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# Q2 2022 Earnings Presentation

Aug 15, 2022



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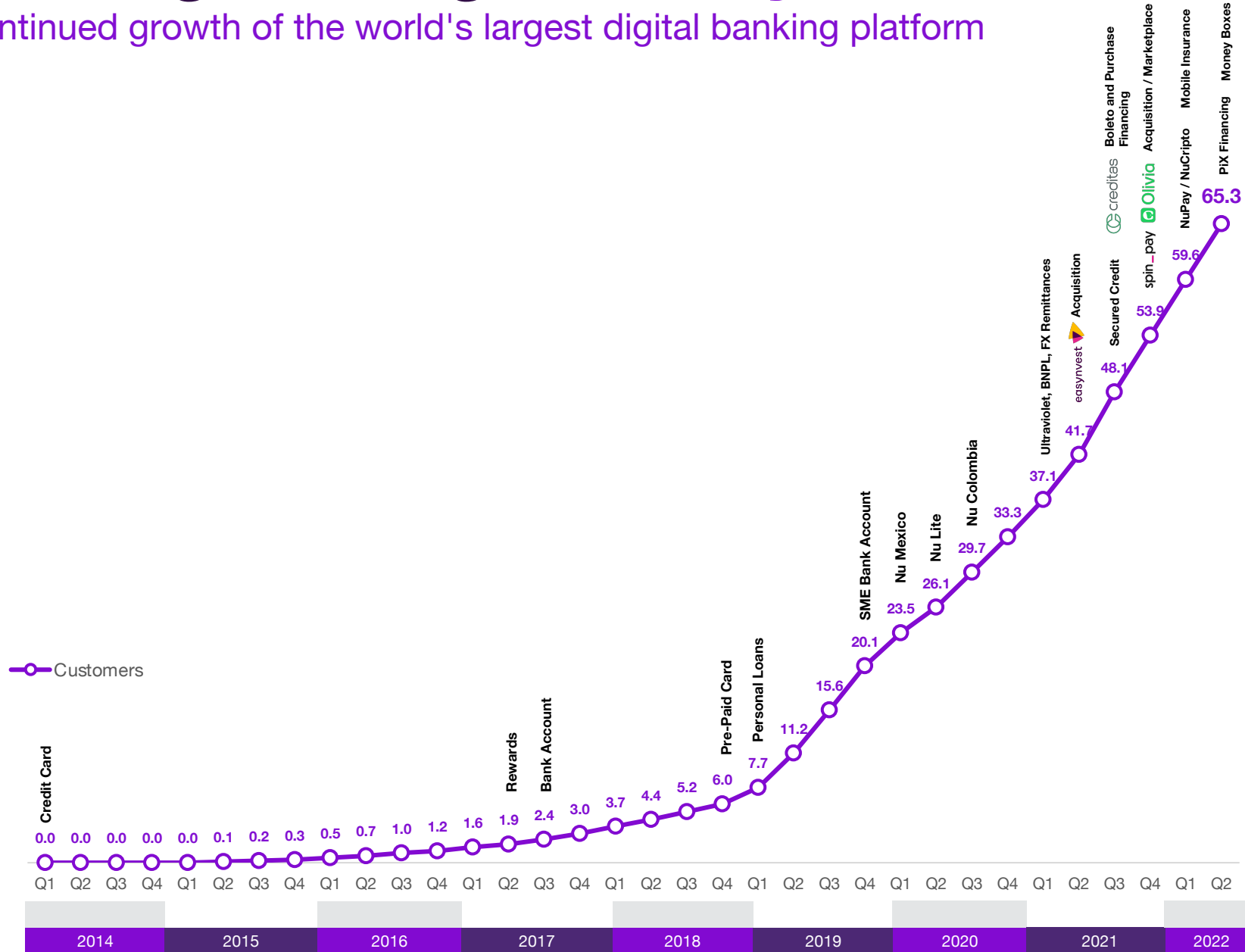
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In addition to IFRS financials, this presentation includes certain summarized, non-audited or non-IFRS financial information. These summarized, non-audited or non-IFRS financial measures are in addition to, and not a substitute for or superior to, 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.

# Cutting Through The Cycles

Continued growth of the world's largest digital banking platform



## Q2'22 Results

**65.3MM**  
 Customers (+57% YoY)  
 36% of adult population of Brazil

**52.3MM**  
 Active customers (+75% YoY)  
 80% Monthly activity rate

**US\$ 20.0Bn**  
 Purchase Volume (+94% FXN YoY)  
 11% Market share in Brazil

**US\$ 13.3Bn**  
 Deposits (+87% FXN YoY)  
 3% Market share in Brazil

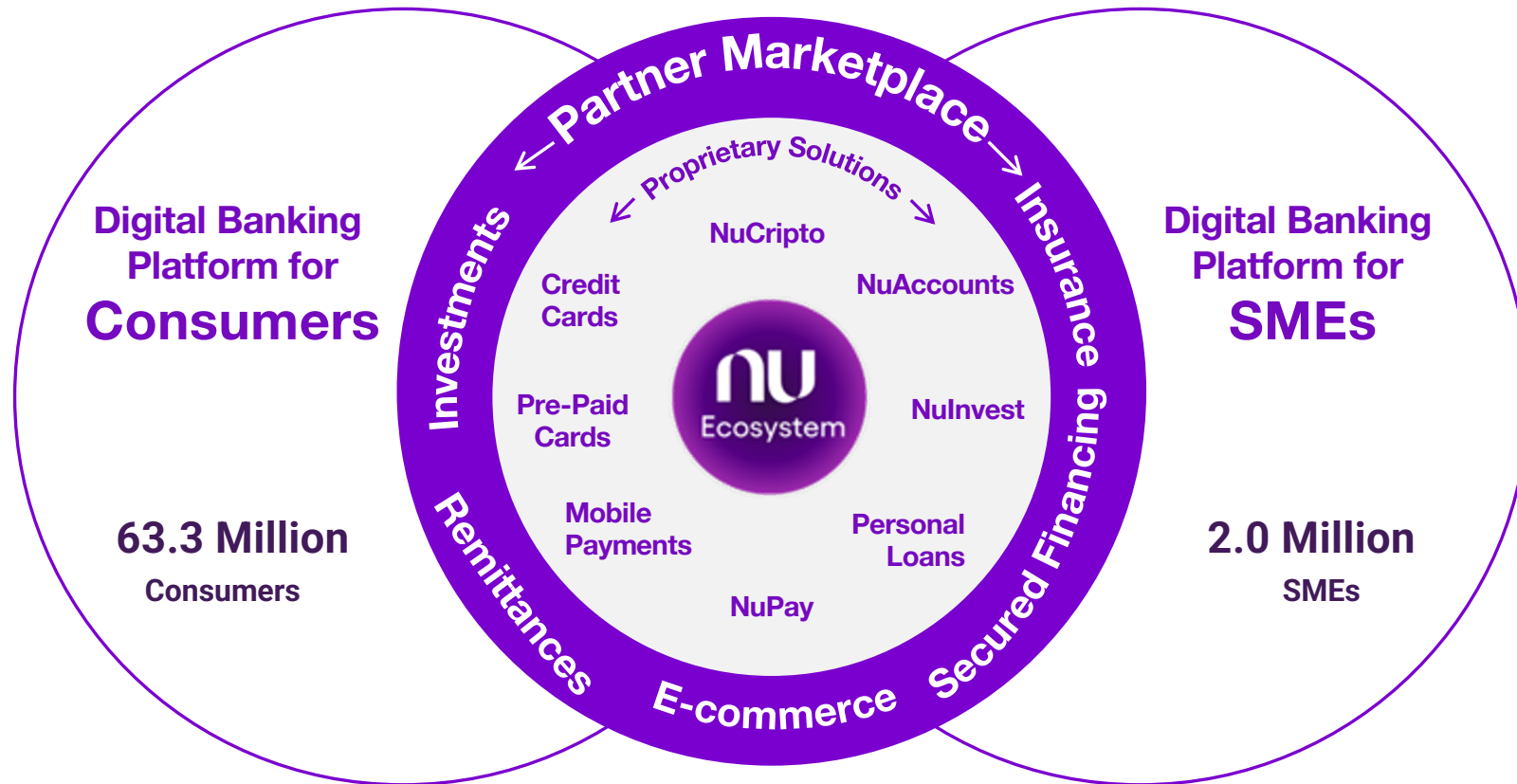
**US\$ 9.1Bn**  
 Credit Portfolio (+107% FXN YoY)  
 8% Credit Card Receivables Market share in Brazil  
 4% Personal Loans Market share in Brazil

**US\$ 1.2Bn**  
 Revenues (+230% FXN YoY)

**Note 1:** Adult population is defined as 15+ years. **Note 2:** Market Share: Purchase Volume and Deposits as of Q2'22, Credit Portfolio as of Apr'22. **Source:** Nu, ABECS, BACEN & IBGE.

# Powerful, Expanding Ecosystem Across the Five Financial Seasons

Spending. Saving. Investing. Protecting. Borrowing.



Our Markets



Brazil

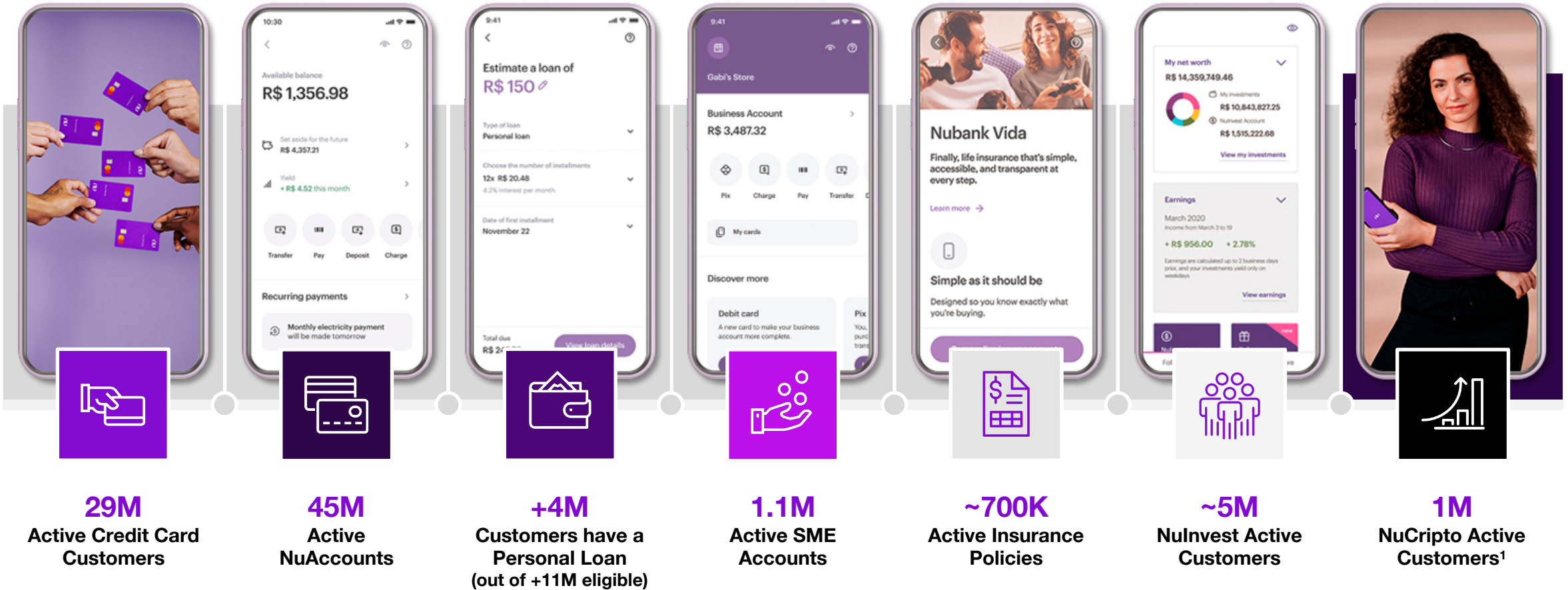


Mexico



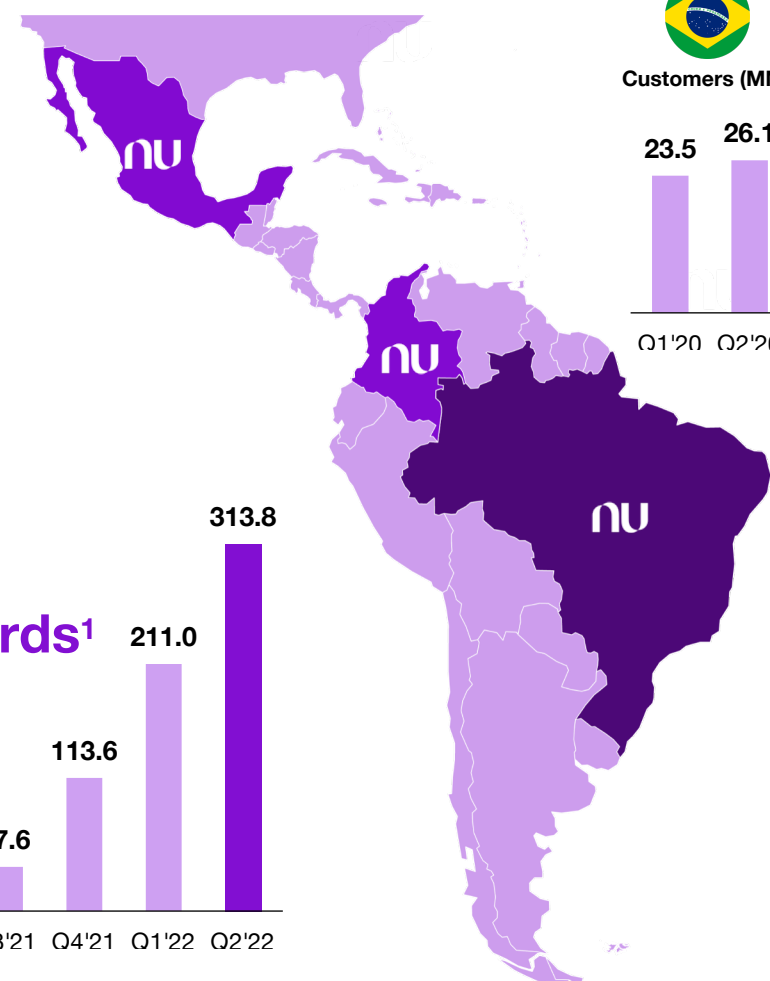
Colombia

# Moving From A Mono-product to a **Leading Multi-product Platform**

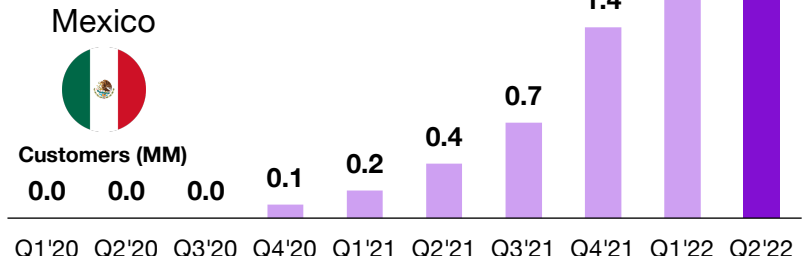


Note 1: NuCripto Number as of July 2022. Source: Nu.

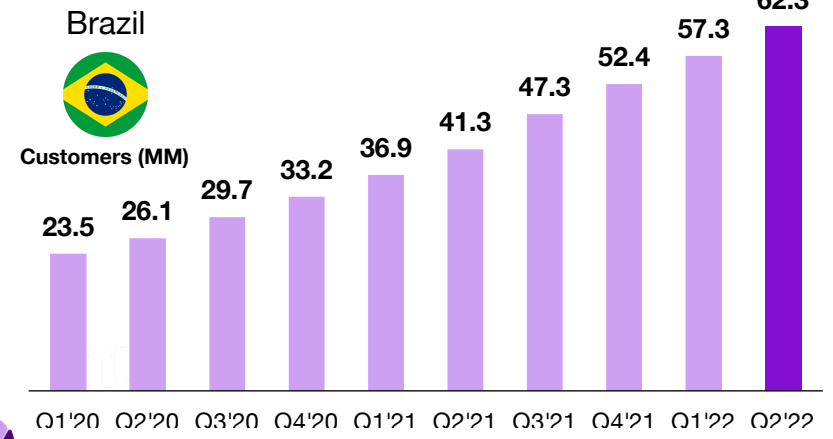
# Moving From A Mono-country to a Leading Multi-country Platform



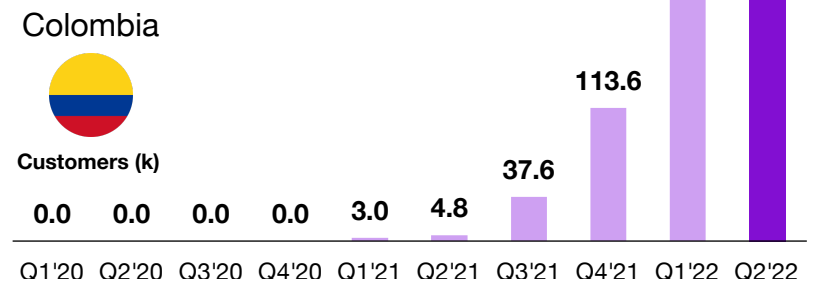
## #1 issuer of new cards



## #1 issuer of new cards<sup>1</sup>




## #1 issuer of new cards<sup>1</sup>



**Note 1:** Number presented net of churn. **Note 2:** Market data for Mexico & Colombia as of February. **Source:** BACEN, Banxico, SFC, Nu.

# Growth Paying Back And Leading Nu Brazil Into Positive Net Income

 Metrics	2020	2021	H1'22
Customers (MM)	33.2	52.4	62.3
Active Customers (MM)	21.7	39.9	49.8
Activity Rate (%)	65	76	80
Revenues (US\$ MM)	734.1	1,647.4	1,928.2
Gross Profit (US\$ MM)	326.3	723.7	660.4
Gross Profit Margin (%)	44	44	34
Net Income (Loss) (US\$ MM)	(87.1)	(19.7)	13.0
Adjusted Net Income (Loss) (US\$ MM)	(43.6)	56.5	60.2



**Note 1:** Numbers refer to operations of Nu in Brazil only and do not reflect the operations in other countries, such as Mexico and Colombia. **Source:** Nu.

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# Q2 2022 Results





# Our Model Powers Our Earnings Generating Formula



Rapidly Growing  
Customer Base

Increasing Revenue  
Per Customer

Low Cost  
Operating Platform

Substantial  
Earnings Power



ACTIVE CUSTOMERS



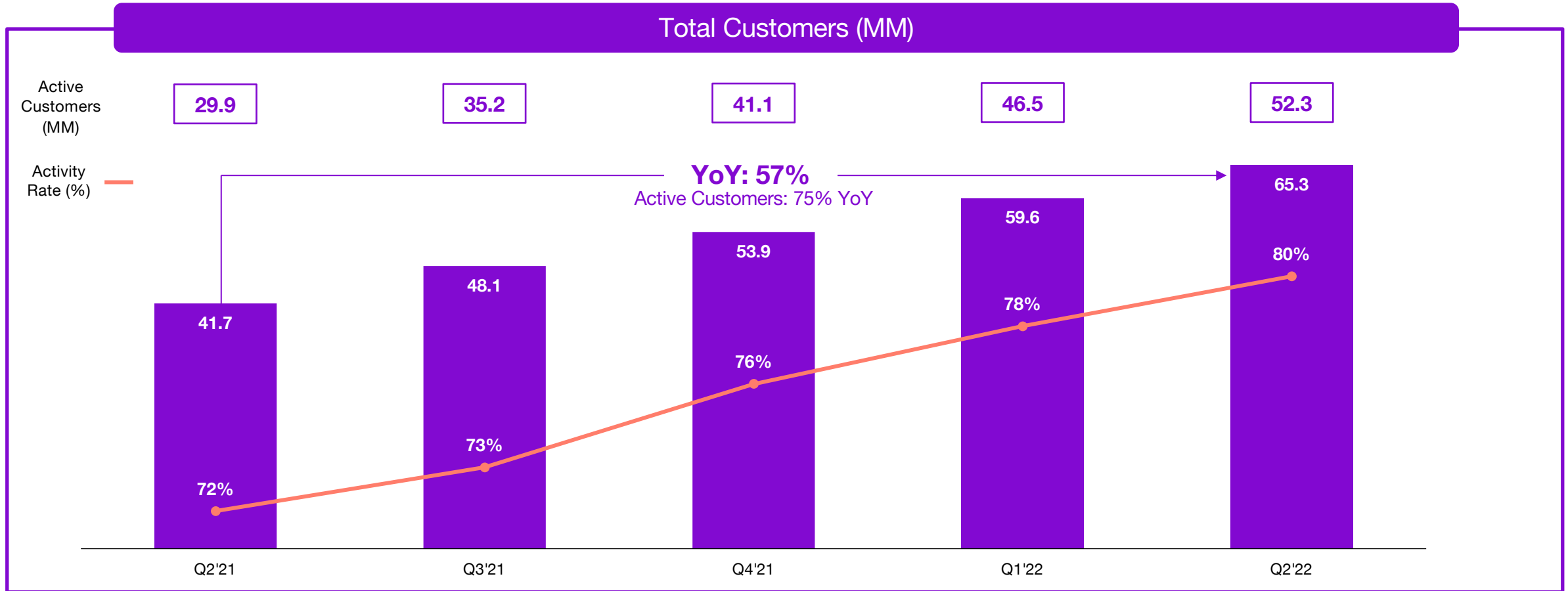
ARPAC



COST TO SERVE

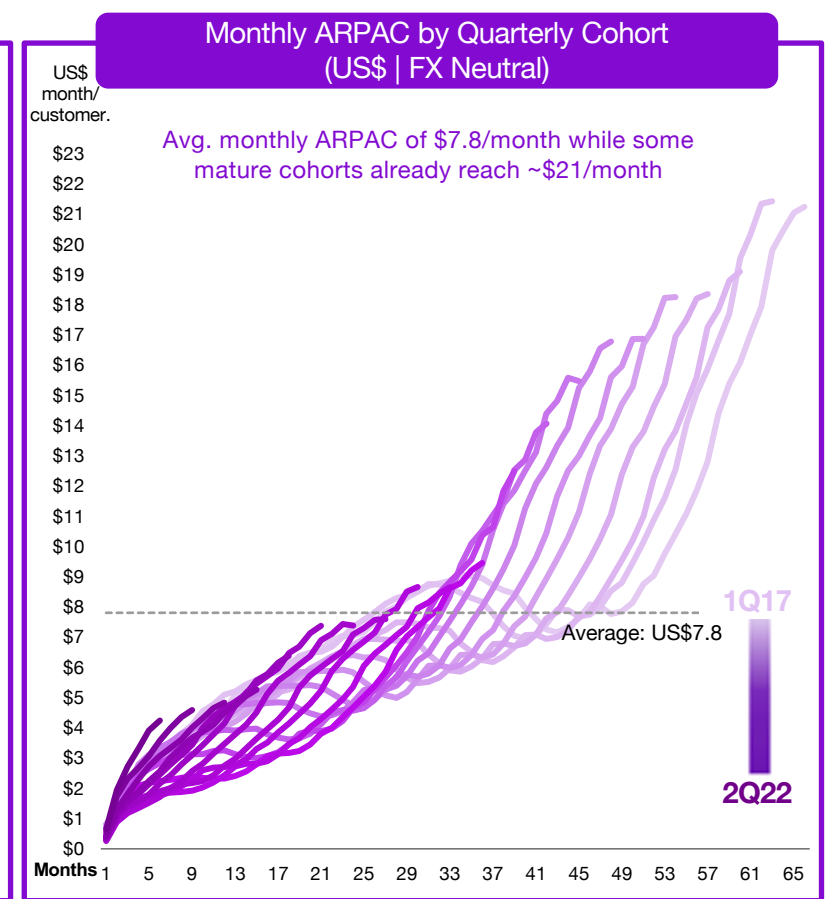
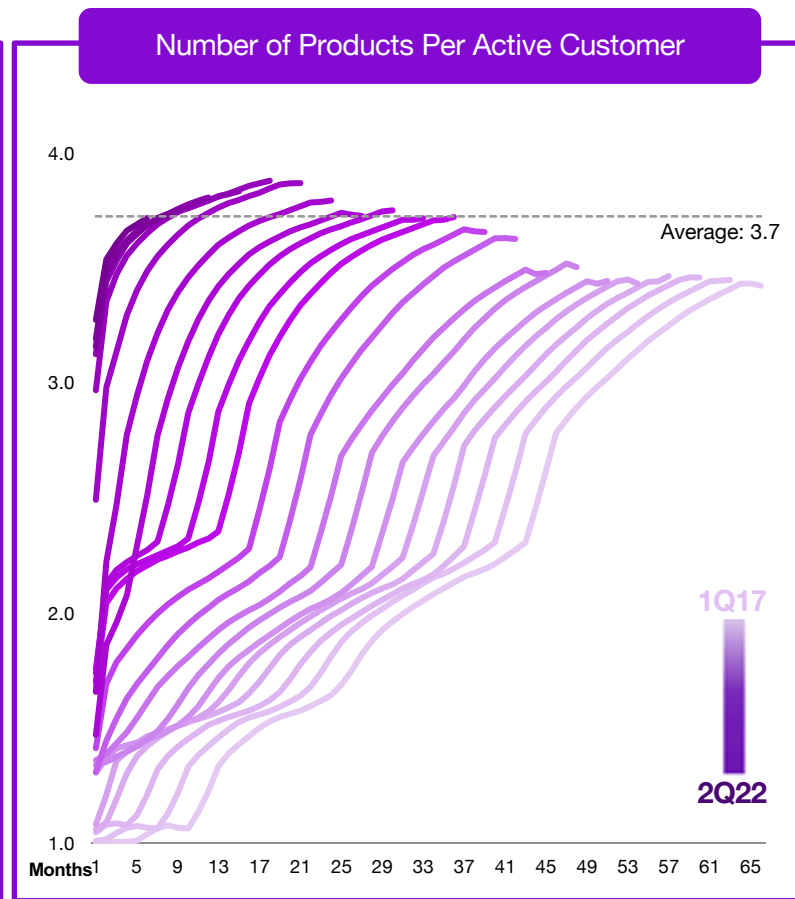
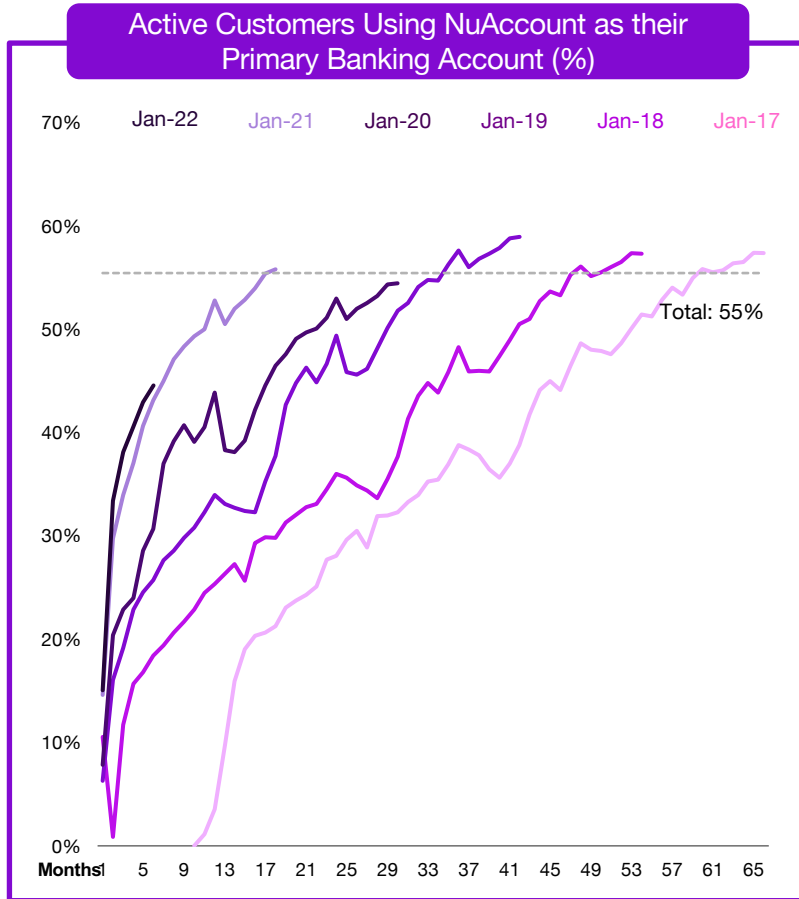


# Customer Acquisition and Activity Rate Continued their **Strong Momentum**



**Note 1:** "Activity rate" is defined as monthly active customers divided by the total number of customers as of a specific date. **Source:** Nu.

# Compounding Effect of More Engagement And More Cross-sell Driving ARPAC Expansion



**Note 1:** "Primary banking relationship" refers to our relationship with those of our customers who had at least 50% of their post-tax monthly income move in or out of their NuAccount in any given month. We calculate the percent of customers with a primary banking relationship as active customers with a primary banking relationship as a percentage of total active customers that have been with us for more than months. **Note 2:** "Number of products per active customers" refers to the number of active products an active customer has. **Note 3:** "Monthly ARPAC" is defined as the average monthly revenue (total revenue divided by the number of months in the period) divided by the average number of individual active customers during the period (average number of individual active customers is defined as the average of the number of monthly active customers at the beginning of the period measured, and the number of monthly active customers at the end of the period). **Note 4:** The averages are calculated for the entire user base for each metric respectively. **Source:** Nu.

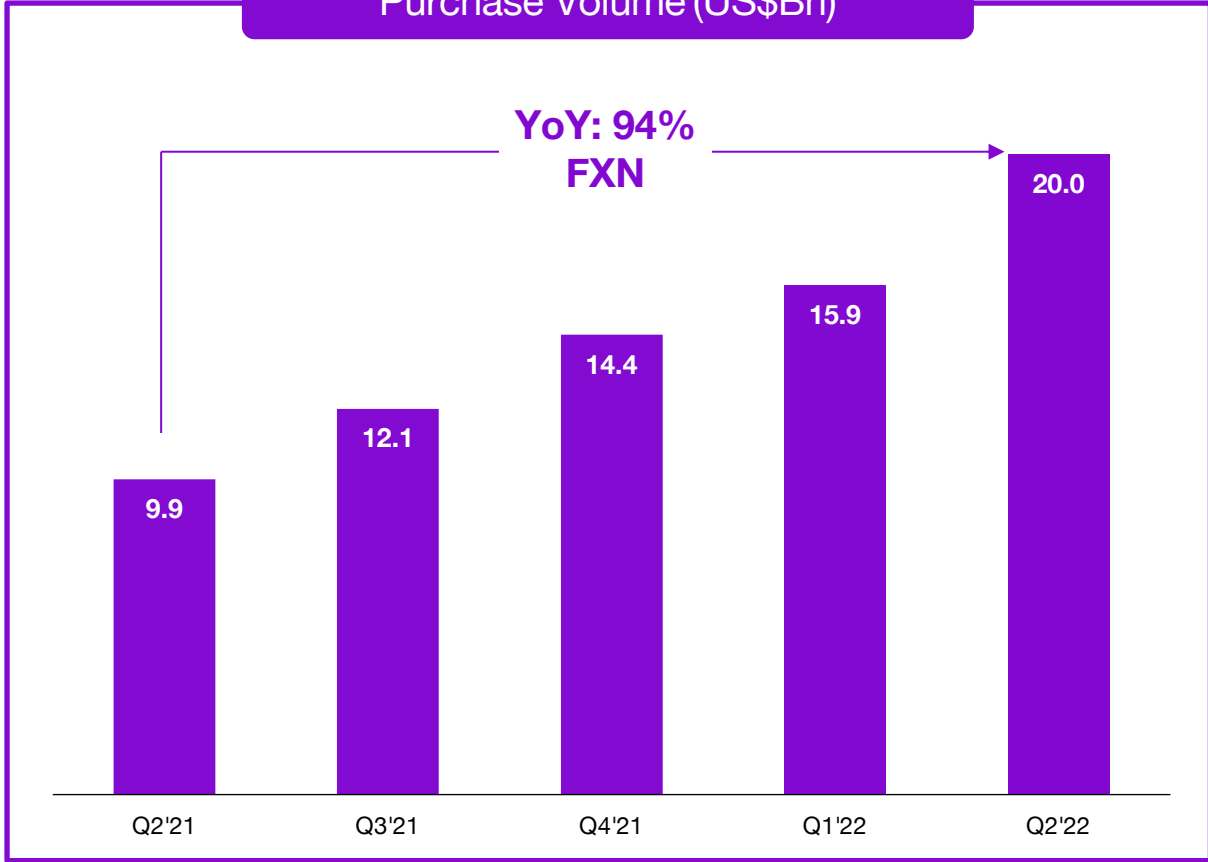
# Compounding Effect of Customer Additions and **nu** ARPAC Expansion Driving Revenue Growth



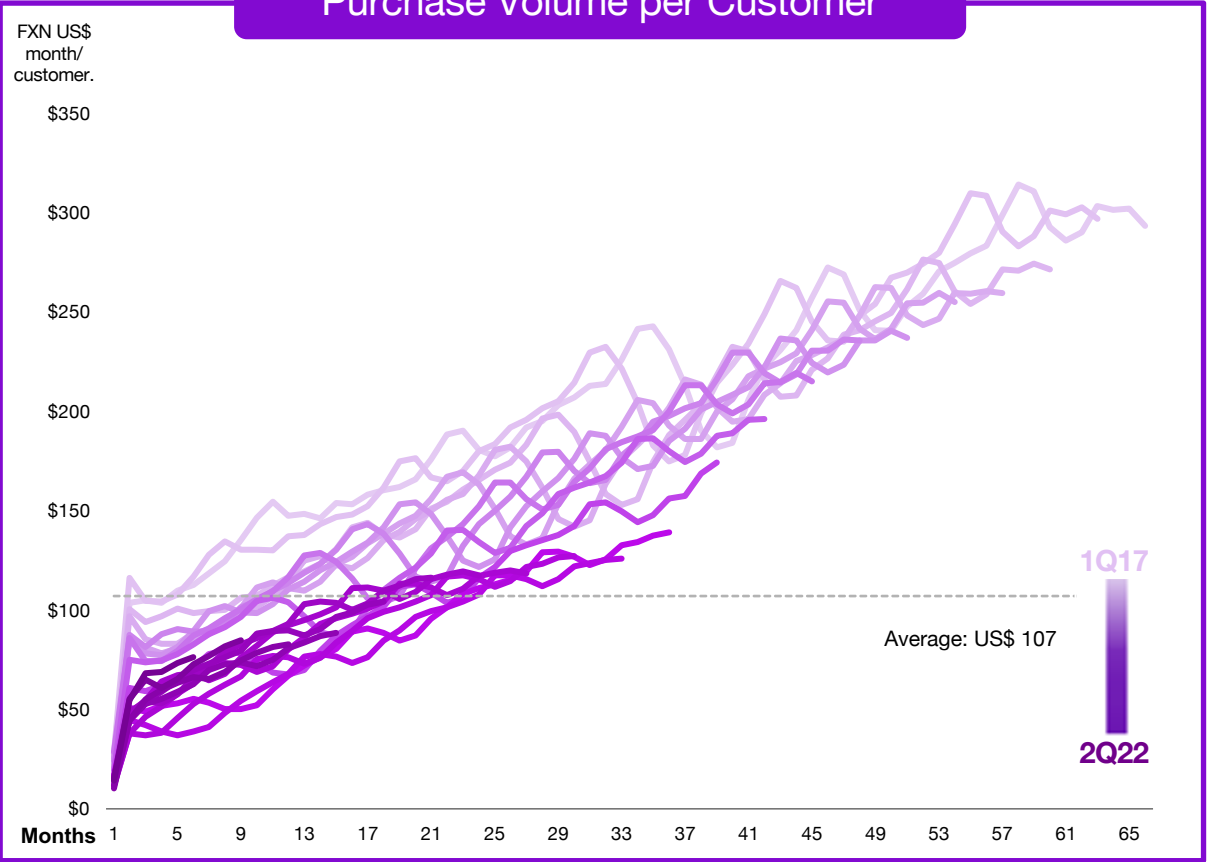
**Note 1:** Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. **Note 2:** "Monthly average revenue per active customer" or "Monthly ARPAC" is defined as the average monthly revenue (total revenue divided by the number of months in the period) divided by the average number of individual active customers during the period (average number of individual active customers is defined as the average of the number of monthly active customers at the beginning of the period measured, and the number of monthly active customers at the end of the period). **Source:** Nu.

# Strong Purchase Volume Growth Driving Consistent Market Share Gains

Purchase Volume (US\$Bn)

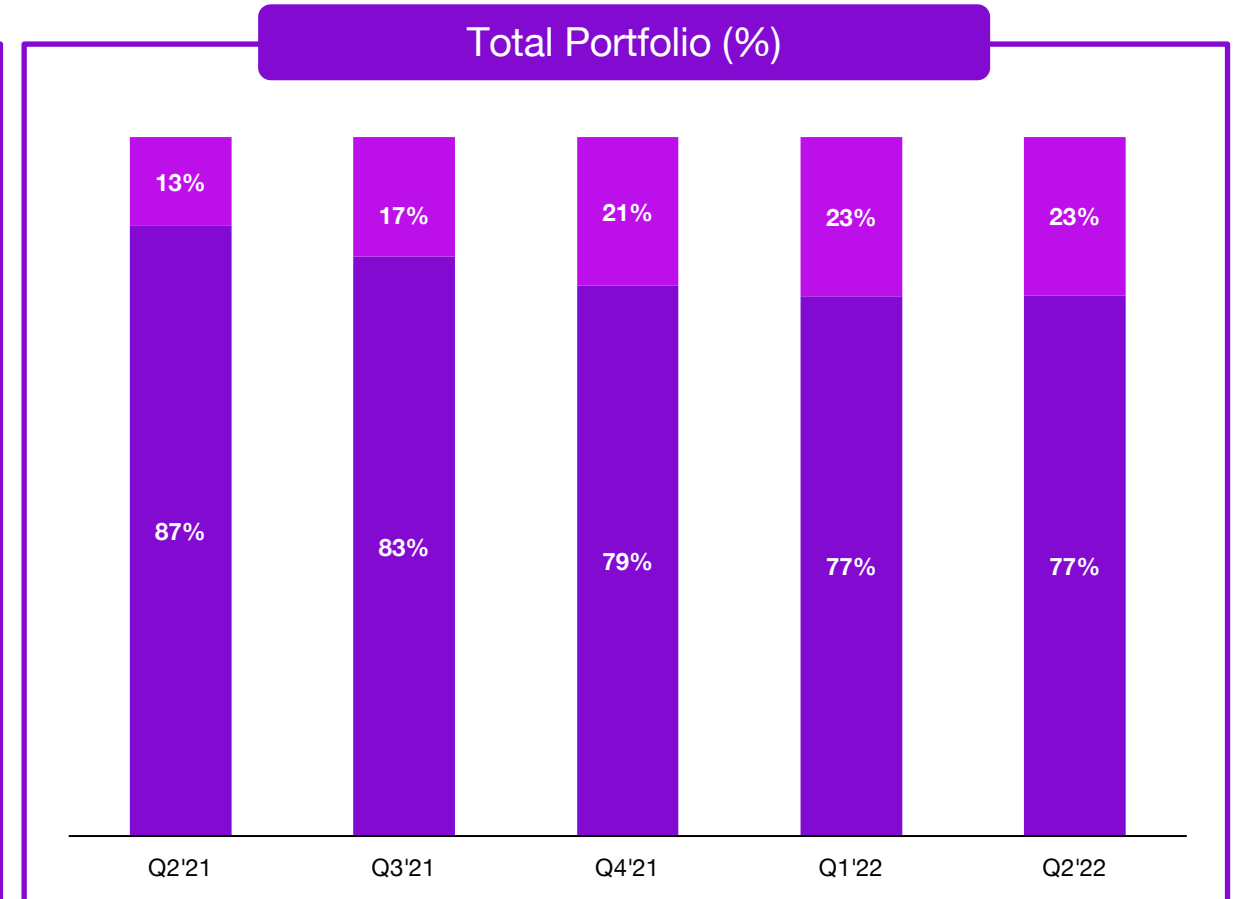
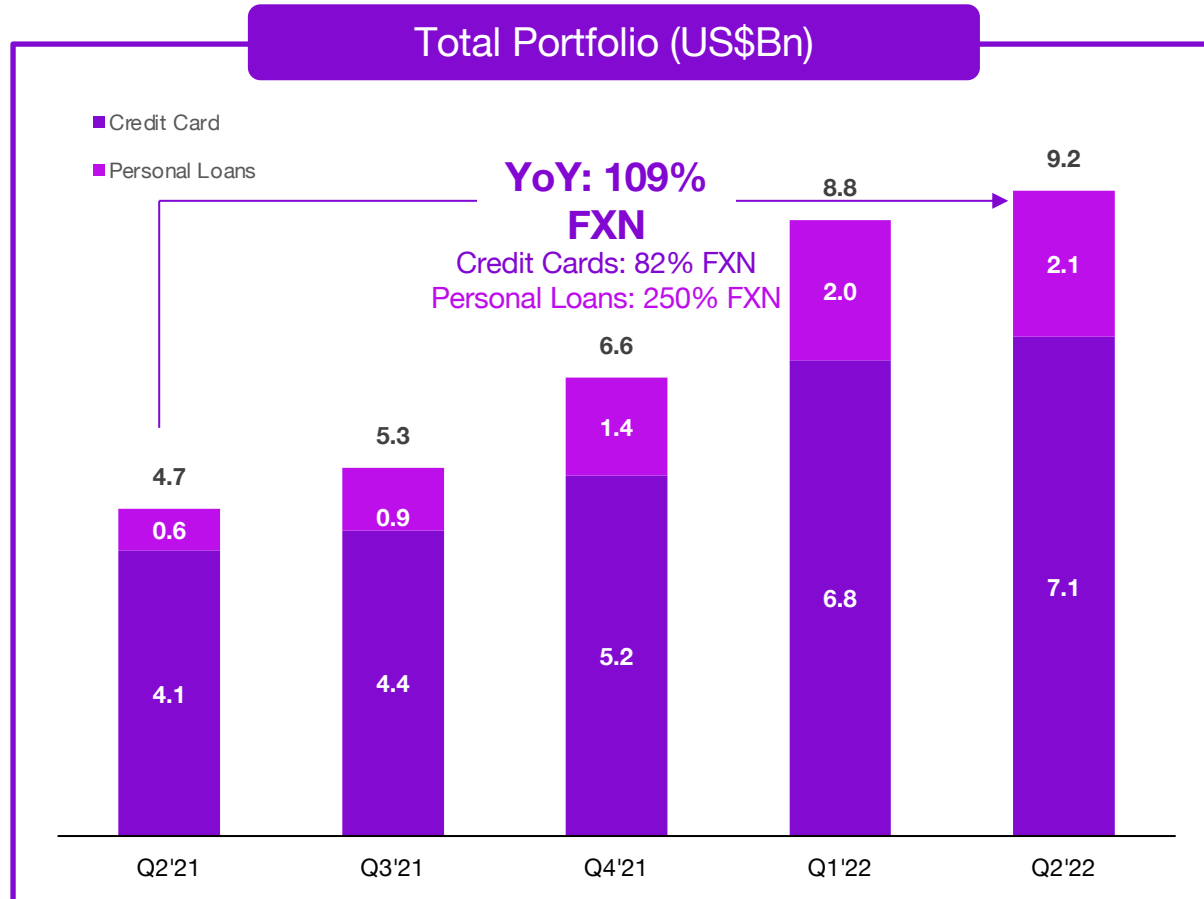


Purchase Volume per Customer



**Note 1:** The average represents the average monthly purchase volume per customer defined as the total purchase volume of the period divided by the number of months in the period, divided by the average number of individual customers during the period (average number of individual customers is defined as the average of the number of monthly customers at the beginning of the period measured, and the number of monthly customers at the end of the period). **Note 2:** Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. **Source:** Nu.

# Robust Credit Growth, Despite FX Devaluation

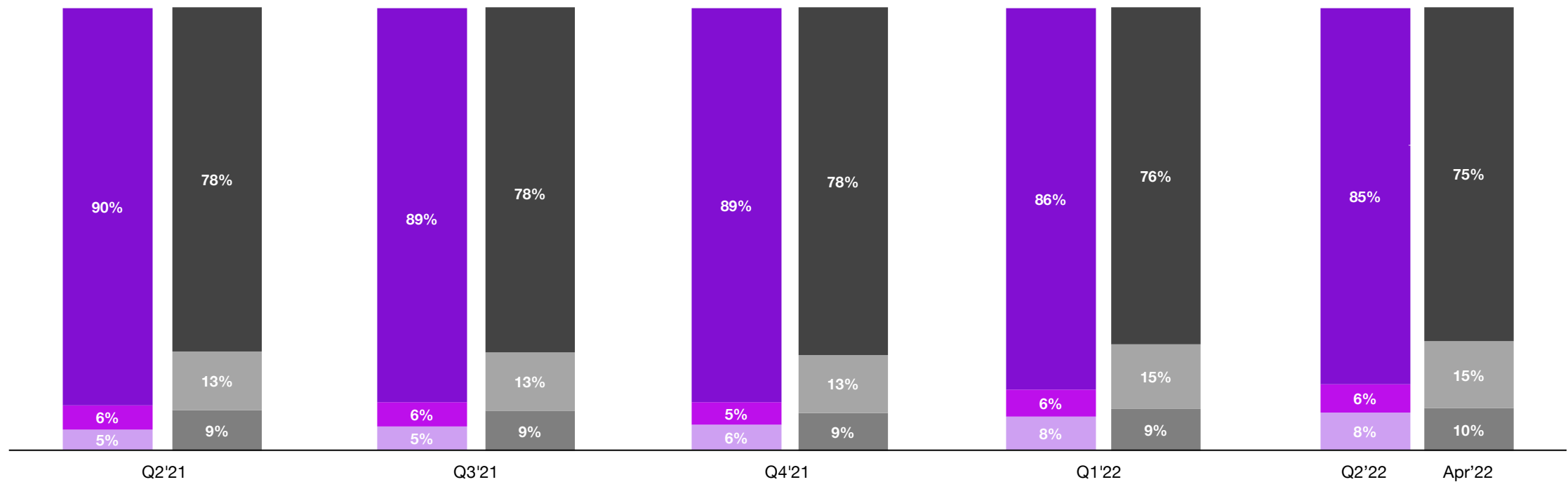


**Note 1:** All amounts are presented gross of provisions. **Note 2:** Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. **Note 3:** Figures do not consider the changes to the write-off estimates implemented in the second quarter of 2022 to ensure better comparability across the applicable periods. **Source:** Nu.

# Interest Earning Portfolio (IEP) Increased as a Function of New Financing Features

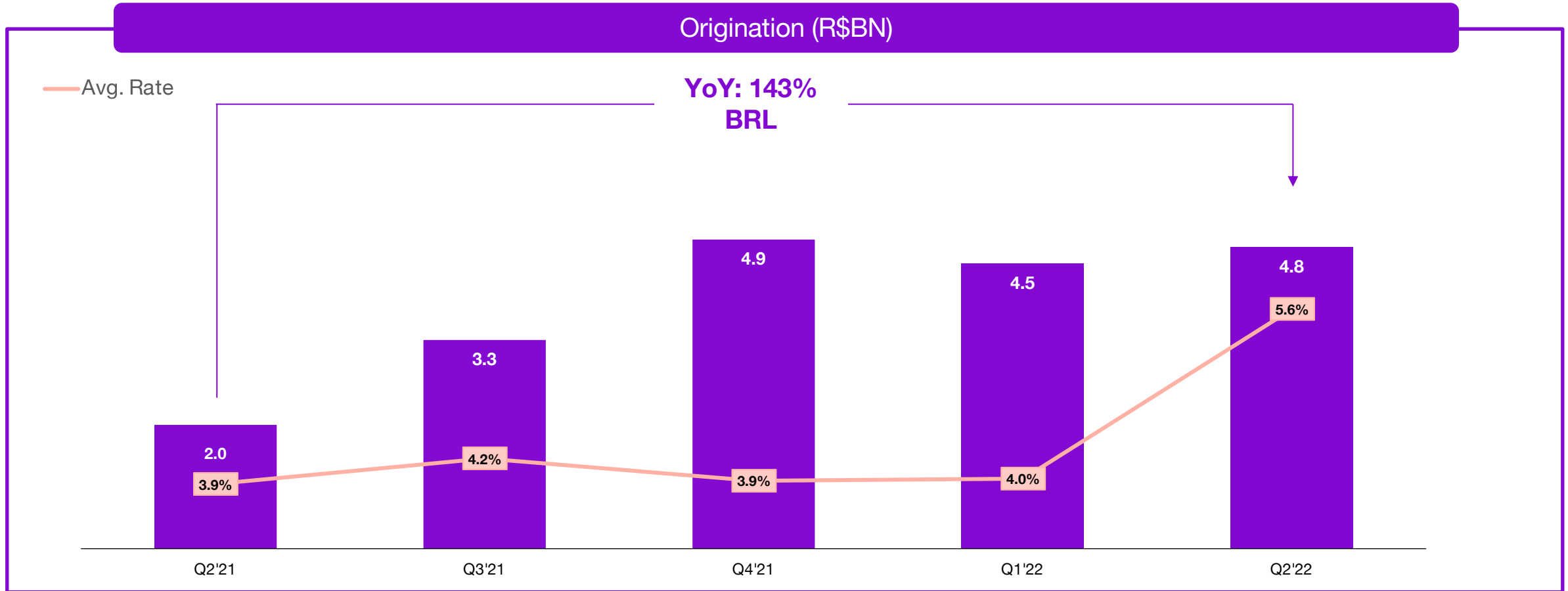
Credit Card IEP Evolution  
(as % of Receivables)

■ Nu Installments IEP CC Balance 
 ■ Nu Revolving CC Balance 
 ■ Nu Non-IEP Balance  
■ Mkt Intallments IEP CC Balance 
 ■ Mkt Revolving CC Balance 
 ■ Mkt Non-IEP Balance



**Note 1:** All data presented is for Brazil only. **Note 2:** Boleto payments: allows customers to use their credit card for paying bills in installments Purchase financing: allows customers to transform existing CC purchases in installments, directly in the app Refinancing: allows customer to renegotiate existing installment plans into a single plan **Note 3:** Market balances excluding Nu. **Note 4:** IEP account for all interest-bearing balances including all late balances **Source:** Nu, BACEN.

# Personal Loan Origination Stabilized At R\$5B/Quarter, But With Increasing Yield Levels



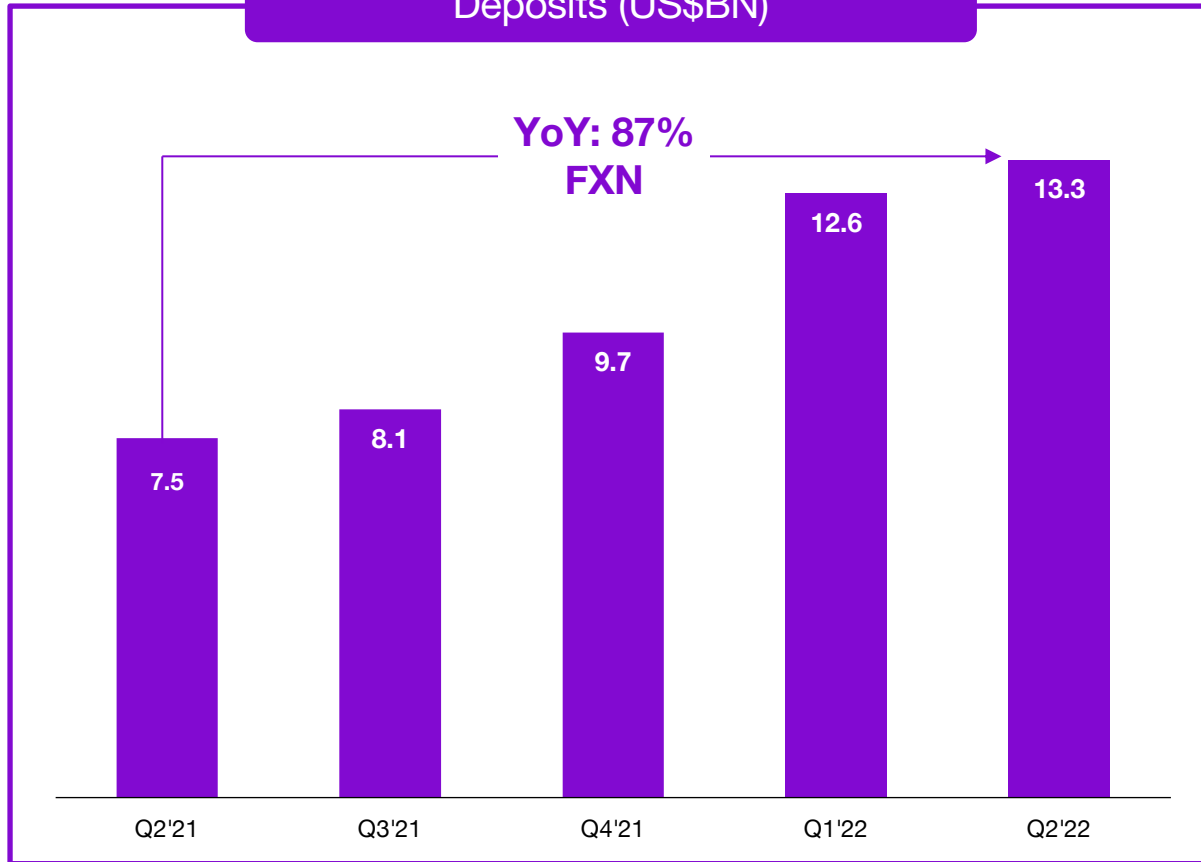
Note 1: Amounts are presented in BRL. Note 2: Rates presented are for EOP. Source: Nu.



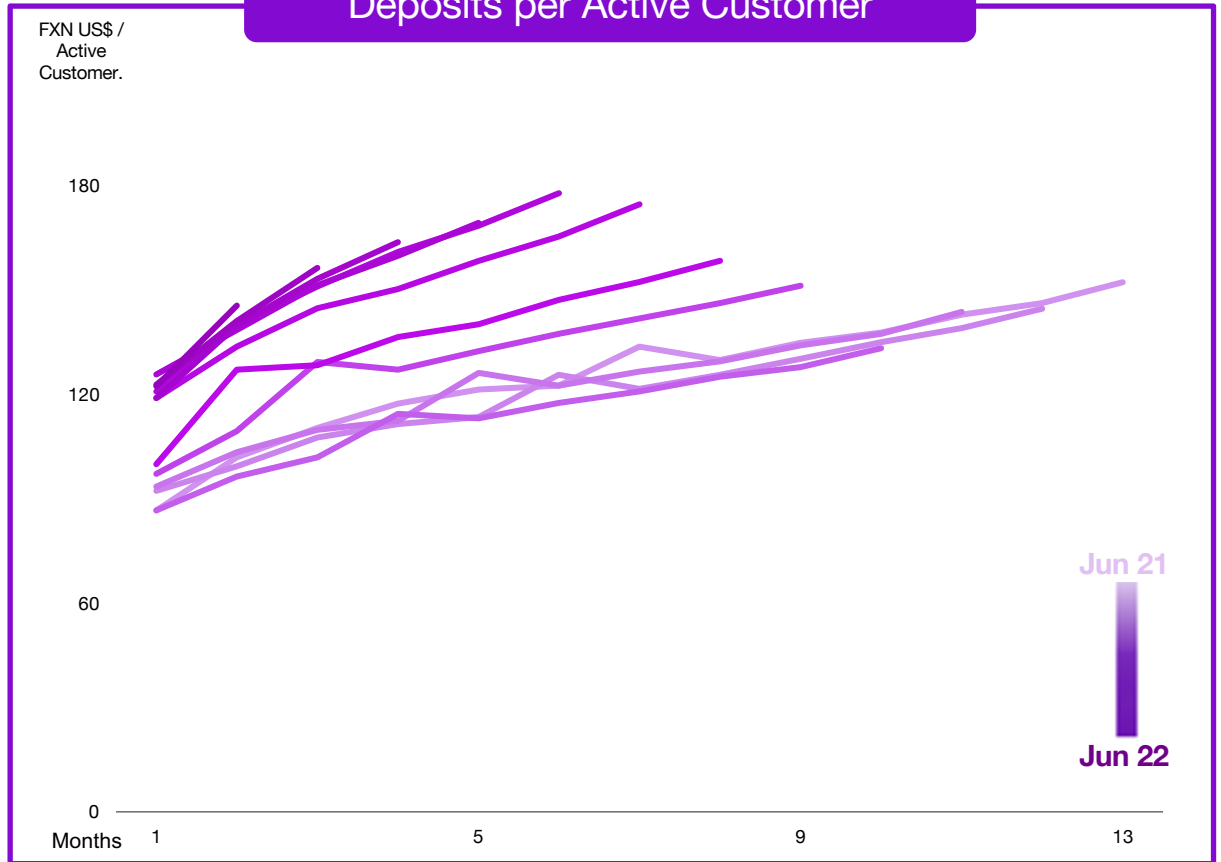
# Strong Growth in Deposits Franchise



### Deposits (US\$BN)



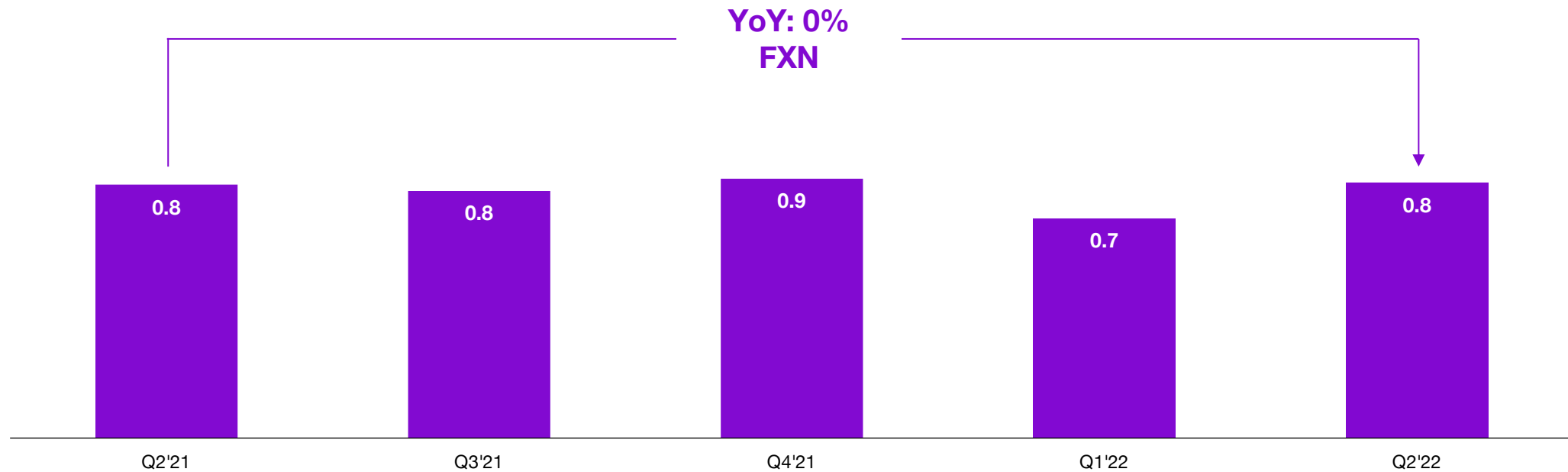
### Deposits per Active Customer



Note 1: Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. Source: Nu.

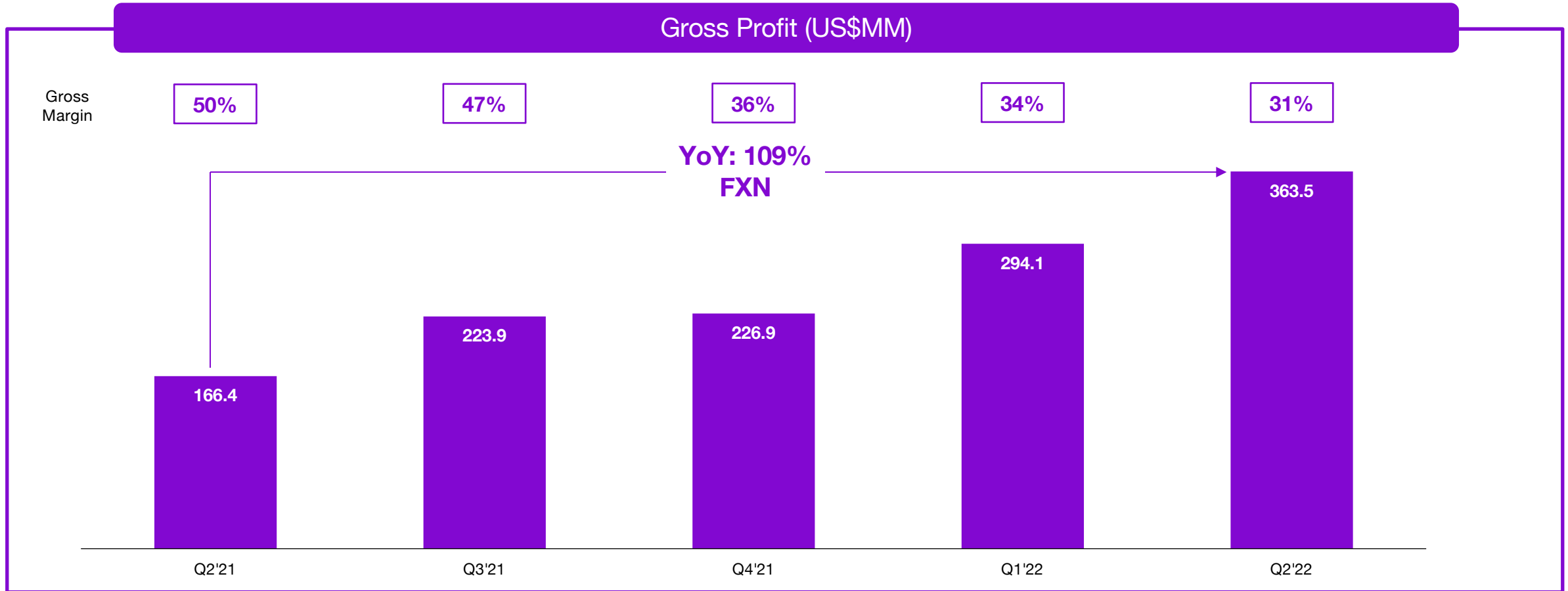
# Low Unit Cost at Scale Fosters Operating Leverage

Cost to Serve per Active Customer (US\$)



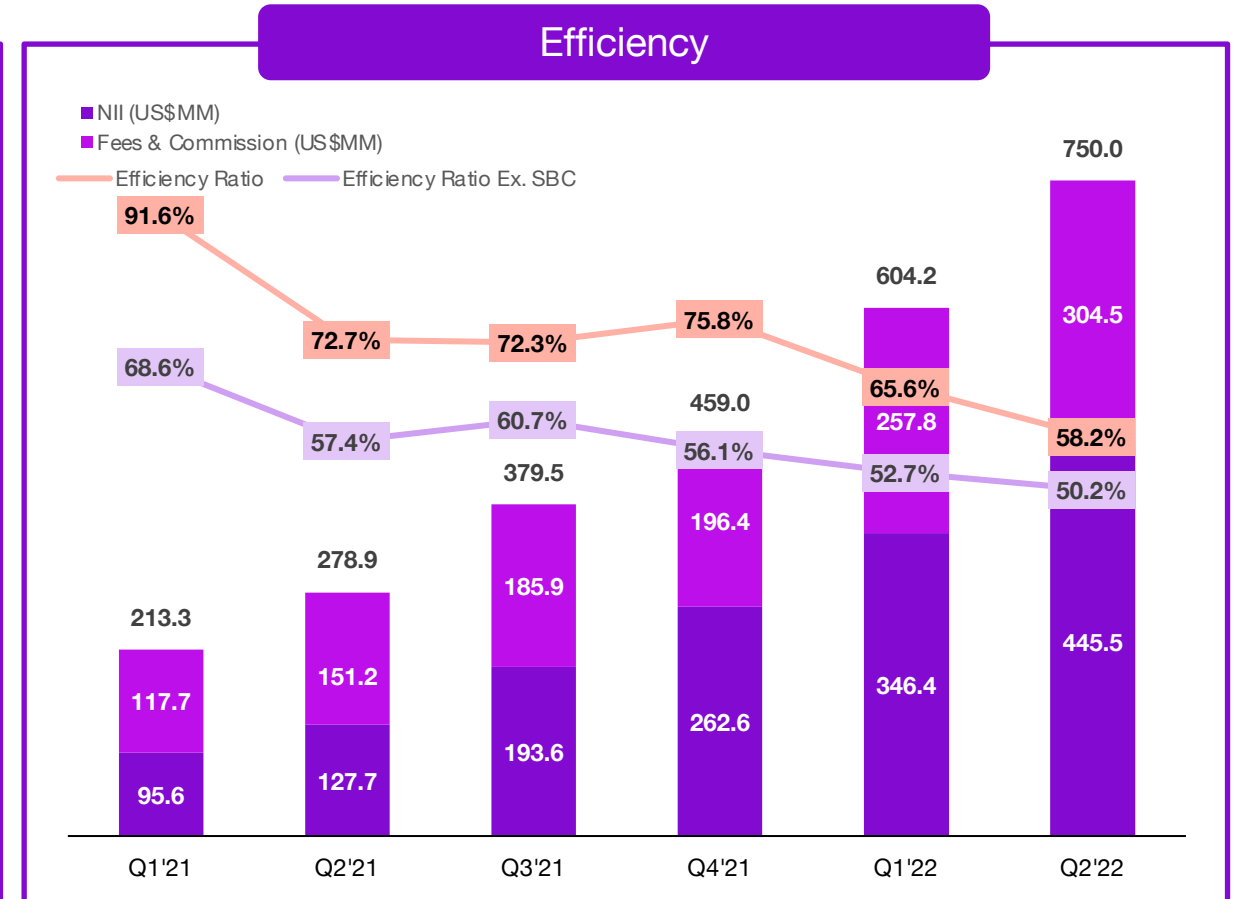
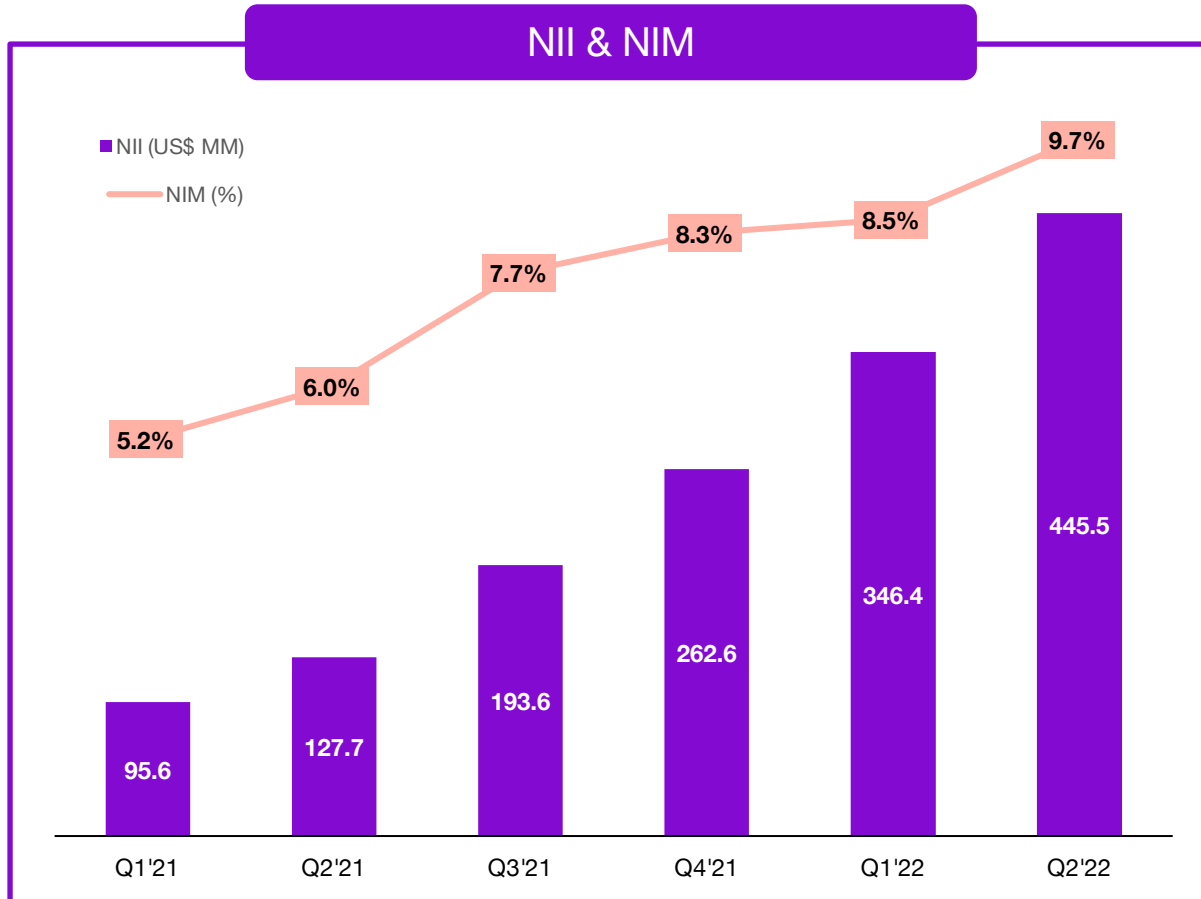
**Note 1:** Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. **Note 2:** “Cost to serve” is defined as the monthly average of the sum of transactional expenses and customer support and operations expenses (sum of these expenses in the period divided by the number of months in the period) divided by the average number of individual active customers during the period (average number of individual active customers is defined as the average of the number of monthly active customers at the beginning of the period measured, and the number of monthly active customers at the end of the period). **Source:** Nu.

# Continuous Gross Profit Expansion, Despite Front-Loading Loan Loss Provisions



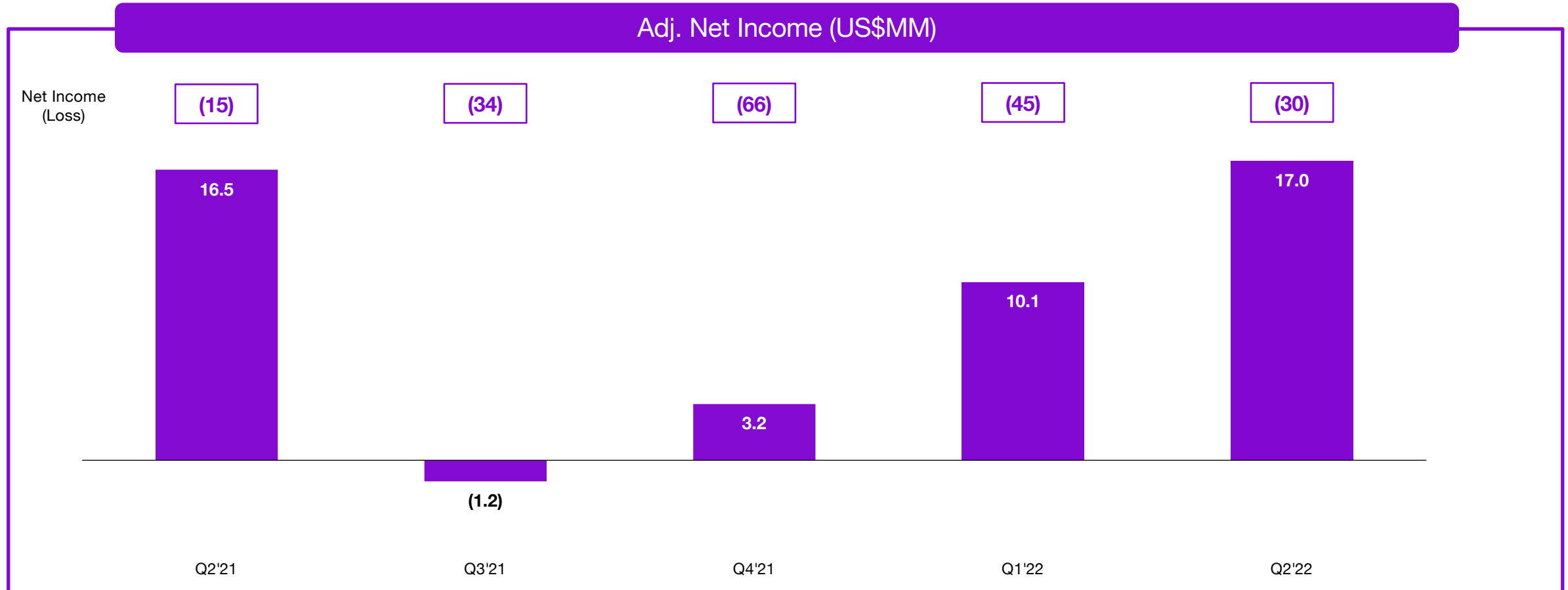
Note 1: Amounts are presented in US dollars and growth rates on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. Source: Nu.

# Improving Operating Leverage as Business Continues to Scale



**Note 1:** NII (Net Interest Income) is calculated as Interest income and gains (losses) on financial instruments minus Interest and other financial expenses. **Note 2:** NIM stands for Net Interest Margin, is annualized, and is the ratio between NII in the numerator and the denominator is defined as the following average balance sheet metrics: i) Cash and cash equivalents ii) Financial assets at fair value through profit or loss iii) Financial assets at fair value through OCI iv) Compulsory deposits at central banks v) Credit Card Interest-earning portfolio vi) Loans to customers (gross) vii) Interbank transactions viii) Other credit operations ix) Other financial assets at amortized cost. **Note 3:** Efficiency Ratio is defined as Total Operating Expenses plus Transactional Expenses divided by NII and Fees & Commission Income. **Note 4:** SBC refers to Share Based compensation. **Source:** Nu.

# Sequential Improvement in Adj. Net Income



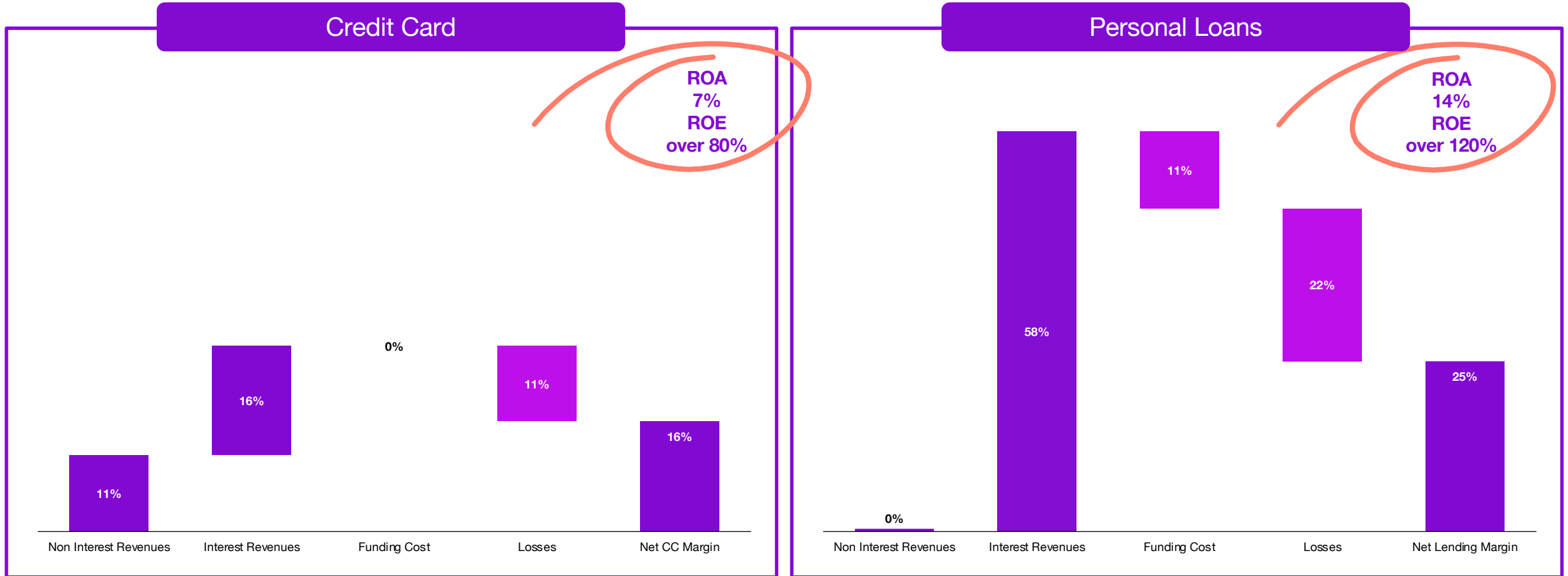
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# Q2 2022 Credit Underwriting



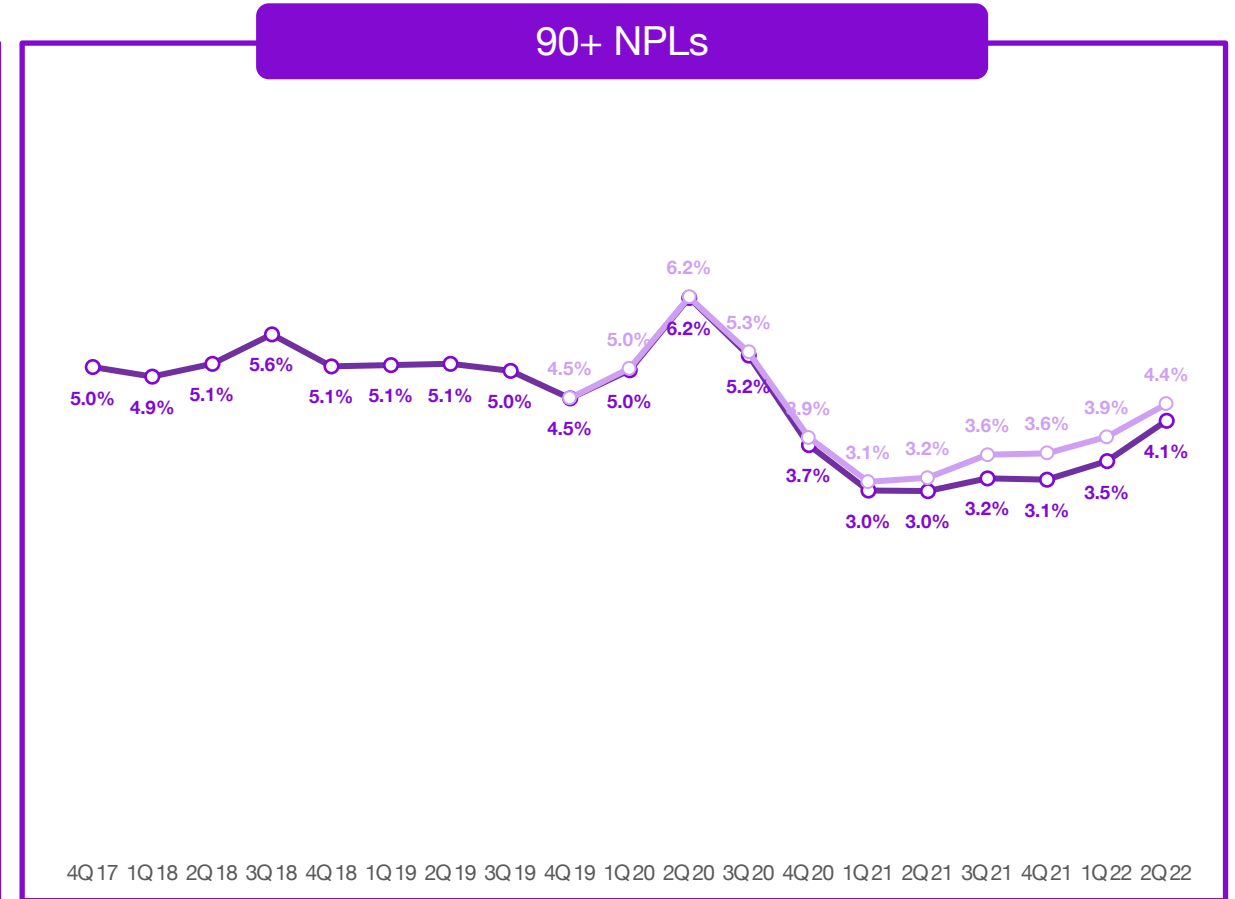
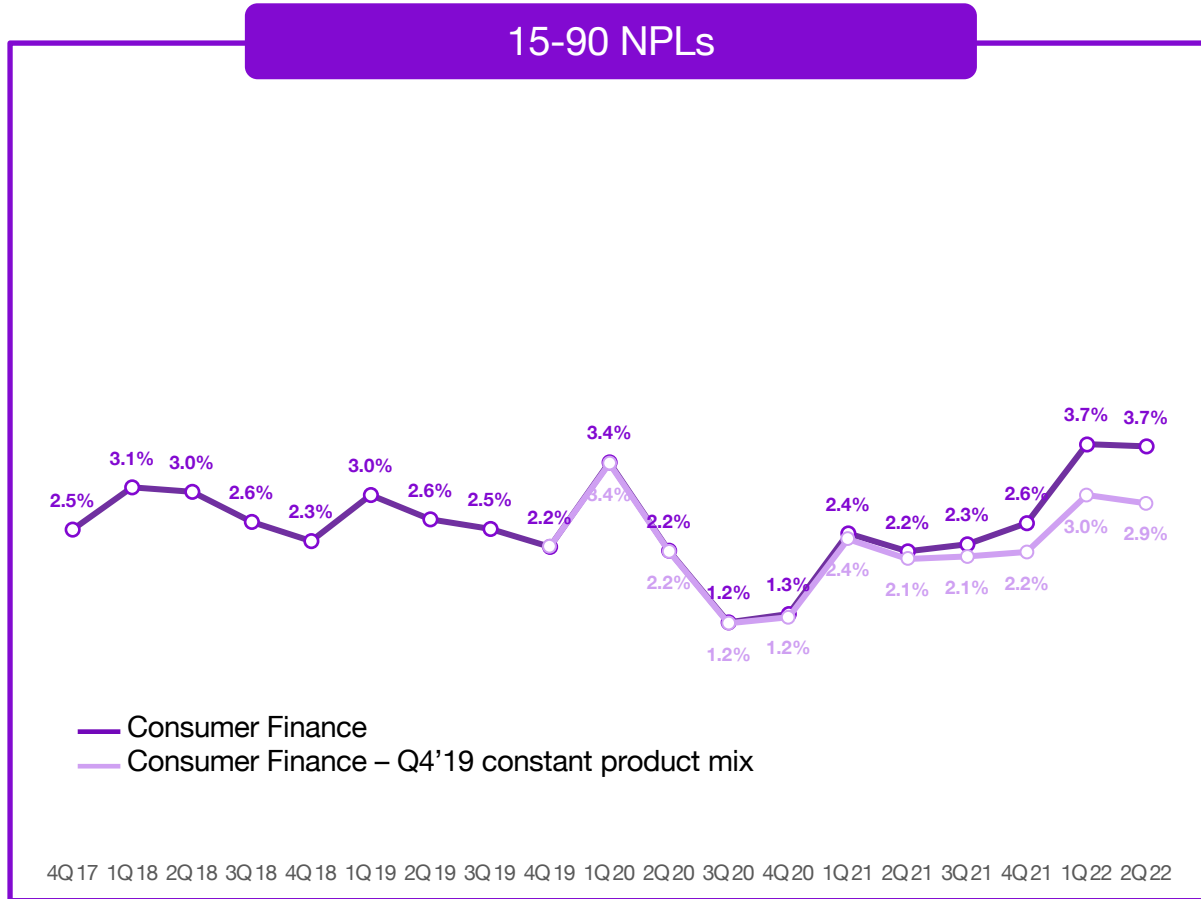
# Illustrative Unit Economics of Consumer Finance **NU**

Resilient to navigate through the cycle



# Early Delinquency Indicators Show Stability

## In The Second Quarter



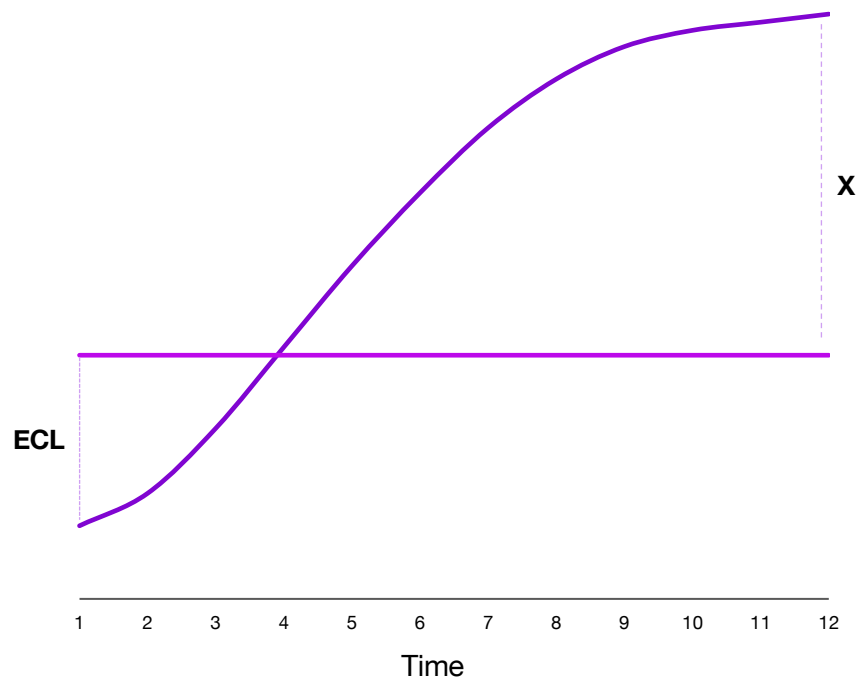
**Note 1:** In Q2 2022, we reviewed and changed our write-off methodology for recovery of the contractual cash-flows of NPLs arising from unsecured personal loans from 360+ days to 120+ days. Our write-off methodology for credit card continued to incorporate 360+ days for its determination. **Note 2:** Data for Brazil only. **Source:** Nu.



# How Expected Credit Loss (ECL) Provisioning Affects the P&L of High-Growth Companies

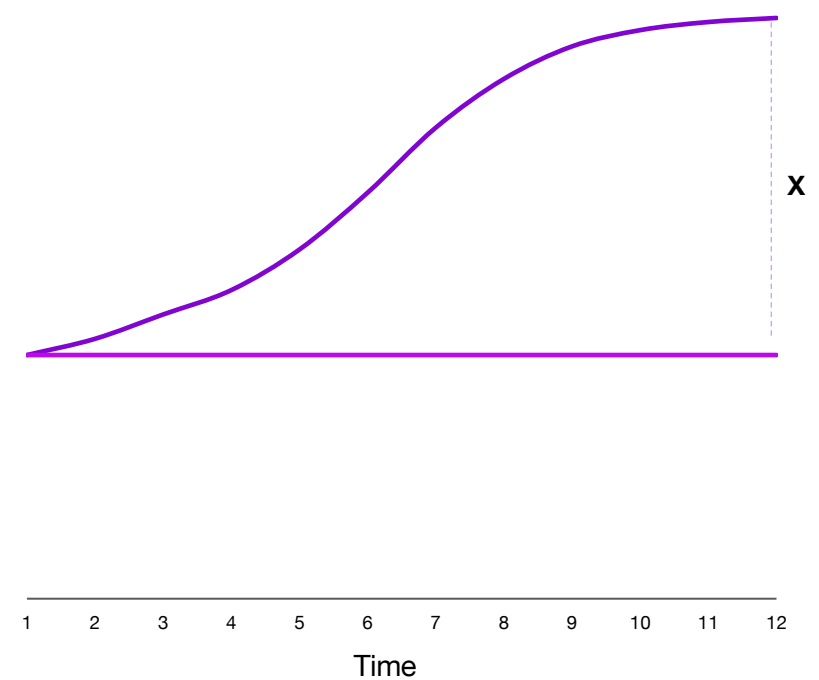
Illustrative IFRS View

Cumulative Gross Profit Illustration

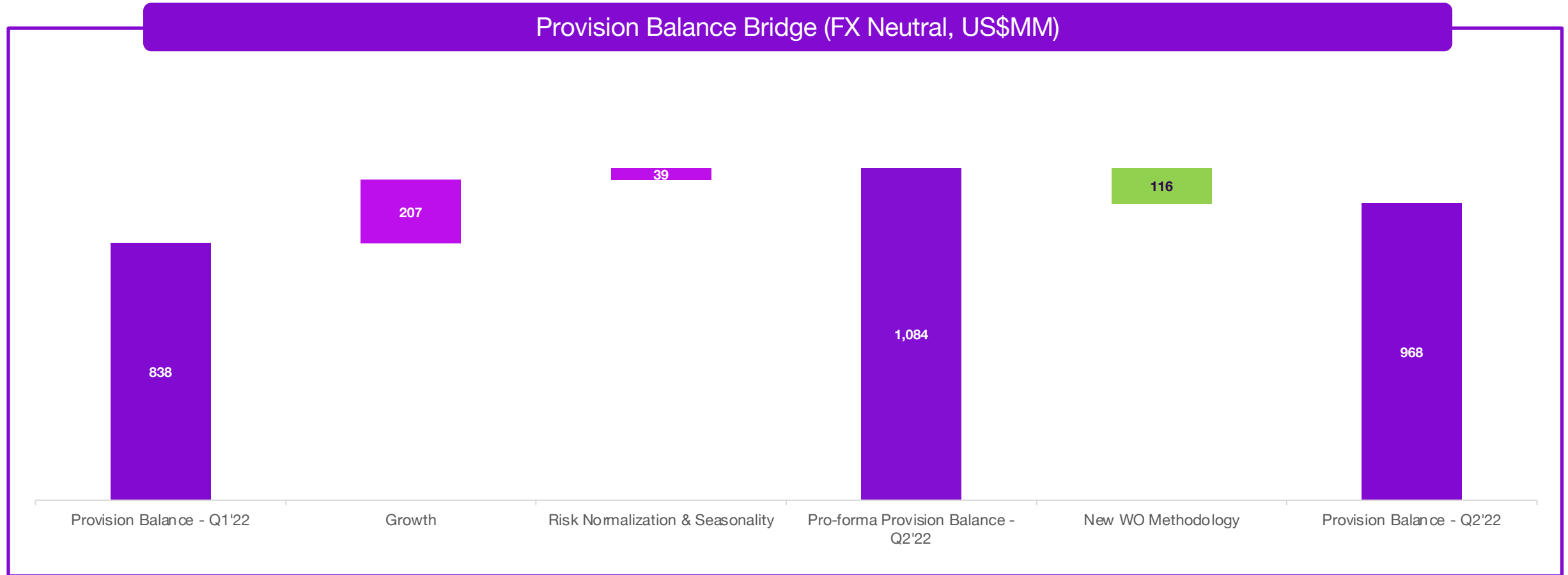


Illustrative Cash Flow View

Cumulative Gross Profit Illustration



# Portfolio Growth Continues to be the Main Driver of Provision Balance Increase



**Note 1:** The information presented is for Nu Holdings and includes both credit card and personal loans provision balance. **Note 2:** Amounts presented in FX neutral. **Note 3:** In Q2 2022, we reviewed and changed our write-off methodology for recovery of the contractual cash-flows of NPLs arising from unsecured personal loans from 360+ days to 120+ days. Our write-off methodology for credit cards remained unchanged at 360+ days. **Source:** Nu.

Wrapping up...

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# Q&A

Aug 15, 2022



Gabriela Lima

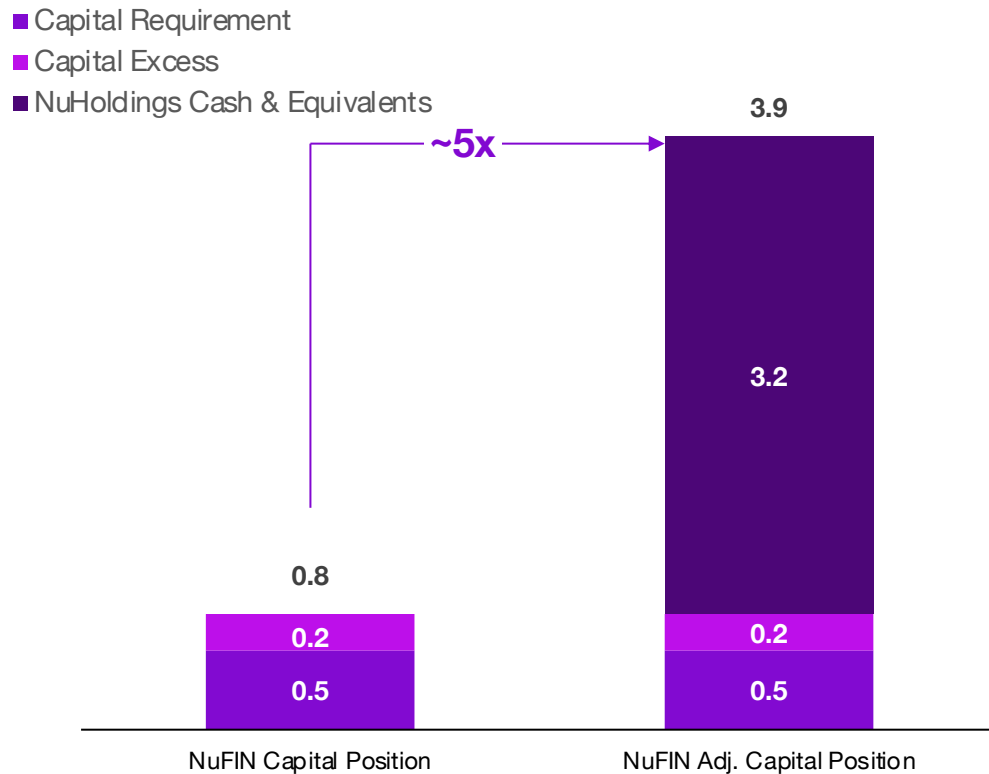


# nu Appendix

# Strong Capital and Liquidity Position to Navigate the Cycle

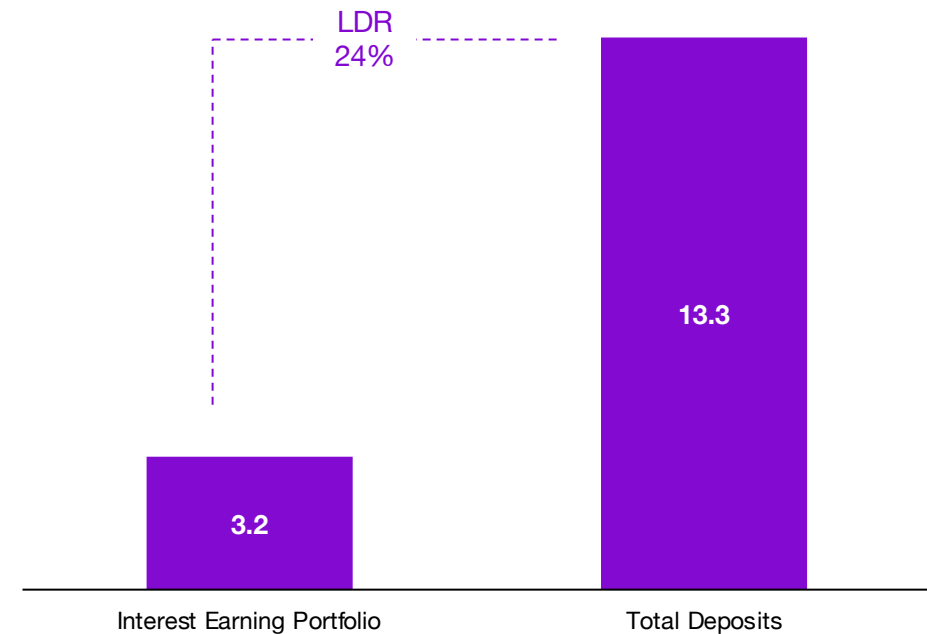
Capital Position (US\$Bn)

As of Q2'22



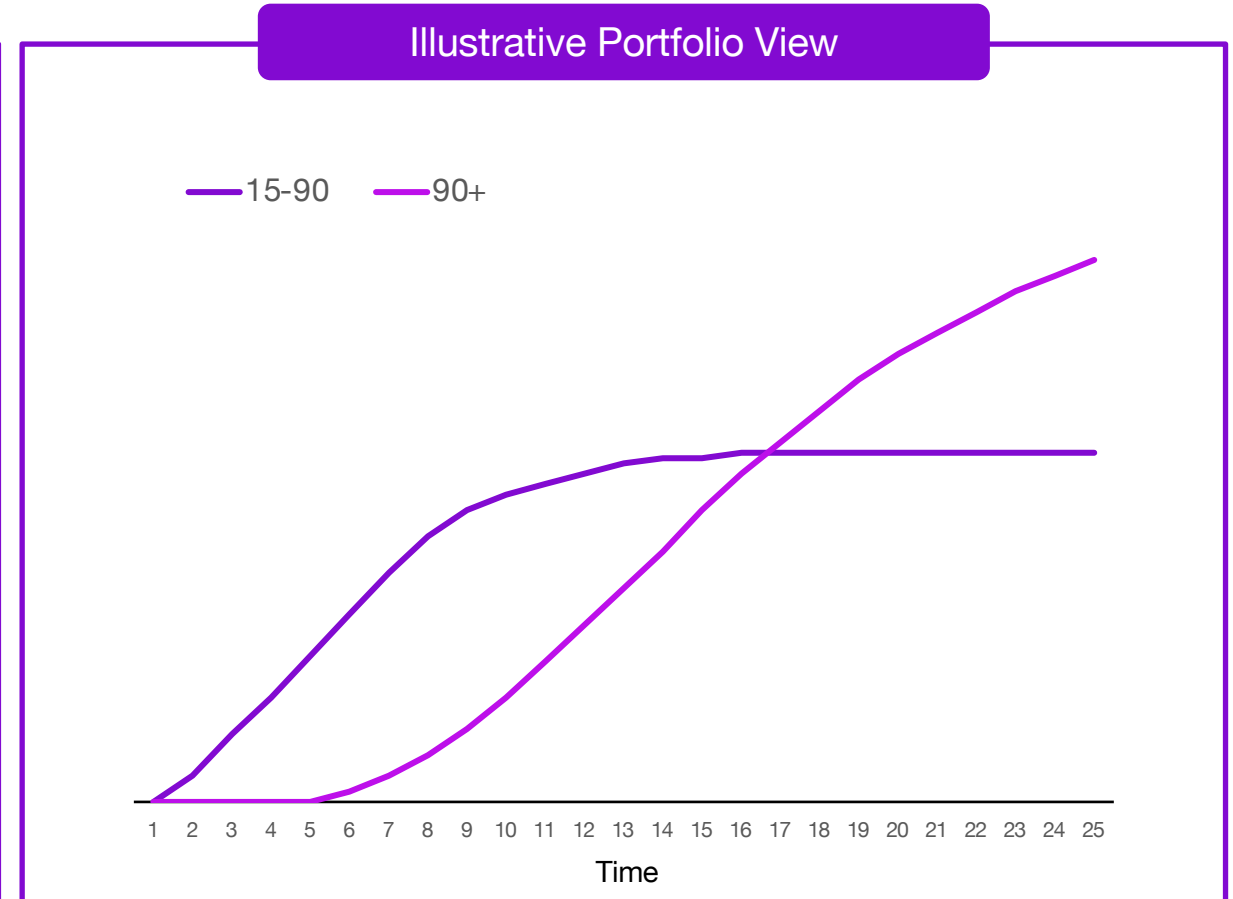
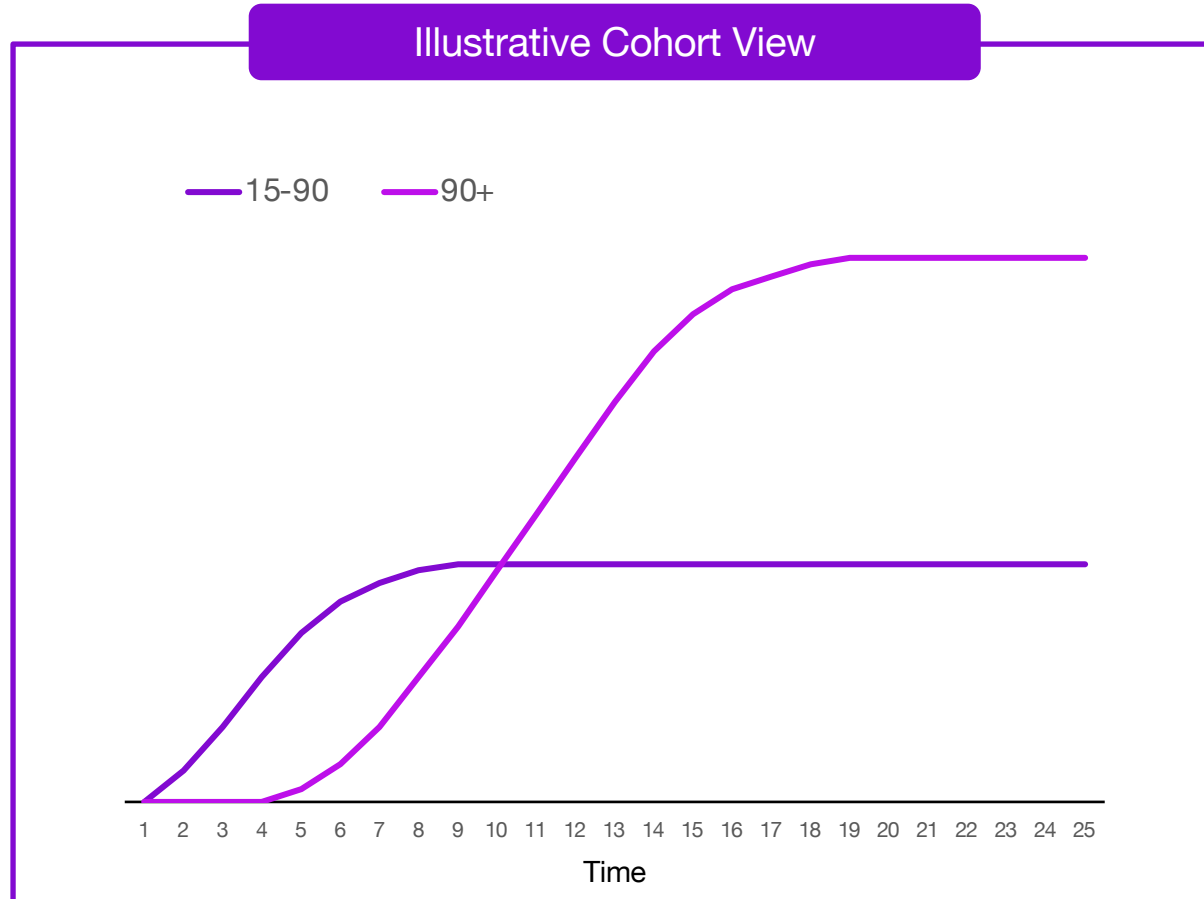
Liquidity Position (US\$Bn)

As of Q2'22



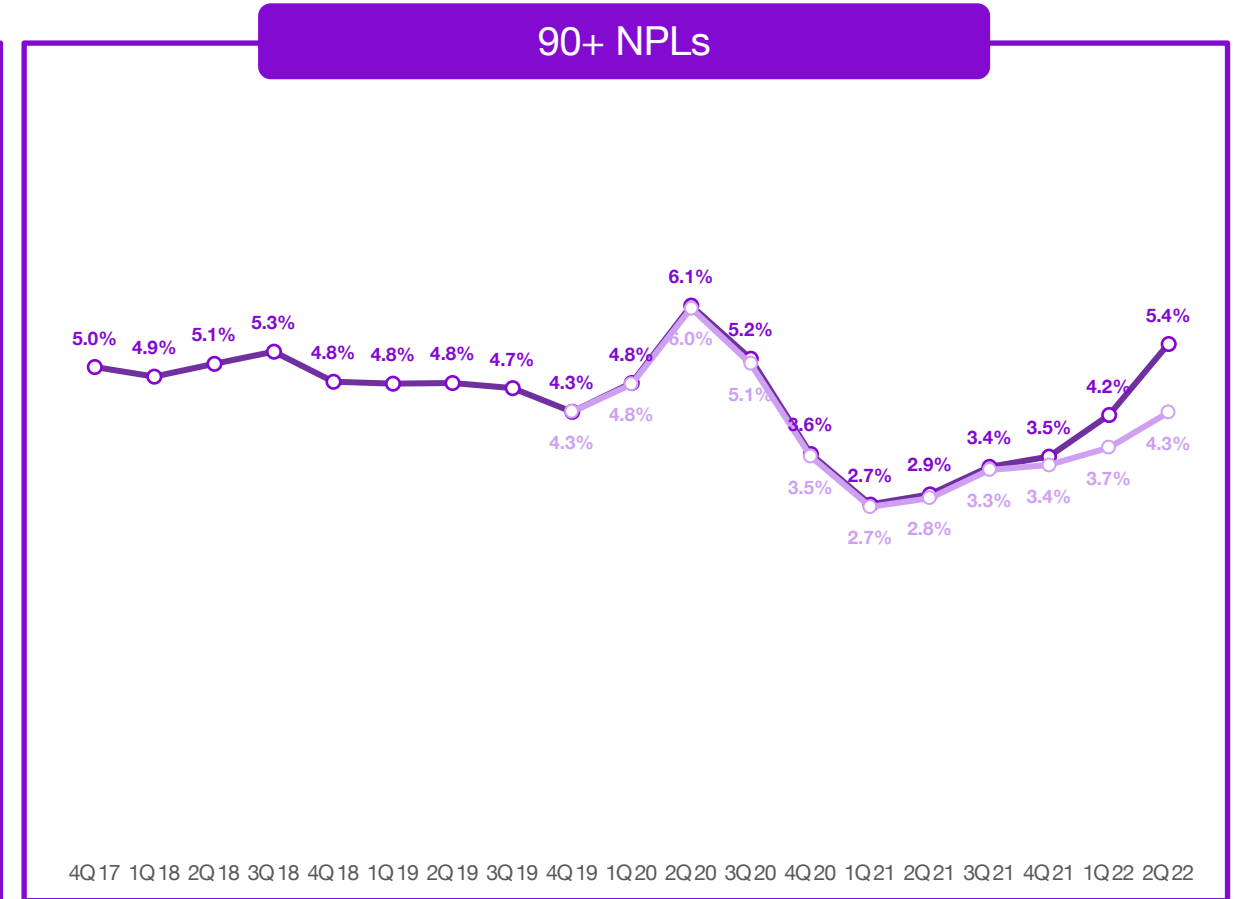
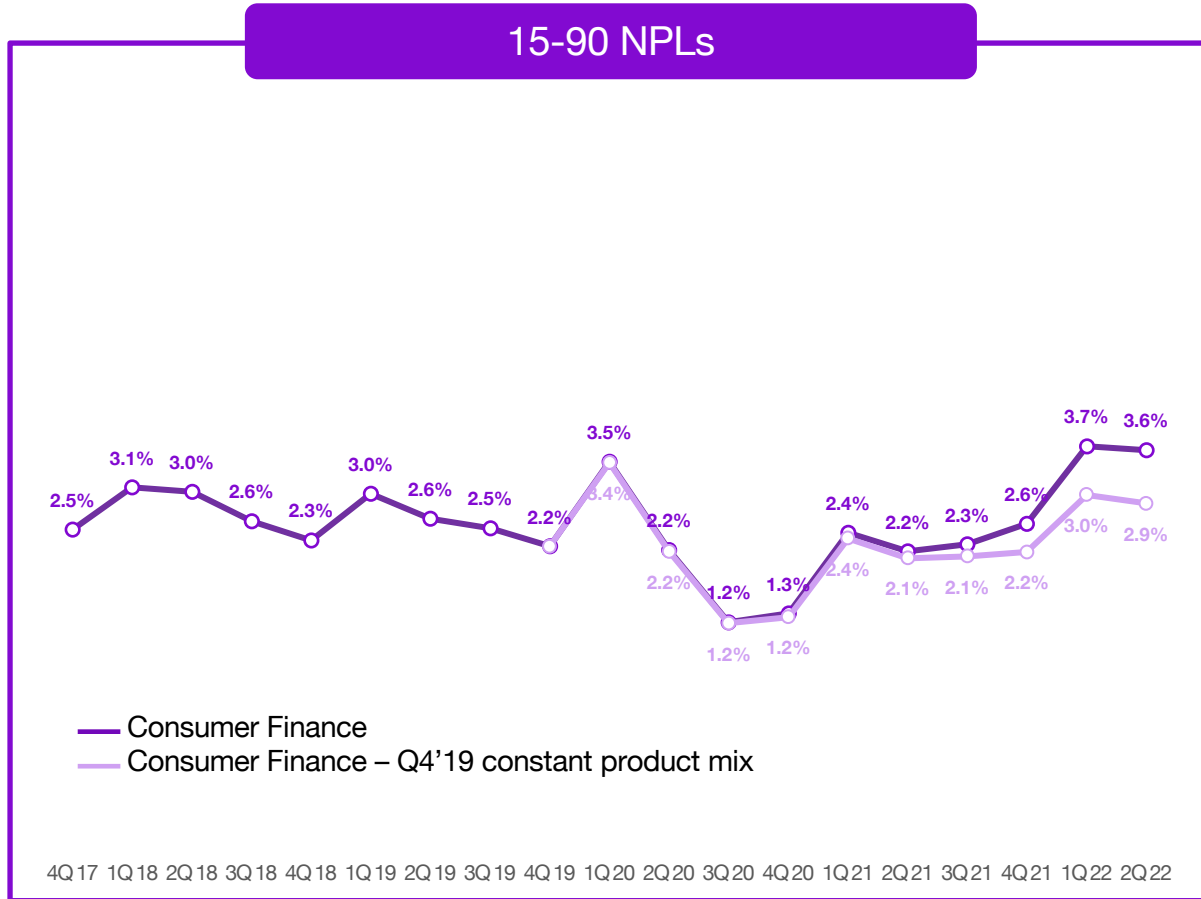
**Note 1:** It considers the capital requirements for Nu Financeira S.A. ("NuFIN"), our main financial institution, as of June 30, 2022, according to CMN Resolution No. 4.955/21, as well as our commitment to maintain a 14% of minimum total capital ratio. For the purposes of this analysis, we did not consider the Central Bank of Brazil Circular No. 3.681/13, in effect as of June 30, 2022, and applicable to Nu Pagamentos S.A. ("NuPAG"), our main payment institution. The related capital requirements amounted to US\$66M as of Q2 22. NuHoldings Cash considers an additional USD 47M already remitted to the Participation Fund. **Source: Nu**

# Illustrative View Of How 90+ DLQ Indicators Lags $\nu U$ 15-90+ Leading Indicators



**Note 1:** Illustration assumptions i) Same amount originated monthly ii) Constant amortization rate iii) Constant roll rates. **Note 2:** Portfolio is equal to the sum of all cohorts' overtime. **Note 3:** The illustration assumes write-off at month 12 of delinquency. **Source:** Nu.

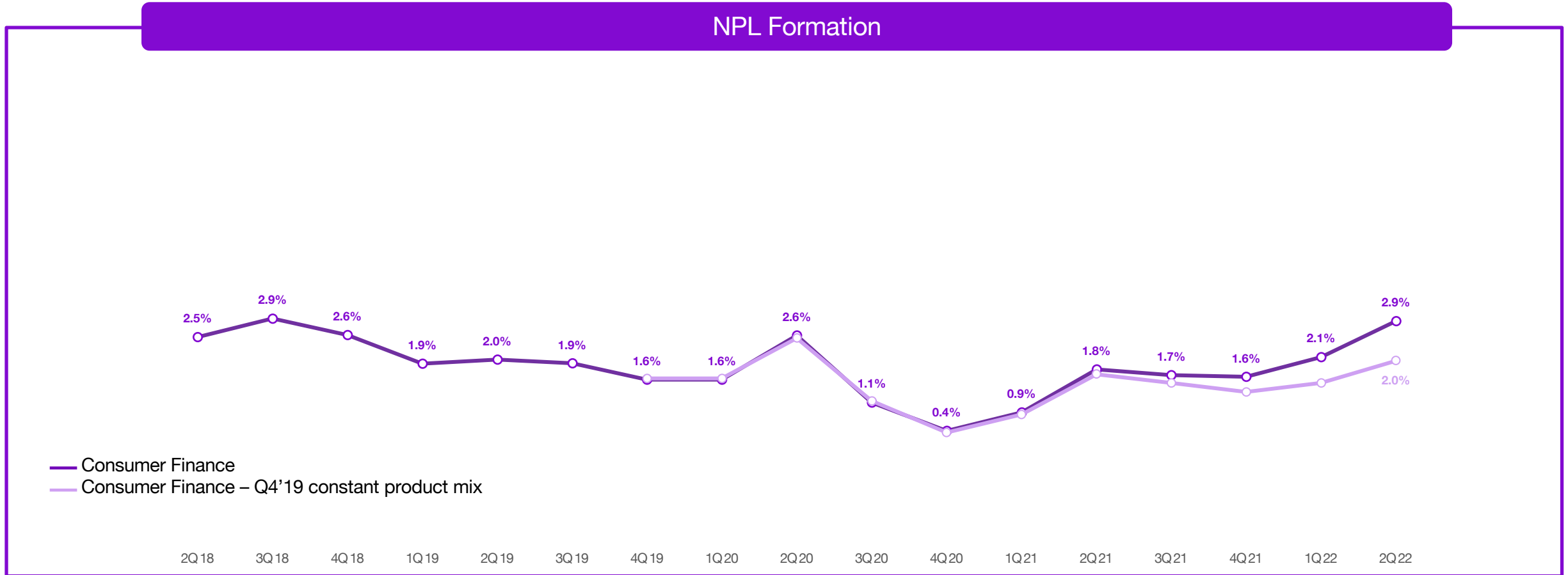
# Evolution of NPL Metrics Under Previous Write-Off Methodology



**Note 1:** In Q2 2022, we reviewed and changed our write-off methodology for recovery of the contractual cash-flows of NPLs arising from unsecured personal loans from 360+ days to 120+ days. Our write-off methodology for credit cards remained unchanged at 360+ days. **Source:** Nu.



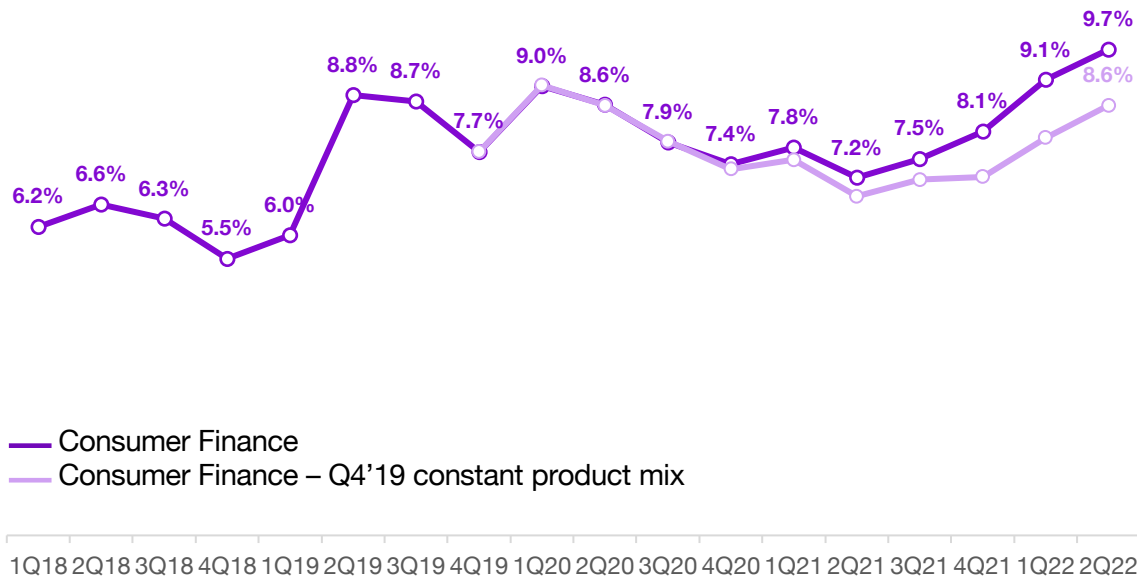
# NPL Formation Continues the Path to Normalization



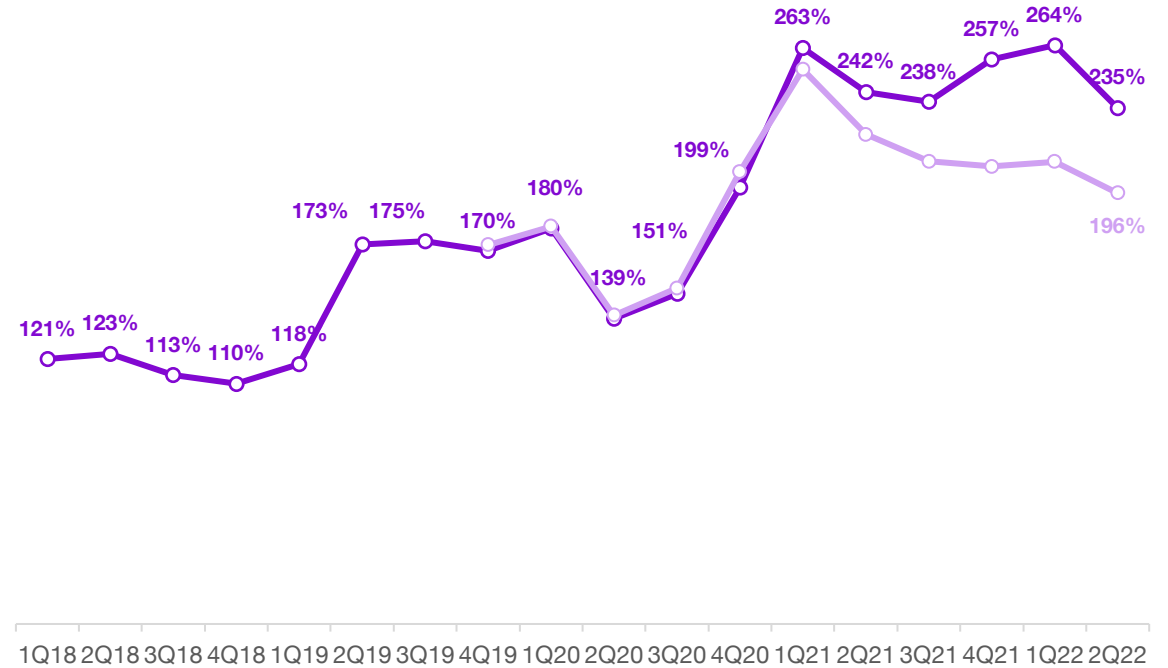
Note 1: NPL Creation calculated as the delta balance of the NPL 90+ plus the Write offs of the period divided by the total balance of previous period. Source: Nu.

# Evolution of Coverage Ratios

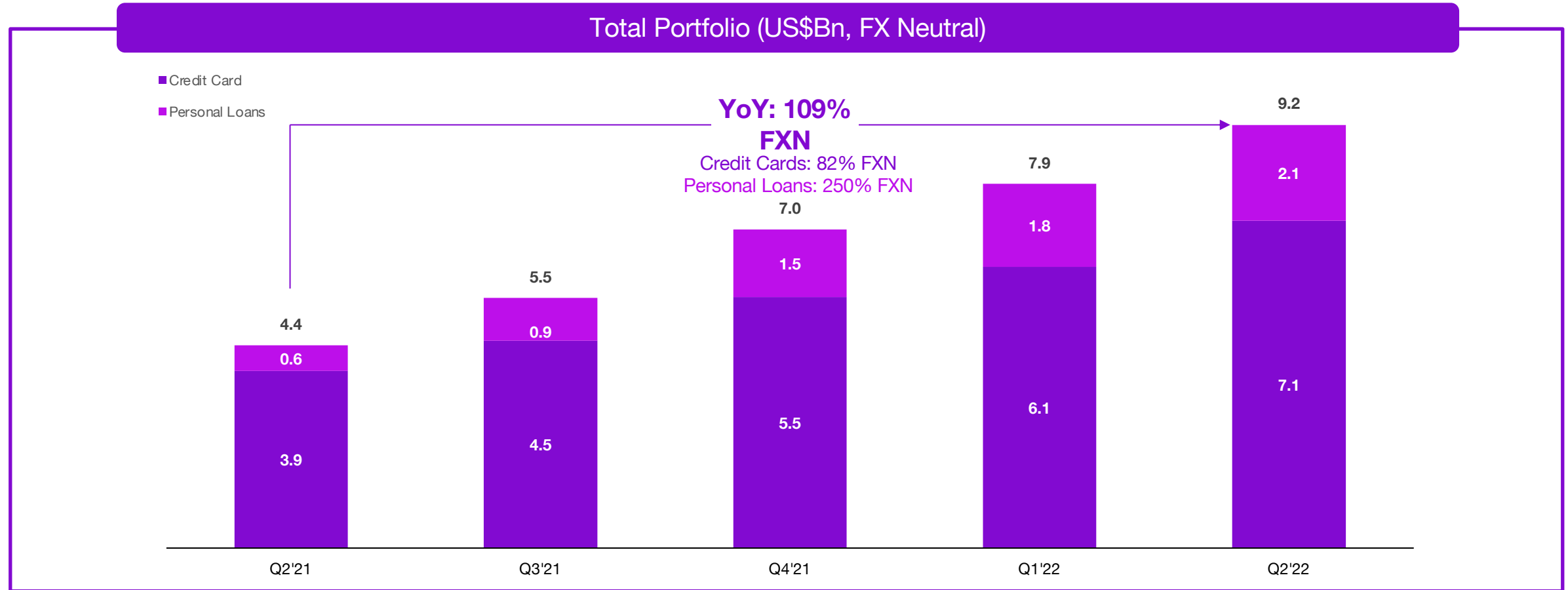
## Coverage Ratio Over Total Balance



## Coverage Ratio Over NPL 90+



# Portfolio Growth Remains Strong on an FX Neutral Basis

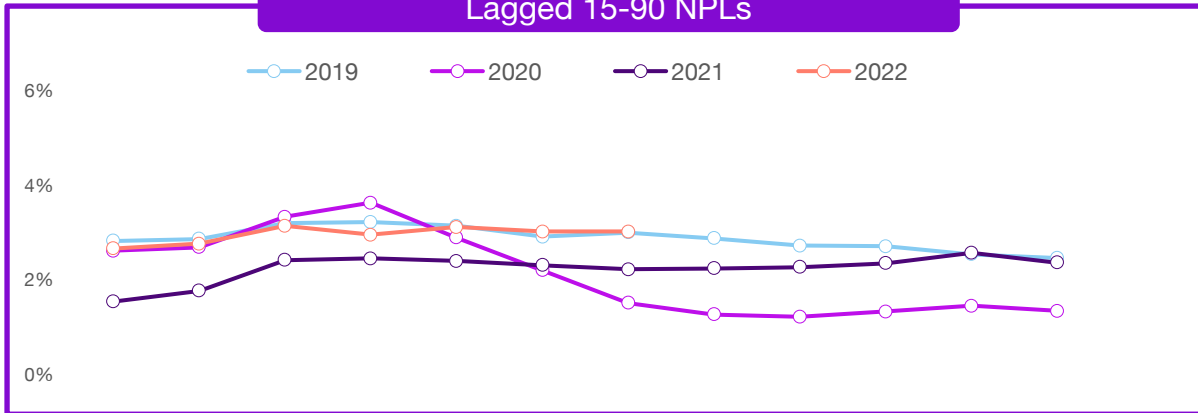


**Note 1:** All amounts are presented gross of provisions. **Note 2:** Amounts and growth rates are presented on an FX Neutral basis. For additional detail on calculations please refer to the appendix Non-IFRS Financial measures and reconciliations. **Note 3:** Figures do not consider the changes to the write-off estimates implemented in the second quarter of 2022 to ensure better comparability across the applicable periods. **Source:** Nu.

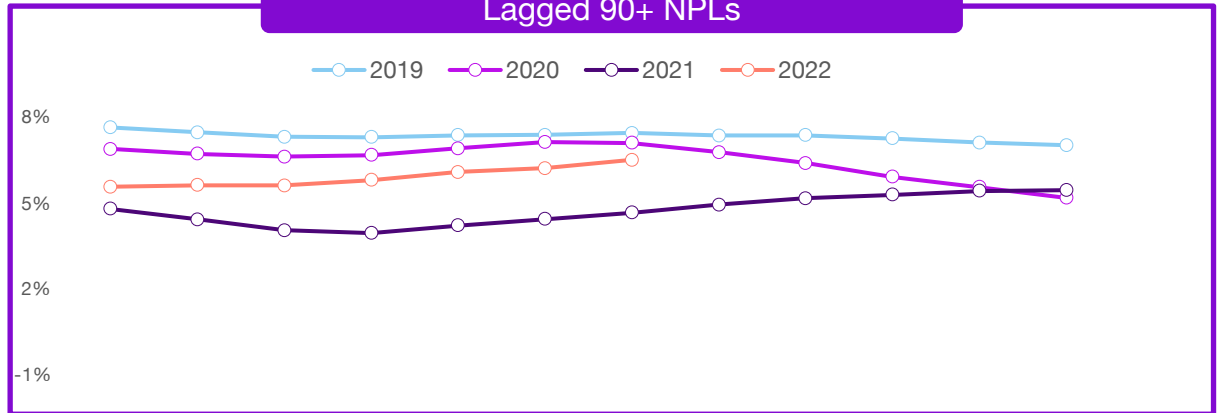
# Evolution of Lagged NPL Indicators of CC in Brazil

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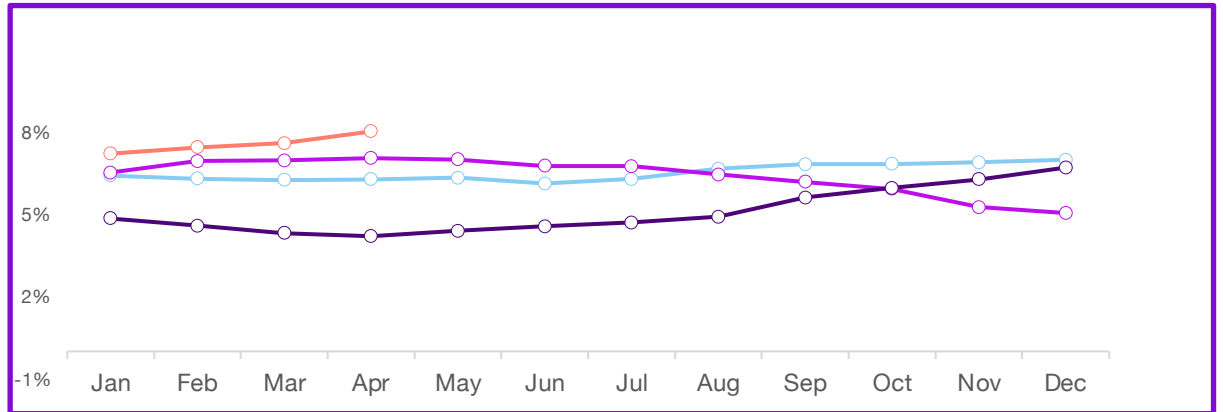
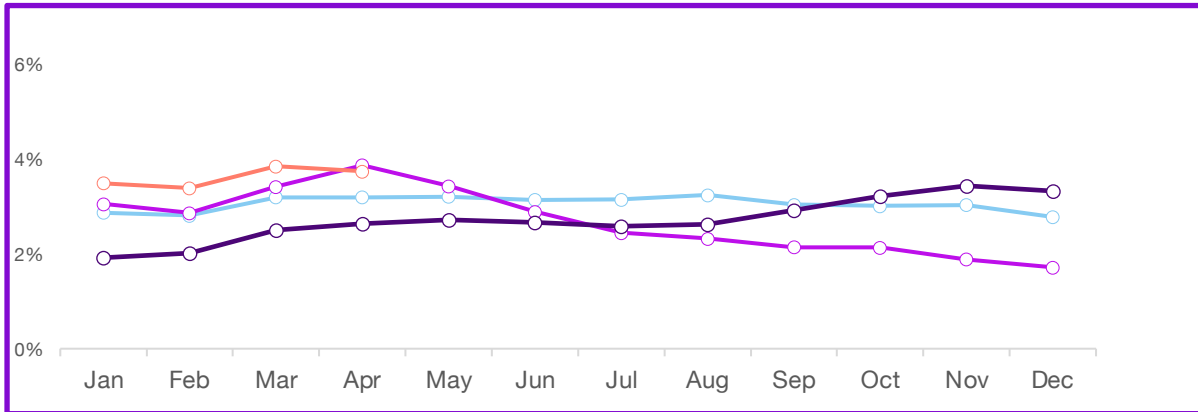
Lagged 15-90 NPLs



Lagged 90+ NPLs

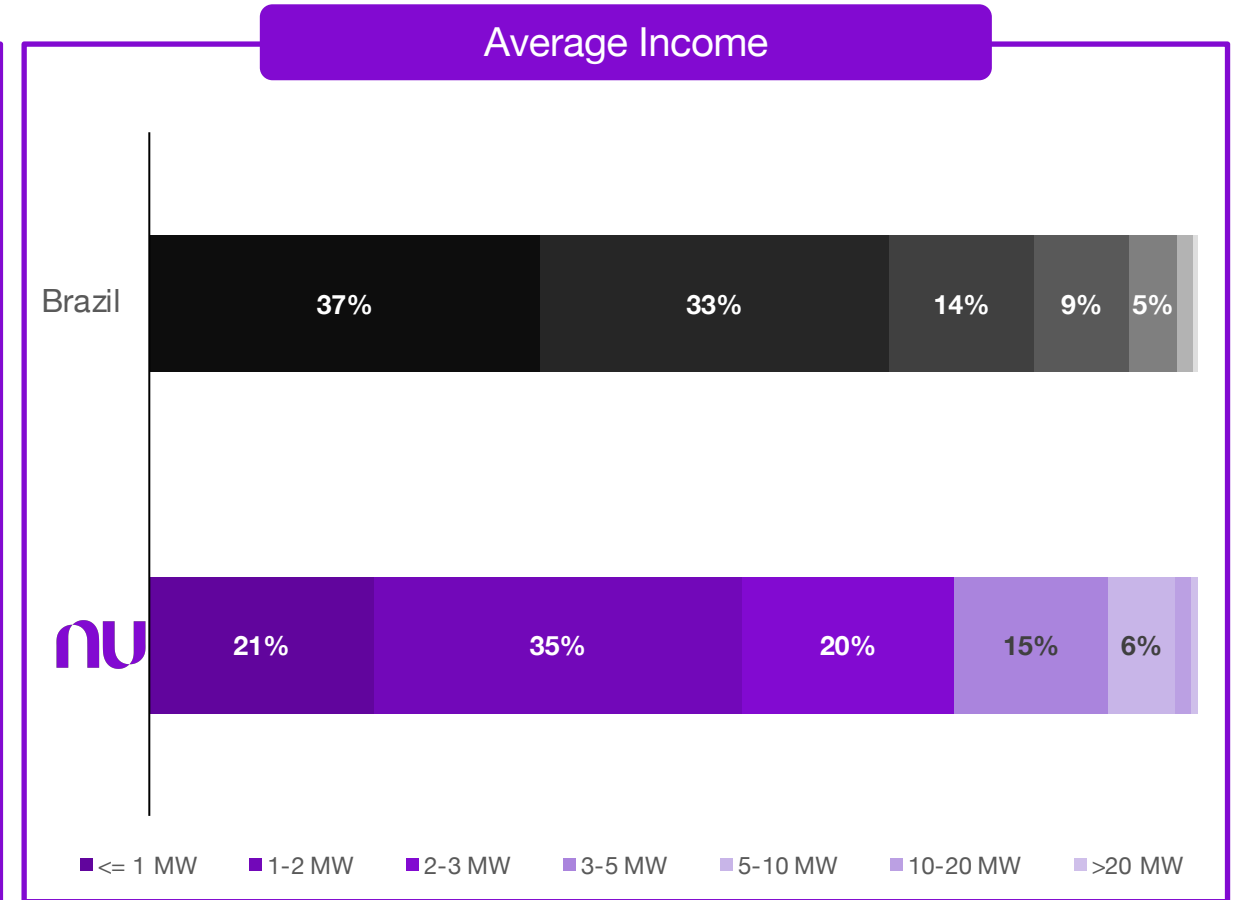
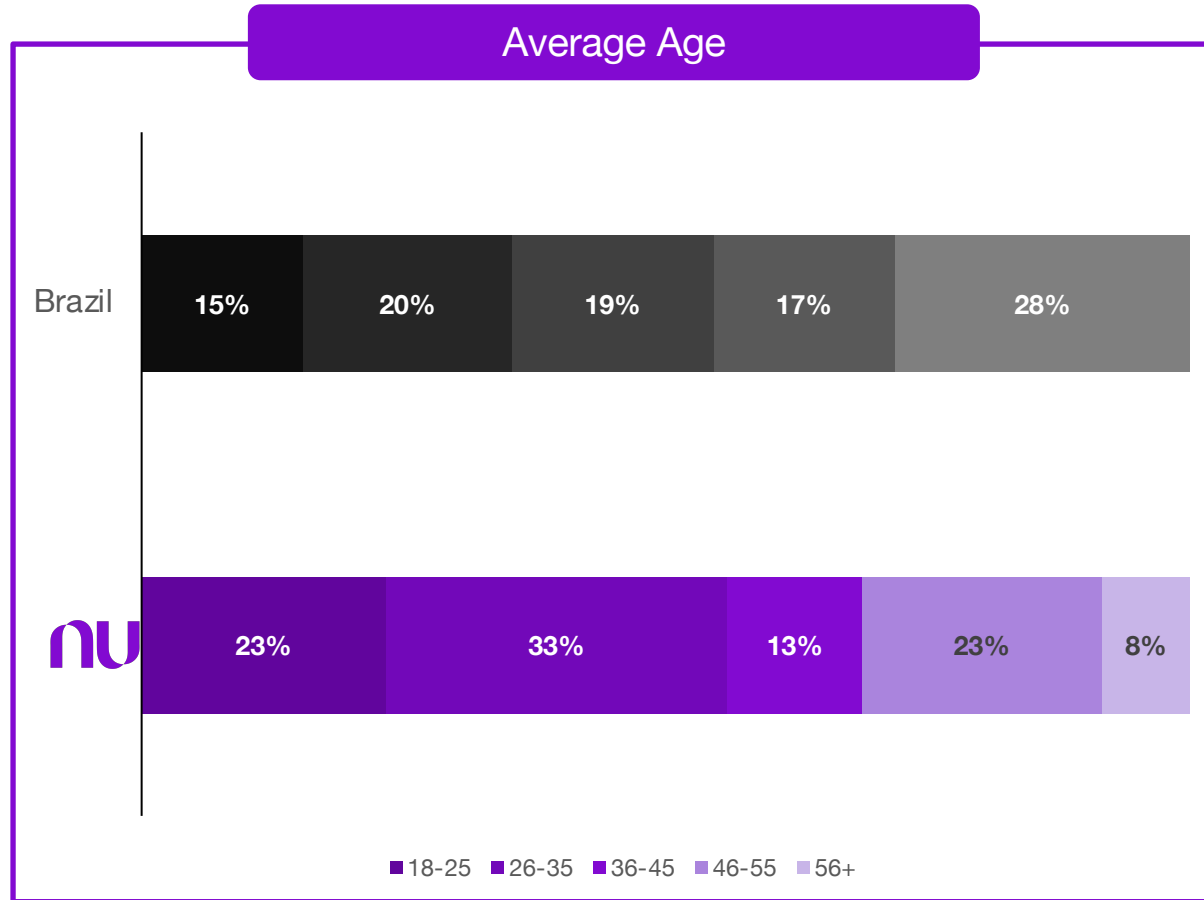


Market



**Note 1:** The data includes only lagged credit card numbers. **Note 2:** The information presented is for Brazil only. **Note 3:** NPL means "non-performing loan;" 15-90 NPL means a non-performing loan where a borrower is between 15 and 90 days past due. 90+ NPL means a non-performing loan where a borrower is more than 90 days past due. **Source:** Nu.

# Nu is in the Sweet-spot of Demographics



Note 1: "MW" refers to Minimum Wage which amounts to R\$ 1,212.0. Note 2: Data presented for Brazil only Note 3: Nu data as of June'22 Market data as of July'22. Source: IBGE, Nu.

# Non-IFRS Financial Measures and Reconciliations

Adjusted Net Income (Loss) is defined as profit (loss) attributable to shareholders of the parent company for the period, adjusted for expenses and allocated tax effects on share-based compensation in such period.

Adjusted Net Income (Loss) is presented because our management believes that this non-IFRS financial measure can provide useful information to investors, securities analysts and the public in their review of our operating and financial performance, although it is not calculated in accordance with IFRS or any other generally accepted accounting principles and should not be considered as a measure of performance in isolation. We also use Adjusted Net Income (Loss) as a key profitability measure to assess the performance of our business. We believe Adjusted Net Income (Loss) is useful to evaluate our operating and financial performance for the following reasons:

- Adjusted Net Income (Loss) is widely used by investors and securities analysts to measure a company's operating performance without regard to items that can vary substantially from company to company and from period to period, depending on their accounting and tax methods, the book value and the market value of their assets and liabilities, and the method by which their assets were acquired.
- Non-cash equity grants made to executives, employees or consultants at a certain price and point in time, and their income tax effects, do not necessarily reflect how our business is performing at any particular time and the related expenses (and their subject impacts in the market value of our assets and liabilities) are not key measures of our core operating performance.

Adjusted Net Income (Loss) is not a substitute for Net Income, which is the IFRS measure of earnings. Additionally, our calculation of Adjusted Net Income (Loss) may be different from the calculation used by other companies, including our competitors in the technology and financial services industries, because other companies may not calculate these measures in the same manner as we do, and therefore, our measure may not be comparable to those of other companies.

# Non-IFRS Adj. Net Income Reconciliation

	As reported For the three months ended June 30,		
	2022	2021	2020
<b>Adjusted Net Income (Loss) (em US\$ milion)</b>			
<b>Loss (Profit) attributable to shareholders of the parent company</b>	<b>(29.9)</b>	<b>(15.2)</b>	<b>(1.6)</b>
Share-based compensation	59.8	42.5	7.9
Allocated Tax Effects on Share-Based Compensation	(14.2)	(10.8)	(1.5)
Hedge of the Taxes Effects on Share-Based Compensation	1.3	-	-
<b>Adjusted Net Income (Loss)</b>	<b>17.0</b>	<b>16.5</b>	<b>4.8</b>

# Non-IFRS Financial Measures and Reconciliations

FX Neutral measures are prepared and presented to eliminate the effect of foreign exchange, or “FX,” volatility between the comparison periods, allowing management and investors to evaluate our financial performance despite variations in foreign currency exchange rates, which may not be indicative of our core operating results and business outlook.

FX Neutral measures are presented because our management believes that these non-IFRS financial measures can provide useful information to investors, securities analysts and the public in their review of our operating and financial performance, although they are not calculated in accordance with IFRS or any other generally accepted accounting principles and should not be considered as a measure of performance in isolation.

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

The FX Neutral measures for the three months ended June 30, 2021 were calculated by multiplying the as reported amounts of Adjusted Net Income (Loss) and the key business metrics for such period by the average Brazilian reais /U.S. dollars exchange rate for the three months ended June 30, 2021 (R\$5.209 to US\$1.00) and using such results to re-translate the corresponding amounts back to U.S. dollars by dividing them by the average Brazilian reais/U.S. dollars exchange rate for the three months ended June 30, 2022 (R\$4.988 to US\$1.00), so as to present what certain of our statement of profit and loss amounts and key business metrics would have been had exchange rates remained stable from this past period until the three months ended June 30, 2022.

The average Brazilian reais/U.S. dollars exchange rates were calculated as the average of the month-end rates for each month in the three months ended June 30, 2022 and 2021 as reported by Bloomberg.



# Non-IFRS Financial Measures and Reconciliations

FX Neutral measures for deposits and interest-earning portfolio were calculated by multiplying the as reported amounts as of June 30, 2021, by the spot Brazilian reais/U.S. dollars exchange rates as of this date (R\$4.970 to US\$1.00), and using such results to re-translate the corresponding amounts back to U.S. dollars by dividing them by using the spot rate as of June 30, 2022 (R\$5.257 to US\$1.00) so as to present what these amounts would have been had exchange rates been the same as those on June 30, 2021. The Brazilian reais/U.S. dollars exchange rates were calculated using rates as of such dates as reported by Bloomberg.

FX Rates - On a monthly basis, Nu translates its subsidiaries figures from their individual functional currency into Nu Holdings functional currency, the U.S. Dollars ("US\$"), following the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The functional currency of the Brazilian operating entities is the Brazilian Real ("R\$"), of the Mexican entities is the Mexican Peso ("MXN"), and of the Colombian ("COP") entity is the Colombian Peso.

As of January 31, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 5.5295, MXN 20.5014 and COP 3,998.1929 to US\$ 1.00) and balance sheet figures were divided by the last price fx rate of the month (R\$ 5.3102, MXN 20.5336 and COP 3,947.0100 to US\$ 1.00).

As of February 28, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 5.1929, MXN 20.4532 and COP 3,937.9400 to US\$ 1.00) and balance sheet figures were divided by the last price FX Rate of the month (R\$ 5.1522, MXN 20.4692 and COP 3,937.9400 to US\$ 1.00).

As of March 31, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 4.9620, MXN 20.5400 and COP 3,798.9841 to US\$ 1.00) and balance sheet figures were divided by the last price FX Rate of the month (R\$ 4.7417, MXN 19.8699 and COP 3,771.0500 to US\$ 1.00).

As of April 30, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 4.7543, MXN 20.0793 and COP 4,019.7900 to US\$ 1.00) and balance sheet figures were divided by the last price fx rate of the month (R\$ 4.9721, MXN 20.4280 and COP 3,960.9500 to US\$ 1.00).

As of May 31, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 4.9513, MXN 20.0219 and COP 3,937.9400 to US\$ 1.00) and balance sheet figures were divided by the last price FX Rate of the month (R\$ 4.7336, MXN 19.6571 and COP 3,772.1000 to US\$ 1.00).

As of June 30, 2022, income statement figures were divided by the average FX Rate of the month (R\$ 5.0586, MXN 19.9912 and COP 3,941.5970 to US\$ 1.00) and balance sheet figures were divided by the last price FX Rate of the month (R\$ 5.2568, MXN 20.1183 and COP 4,155.1100 to US\$ 1.00).

Equity figures are translated using the FX Rate on the date of each transaction.

nu

[www.investors.nu](http://www.investors.nu)  
[investors@nubank.com.br](mailto:investors@nubank.com.br)