



Nu Holdings Ltd. Reports Third Quarter 2022 Financial Results

São Paulo, Brazil, 14th November, 2022 – Nu Holdings Ltd. (NYSE: NU | B3: NUBR33), (“Nu” or the “Company”), one of the world’s largest digital financial services platforms, released today its Third Quarter 2022 financial results. Financial results are expressed in U.S. dollars and are presented in accordance with International Financial Reporting Standards (IFRS). The full earnings release has been made available on the Company’s Investor Relations website at www.investors.nu, as well as the details of the Earnings Conference Call Nu will hold today at 5:00pm Eastern time/7:00pm Brasília time.

“Nu reported a net profit of \$7.8 million in the third quarter, breaking even at the holding level with record revenues of \$1.3 billion and year-on-year growth of 171%. Our customer base grew to over 70 million with a record high activity rate of 82% and a leading customer satisfaction score in our industry. We continue to launch and cross sell best-in-class products, while keeping a low-cost tech platform with low cost of funding and a widening profit margin. While we saw increased delinquency in the quarter, consistent with the market trend, our risk-adjusted margins expanded by 100bps, showing we are being able to price increased risk appropriately. Nu is well capitalized and is positioned to deliver growth at scale in the long term”, said David Vélez, founder and CEO.

Q3’22 Results Snapshot

Below are Q3’22 performance highlights of Nu Holdings Ltd.:

Operating Highlights:

- **Customer growth:** Nu added 5.1 million customers in the quarter reaching a total of 70.4 million customers in Brazil, Mexico and Colombia. This represents a 46% growth year-over-year (YoY) and positions Nu as one of the largest and fastest-growing digital financial services platforms worldwide, as well as the sixth largest financial institution in Latin America by number of active customers.
- **Engagement and activity rates:** Monthly Average Revenue per Active Customer (ARPAC) expanded to \$7.9, growing by 61% on a FX neutral basis (FXN)¹, reflecting the maturation of Nu’s customer cohorts, increasing customers’ activity rate and the rollout of new financial and non-financial products. Activity rate² hit a new historical high mark growing to 82%. Nu has become the primary banking relationship for over 55% of the monthly active customers that have been with Nu for over a year.
- **Low-cost operating platform:** Staying consistently stable throughout the quarters, Monthly Average Cost to Serve Per Active Customer remained at \$0.8, underscoring the Company's ability to scale its platform leveraging sustainable cost advantages.
- **Asset Quality:** 15-90 NPL ratio at 4.2% while 90+NPL reached 4.7%. These come as the result of two main factors: first, the deceleration of personal loan origination to increase credit resilience, and the subsequent mathematical increase on NPL ratio as the volume of originations decreases and therefore the denominator in the equation. Second, the general macro-trend deterioration observed across financial institutions in the region.

Financial Highlights:

- **Net & Adjusted Income:** Nu reported breakeven at a holding level, posting a Net Income of \$7.8 million in Q3’22 and Adjusted Net Income³ of \$63.1 million. These results reflect the sustained increase in the number

of active customers and higher consumer engagement, which bolstered the revenue growth, combined with operating leverage and scale benefits of our low-cost platform.

- **Revenue:** we delivered another record quarter with \$1.3 billion in revenues, increasing 171% YoY FXN, as Nu continues to effectively upsell and cross sell its expanding portfolio of products across different segments.
- **Gross Profit:** Nu reached a record high gross profit in Q3'22 with \$427.0 million, increasing 90% YoY FXN. On a sequential basis, the company's efforts to continuously reduce funding costs positively impacted gross profit margin, which expanded 2pp to 33%, after four quarters of compression.
- **Capital:** Nu reinforces its positioning as one of the best capitalized players in the region with its adjusted capital reaching 4x the minimum regulatory capital in the countries in which it operates.
- **Liquidity:** Nu maintains significant excess liquidity with a loan-to-deposit ratio of 25%. On September 30, 2022, Nu had an interest-earning portfolio of \$3.5 billion, while total deposits were four times this amount at \$14.0 billion.

Business highlights:

- **Multi-Product Platform:** Nu achieved milestones across the different products of its portfolio with credit cards, NuAccounts and Personal loans reaching approximately 32 million, 50 million and 5 million active customers, respectively. Furthermore, NuInvest reached 6 million active customers, likely positioning itself as the largest digital investments platform in Latin America. NuCripto grew to 1.3 million active customers since its full rollout in July 2022, and the base of active SMEs customers expanded to 2.3 million.
- **Customer Base Growth:** Nu became the fifth largest financial institution in Brazil in terms of numbers of active customers, according to the Brazilian Central Bank. In terms of total customers, Nu expanded its customer base to 66.9 million, which represents 39% of the country's adult population. Purchase volume increased 75% YoY FXN, reaching US\$21.2 billion in Q3'22, already reaching a market share of approximately 12% of the total for the industry in Brazil.
- **International Expansion:** In Mexico, our second largest market, Nu's customer base increased to 3 million, consolidating its position as the largest issuer of net new credit cards in the country since H2'21. In Colombia, we reached 439,000 customers. Together, both Mexico and Colombia contributed with 500,000 new unique customers in the third quarter.

Footnotes

¹ FX neutral measures were calculated to present what such measures in preceding periods/years would have been had exchange rates remained stable from these preceding periods/years until the date of the Company's more recent financial information.

² Activity rate is defined as monthly active customers divided by the total number of customers as of a specific date.

³ Adjusted Net Income (Loss) is a non-IFRS measure calculated using Net Income adjusted for expenses related to our share-based compensation as well as the tax effects applicable to these items. For more information, please see "Non-IFRS Financial Measures - Reconciliation of Adjusted Net Income section" of our financial statements.

CONFERENCE EARNINGS CALL DETAILS

Nu will hold a Conference Earnings Call today at 5:00pm Eastern time/7:00pm *Brasília* time with simultaneous translation in Portuguese and English.

To pre-register for this call, please [click here](#)

A replay of the webcast will be made available after the call on the Investor Relations page: [click here](#).

Note on forward-looking statements and non-IFRS financial measures

This release speaks at the date hereof and the Company is under no obligation to update or keep current the information contained in this release. Any information expressed herein is subject to change without notice. Any market or other third-party data included in this release has been obtained by the Company from third party sources. While the Company has compiled and extracted the

market data, it can provide no assurances of the accuracy and completeness of such information and takes no responsibility for such data.

This release contains forward-looking statements. All statements other than statements of historical fact contained in this release may be forward-looking statements and include, but are not limited to, statements regarding the Company's intent, belief or current expectations. These forward-looking statements are subject to risks and uncertainties, and may include, among others, financial forecasts and estimates based on assumptions or statements regarding plans, objectives and expectations. Although the Company believes that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our prospectus dated December 8, 2021 filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended, and in our Annual Report on Form 20-F for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on April 20, 2022. The Company, its advisers and each of their respective directors, officers and employees disclaim any obligation to update the Company's view of such risks and uncertainties or to publicly announce the result of any revision to the forward-looking statements made herein, except where it would be required to do so under applicable law. The forward-looking statements can be identified, in certain cases, through the use of words such as "believe," "may," "might," "can," "could," "is designed to," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast," "plan," "predict," "potential", "aspiration," "should," "purpose," "belief," and similar, or variations of, or the negative of such words and expressions.

The financial information in this document includes forecasts, projections and other predictive statements that represent the Company's assumptions and expectations in light of currently available information. These forecasts, projections and other predictive statements are based on the Company's expectations and are subject to variables and uncertainties. The Company's actual performance results may differ. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein, and undue reliance should not be placed on the forward-looking statements in this press release, which are inherently uncertain.

In addition to IFRS financials, this presentation includes certain summarized, non-audited or non-IFRS financial information. These summarized, non-audited or non-IFRS financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. References in this presentation to "R\$" refer to the Brazilian real, the official currency of Brazil.

About Nu

Nu is one of the world's largest digital financial services platforms, serving over 70 million customers across Brazil, Mexico and Colombia. As one of the leading technology companies in the world, Nu leverages proprietary technologies and innovative business practices to create new financial solutions and experiences for individuals and SMEs that are simple, intuitive, convenient, low-cost, empowering and human. Guided by a mission to fight complexity and empower people, Nu is fostering the access to financial services across Latin America, connecting profit and purpose to create value for its stakeholders and have a positive impact on the communities it serves. For more information, please visit www.nubank.com.br

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