeasure our deferred tax assets. So our DTAs remeasure up, and that increase in the DTA, which was about \$58 million, Yuri, is recognized in the fourth quarter of 2025, decreasing the effective tax rate in the quarter. So that's the portion that I attribute as a nonrecurring one-off event.

The recurring one is that as we increase the amount of investments that we have been making in technology across the firm in Brazil but also in the other countries, we end up also benefiting from the kind of a technology investment tax breaks that some of the governments provide. And that may increase a little bit the OpEx, but they are more than offset by lower effective tax rate. Those are the 2 aspects that have kind of impacted ETR this quarter.

**Yuri Fernandes, JPMorgan:** So very clear, Lago. And you also had the non-recurring on the Prosofipo, like the deposit as you mentioned, so not the same magnitude but also negative versus this tailwind you had in the quarter.

**Guilherme Lago:** No, Yuri. No, that's precisely clear. I think we have basically 3 one-offs in the quarter, right, what I would say. One is the \$58 million DTA reassessment that we just discussed. The other 1 was the about \$25 million one-off expense of the Prosofipo. And the third one was the \$22 million provision expense for the return-to-office program, right? So those are the 3 moving parts that we have: DTA positive, return to the office negative and Prosofipo negative.

**Guilherme Souto:** Operator, could you please open the line for Mr. Mario Pierry from Bank of America?

**Mario Pierry, Bank of America:** I wanted to focus a little bit more on the provision expenses, right, because we did see your cost of risk go up this quarter. And last quarter, if I recall, you were talking about your ability to extend credit to existing clients because you're employing AI and then you're seeing a lower cost of risk in this reverse this quarter. So I wanted to understand a little bit better what happened with provisions in the quarter.

Also, if you can talk a little bit -- you showed your NPL is relatively stable. But this is a consolidated NPL, correct? And before, you were showing us Brazil NPL only. It seems like your NPL on a consolidated basis is lower than the previous number. Just trying to understand why the NPLs, as you're expanding into Mexico especially, are seeing lower NPLs in Mexico than you had in Brazil?

**Guilherme Lago:** Mario, thanks so much for the questions. Let me try to address each of them in order. So the first one is we did have an increase in CLA items this quarter. And I would be very clear. This was entirely attributed to growth, not to any type of asset quality deterioration experienced in the quarter. So we didn't see -- we saw asset quality performing very much in line with our expectations, including the seasonality trends. And now we are on February 25, and we continue to see our asset quality metrics. They're trailing our expectations very well in all asset classes in Brazil, in Mexico and in Colombia.

So we watch this kind of quite closely, but as of now, we have not seen any signs of degradation in our asset quality. What we have seen to justify the increase in CLA is not only the increase in the credit book in itself, which you can see kind of in Slide 11 that grew by about 11% quarter-over-quarter, but also, Mario, in the increase in credit limits, unused credit limits, which do not show up as credit portfolio per se but are exposures for which we do need to build CLA.

So again, CLA growth, entirely driven by growth in exposure, not degradation of assets. The one thing that I would highlight, at least, Mario, that I like to see going on a recurring basis when I look at those numbers is like NPL formation was fairly stable, 3.6 to 3.5, Stage 3 formation fairly stable. And one metric that I personally look as a ballpark, Mario, is the CLA divided by average credit portfolio.

So it used to be like 3.9 fourth quarter '24, then 4.3, then 3.9. Then in the third quarter of 2025, we went down a little bit from 3.9 to 3.3, and now it's back to 3.9. So I think the third quarter, as we updated them, all those with higher recovered ratios, it may have come kind of slightly below. Now it's going back to 3.9. I'm sure you're going to ask the question what's next. I think what's next is something around or below the average between 3.3 and 3.9 on the coming quarters, of course, something that we don't control, but that would be more or less our expectations with the mix that we have today.

So that's your first question. I think your second question was on the NPLs. Would you provide kind of now consolidated NPL trends, simply because as we grow the book internationally with Mexico, Colombia and hopefully, other countries in the next years, we start to see those metrics kind of better representing the economic reality of the company rather than looking at Brazil only. However, if we were to post the Brazil-only NPL charts, they would equally show kind of a fairly benign trend of asset qualities, moving very much in the direction of seasonality that we expect to see in the fourth quarter.

And then your question about, look, how can you actually aggregate Mexico and Colombia and get to lower NPLs, it is justified mostly by the write-off policies that we have in those countries than on the risk of those countries. So for example, in Mexico and Colombia, we can have shorter write-off policies than we have in Brazil, and that kind of affects the overall NPL calculations.

But in general, Mario, no concerns at this point in time with asset quality. It is a super point -- super important to highlight, and I know that you've been following this for many years, so I speak more for -- to the other participants of the call. Fourth quarter of every year, we usually observe a benign movement in NPLs because of seasonality, but equally, we do expect to see kind of an uptick in NPLs in the first quarter of 2026, also following natural seasonality, right?

**Guilherme Souto:** Operator, could you please open the line for Mr. Gustavo Schroden from Citi?

**Gustavo Schroden, Citi:** My question is regarding credit products and also client mix. We could see a relevant increase in loan book for credit cards and personal loans, but I'd like to explore more secured loans. Lago explained that the FGTS change recently, indeed, has impacted the evolution of this portfolio. But I'd like to understand the appetite for payroll loans, I mean, public and private payroll loans, how the bank sees these products, we should expect some, let's say, replacement of FGTS by this private payroll loans mainly. So any view on that would be great.

And also about the client mix, could you explain to us how the bank is evolving in this, let's say -- exploring the affluent market, I mean, mid- to high-income customers, especially after this increase in credit limits? That would be great.

**Guilherme Lago:** Thanks for the question. Let me try to address the first one on the breakdown of originations of our secured loans, and then David may address the second one on our performance in both the, what we call, super core and high-income segments.

So I would basically divide our, what we call, secure loan portfolio in 3, right? So we will have the FGTS. We have the public payroll loans, and we have the private payroll loans. So FGTS is the one that has recently received kind of a negative impact from the new regulations starting on November 1, 2025. It has dropped our originations by about 50%, and we continue to have a very good dialogue with the government to try to influence the agenda for 2026 and 2027.

We have become market leaders in FGTS. It is and it used to be a very good product, and we believe it will continue to play an important role in the formation of our secured lending book. Even if regulations don't change, it will probably play a smaller role than it could have played before. But that's bucket number one.

Bucket number two, public consignado or public payroll, which I put here, including both SIAPE and INSS, we are very bullish on this. We think it is still a market that has a lot of opportunity to increase efficiency in the intermediation and in the distributions. We can offer products at materially lower cost than most of the other market participants. And it's now finally entering into time in which we will see interest rates drop in Brazil.

And with that, we hope that kind of portability will pick up, and we like to believe that we're going to be one of the biggest beneficiaries of that -- of the trend. So I think it is one that we think regulation is there. Portability is there. Interest rate cycle is there. So we are bullish that this will kind of have an even faster growth in 2026.

The third bucket is private consignado. So this is a product with which we are very, very optimistic and bullish on a structural form by which I mean it is a way for fintechs such as Nubank to have access to information and to customers who used to be primarily served by incumbent banks, which own the payroll service of large corporates in Brazil. So it's a massive opportunity for us. And it's one that we will lean in as soon as we see the mature improvements in credit risk that this product offers.

We are still not seeing that. I think part of that is kind of a counterparty risk of the corporates. Part of that is the collateral is not yet operating at its full potential. We, however, think it's a matter of when, not a matter of if.

Gustavo, you've also been following this quite closely for some time. You may recall that when public consignado was introduced a few years ago, it took kind of a year, 1.5 years for everything to -- all of the collaterals to be working well. And we are just waiting for this to happen for us to lean in more heavily.

Now let me pause here, see if you have any follow-ups and then pass the floor to David for him to comment on the affluent part of your question.

**David Vélez:** I think I'll say that the secured lending side continues to be a very significant opportunity for us. I think growing within that existing profit pool has been probably more complicated than we expected given the significant operational complexities that the product has.

There are a fair amount of features that need to be built into the product, specifically around portability. Most of the growth of those products are portability and when customers are doing that portability, you need a lot of different integrations. There's also a fair amount of fees. All of that friction is going away. I think the tailwind, if there's one consistent tailwind in Brazilian financial services, is that all that friction and cost that historically have improved or had made it harder to move towards the best product, it's going away.

So we're seeing accelerating market share gain, and we're building a lot of those features, and we're getting significant share on the secured line. So while I wish the traction to date had been significantly higher, I think every single month, we're seeing an acceleration of market share and the tailwinds are helping.

On the high-income side, we continue to see very good growth. Again, this is a competitive environment. It's a competitive segment. A lot of banks, incumbent banks and others are going upmarket. We define upmarket for us as customers are making above BRL 12,000 per month. So this is not 1% of Brazilians. This is probably closer to 10% of Brazilians. And within this consumer base, we already have 2 out of 5. About 40% of those Brazilians in that bracket are customers of Nubank today.

They're just not really using us as their primary card. We are the third card. We have small share of wallet. A lot of the times was because we gave them a low credit limit initially. And if we had opportunities to improve credit limits on mass market and we're seeing that with AI models, we have even more opportunities to improve credit limits on high income because the customer type that we didn't really understand.

So we have to fix credit limits, which we're doing. We have to improve the value proposition of the product, specifically on credit cards, which we are. Over the past couple of quarters, we launched new improvements, different cash back rates. We announced a lot of integration with our NuTravel platform. So it's a really good product where we guarantee the price of any ticket or hotel that you book in our app. We're seeing customers getting significant value out of that. So it's very well integrated with the travel value proposition.

We announced our frequent flyer lounge in Guarulhos in São Paulo. That is getting a lot of acceptance. So there's a long path of opportunities that we have to improve the product on the credit card side. And we see that translating into increasing market share. This segment for us grew something like 40% year-over-year and is gaining share across our portfolio. So we're seeing good traction. A lot of these investments are paid off.

The second part of the value proposition is investments, which you might know that, obviously, we've discussed a few times. It's taken a while for us to build a very, very compelling investment value proposition in our app. We're getting very close. We are close to really product parity. We now have all the products that this segment needs in our app. We have fixed income products, equity products, crypto products. We have all the type of visualizations that this customer is asking for. So we're getting very close to having a very good investment platform that it's critical to win this high-income segment.

So overall, these 2 specific opportunities that you mentioned, they are not 1-, 2-quarter opportunities where you're significantly gone. These are long journeys of a lot of product improvements, but we feel very good about the progress we've made and the opportunity we have ahead.

**Guilherme Lago:** And Gustavo, just one additional point. We mentioned about the mass market, which, in our definition, our customers will earn up to BRL 5,000 per month. And then you asked about what is called high income, which are customers who earn more than BRL 12,000 per month, which was the answer that David had provided.

But in the middle, which is what we call super core, i.e., customers who earn from BRL 5,000 to BRL 12,000 per month, it is the segment in which we are growing the fastest, right? So as David mentioned that in the high income, we've been growing at about 40% per year. In what we call super core, we are growing at about 100% in 2025. So I would kind of invite you and others to kind of segment this at least in 3 parts. And I think there's a massive opportunity for us to go into the super core there as well.

**Guilherme Souto:** Operator, could please open the line for Neha Agarwala for HSBC?

**Neha Agarwala, HSBC:** Keep it short. Just wanted to follow up on the private payroll segment. We do understand your concerns regarding operational complexities at this point, but we do see a lot of other lenders being more aggressive in this market. And the market has doubled during 2025. Do you see the risk of some of your customers who might have personal loans with you going -- or have a credit card with you going to other banks and taking private payroll loans and ultimately, their leverage increases and that could impact the asset quality for those customers for you on the unsecured side?

**Guilherme Lago:** Yes, very good question. And yes, we are very mindful of those 2 risks, which I call kind of the cannibalization, i.e., customers borrowing from another bank and kind of us losing the primary banking relationship. That's one. The second one is structural subordination, right? So customers borrowing and providing the collateral and ourselves becoming structurally subordinated to someone else. The same can be made when we lean in into this product.

Even though we have been very mindful of this, we have not yet seen any evidence that any of those 2 risks that you've laid out are materializing within our customer base. In fact, most of the customers who have been applying for private payroll loans have been customers with higher credit risk, at least that has been our experience, and most likely customers who would not be entitled to have access to unsecured personal loans or even sometimes to unsecured credit cards. But it -- but we are tracking this very, very closely.

In terms of the growth of the market that you've also pointed out now, I would highlight that there are a few things to adjust to in this growth. One is there's just a natural shift from asset classes that were considered private consignado without the collaterals that were instituted by the government and are just now migrating to the new private consignado. Those are usually loans that have been carried by kind of the more traditional incumbent banks, and they account for a fairly substantial portion of what is seen as the growth of this new asset class, i.e., is just migration from the old to the new.

The second one, we now see the kind of players playing in this space with very 2 kinds of different approaches. The incumbent banks who have relationships with the corporates when it comes to payroll loans, are more focused on the lower risk customers, and the digital players are more focused on the higher-risk customers. But when we step back, we are seeing this market operating with first losses of low double digits, which is not yet conducive to the quality of the collateral that this product can have.

Once we see kind of a credit improvement as the product will deliver, we will not shy away to leaning very heavily and the term cannibalization is just not a term that we use. We will be there offering the best product for our customers irrespective if they will actually use the proceeds to prepay or repay higher yield assets. We are not moving ahead with this as strongly as others not because of the risk of cannibalization but more because of conservatism with credit risk.

**Neha Agarwala, HSBC:** Understood, Lago. And in terms of cannibalization, yes, your NIMs might go down, but risk-adjusted NIMs might not be impacted as much even if you replace the credit from unsecured to secured with some of your customers, right?

**Guilherme Lago:** That's correct. The other component of that, Neha, is that you may see, at some point in time, the amount of capital that you have to allocate to private consignado possibly being lower than the ones for unsecured. So not only risk-adjusted NIMs may be preserved or even increased in an absolute amount, but the return on equity may be as appealing, if not more appealing because you have to post lower capital to that. Yet to be defined.

**Neha Agarwala, HSBC:** I just wanted to understand why not offer the private payroll. And I understand that there are complexities, and you can price for those complexities and collateral not working smoothly. Why not offer it to some of the customers whom you deem to be riskier and you don't want to give them an unsecured loan at this point? Why not start off with the secured private payroll loan with them and price it accordingly?

**Guilherme Lago:** Yes, we most certainly could. I think what we are saying is that the benefits of the collateral for the higher-risk customers have not proven to be material enough to justify a substantially different credit underwriting or pricing policy to date. But again, just to be super clear, I think it is a matter of when, not a matter of if. This is a good product. This is a good structure. This will benefit kind of consumers, by and large. We just don't think that is yet ready to be kind of the product in which we will lean in that heavily at this point.

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

**Tito Labarta, Goldman Sachs:** I guess my question is following up a bit more on expenses. First, you talked about 2026 being an investment year and thinking more about global expansion. Just help us think a little bit about what investments are needed there because, I mean, you got the initial license pre-approval, I guess, in the U.S. But are there more investments that you need to make in the U.S. already in 2026? Just help us think about what are these investments that you need to lay this global foundation.

And then also just specifically in the quarter, because if I look at the accounting P&L, which, I guess, is more comparable to the estimates that are out there, there was a big jump in expenses, and I know there was the one-off from the return to office but marketing expenses jumped quite a bit. G&A expenses jumped a bit. If you can just give some more color, what specifically drove those increases in operating expenses in the quarter would also be helpful.

**David Vélez:** Thanks, Tito. Quickly in the U.S., we will continue to invest. I mean, kind of we are investing more, mostly on team building and product. It's de minimis. It's not a significant source of investing for launch in the U.S. We did announce a number of bigger marketing partnerships over the past couple of months. And those really are related to both our core markets as well as the U.S. and potentially future markets around the world.

So there is a bit of an increase in marketing. There are team increases that we're having for the U.S. launch. But I wouldn't say they're going to -- they expect to be significant in 2026.

**Guilherme Lago:** And then, Tito, on your questions about the breakdown of our OpEx in the fourth quarter of 2025, I think the marketing one is a traditional seasonal one. It usually spikes a little bit in the fourth quarter of the year. The other one was incorporated in the tax breaks related to technology investments. So many of the increases in Lei do Bem that are recognized as OpEx, but they actually drive quite a bunch of off-tax efficiency. But nothing extraordinary or nonrecurring other than those 3 moving parts that we've mentioned.

**Tito Labarta, Goldman Sachs:** Okay. No, super helpful. And maybe just one quick follow-up for David. Any just initial thoughts on what the expansion plan in the U.S. will be, like just a high-level footprint on what you're targeting segments, go to market there? Any color or thoughts that you can provide would be super helpful.

**David Vélez: Sure.** On a very high level -- and we're not really ready yet to disclose specifically what the strategy there is going to be, but at a very, very high level, this is the largest market in the world. And while, at a very high level, it seems like a very saturated or competitive market in certain segments, when you dig in into subsegments in certain niches that, by the way, happen to be the size of Brazil, we actually find opportunity to solve a number of consumer problems that are similar to what we've done in the past.

So we're going to have a very targeted strategy. We're going to be very disciplined on investing. There are a lot of focuses on certain potential geographies or subsegments that we are interested about. You're not going to see us kind of shooting in all directions here because it's a bit of a long journey, and we fully acknowledge that this is a very competitive and sophisticated market in certain areas. But we do think that it's -- there are opportunities for us to create a meaningful business in certain subareas of the United States.

**Guilherme Souto:** So thank you, everyone. We now have approached 60 minutes of the call, so we are now concluding today's call. On behalf of Nu Holdings, our Investor Relations team, I want to thank you very much for your time and participation on Nu earnings call today. Over the coming days, we will be following up with questions received tonight but we are not able to answer. And 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.