

Renegotiations at NU

Reference Date: March 30, 2024

1- Credit cards (unsecured)

When does the renegotiation happen?	Is it considered a renegotiation?	How does this affect credit provisioning?	Is a down payment required?
Prior to due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging are determined by the applicable credit scoring models. On average, a renegotiation event in these conditions increases coverage ratios above those of the original loan, and may also lead to a downgrade from Stage 1 to Stage 2. 	<ul style="list-style-type: none"> For the 1st renegotiation, no down payment is required; and For subsequent renegotiations, minimum down payments are required.
On or around the due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging are determined by the applicable credit scoring models. On average, a renegotiation event in these conditions increases coverage ratios above those of the original loan, and may also lead to a downgrade from Stage 1 to Stage 2. The renegotiation event is not a trigger for staging upgrades. 	<ul style="list-style-type: none"> For the 1st renegotiation: <ul style="list-style-type: none"> If the renegotiation happens before 7 days late, no down payment is required; and If the renegotiation happens at or after 7 days late, minimum down payment is required. For subsequent renegotiations, minimum down payments are required.
Long after the due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging are determined by the applicable credit scoring models. <ul style="list-style-type: none"> For credits up to 90 days past due, (i) the credit is most likely in Stage 2, and (ii) coverage will reflect the new expectations of losses pro-forma to the renegotiation. For credits at or above 90 days past due, (i) the credit is necessarily in Stage 3¹, and (ii) coverage will reflect the new expectations of losses pro-forma to the renegotiation. The renegotiation event is not a trigger for staging upgrades. 	<ul style="list-style-type: none"> Minimum down payments are required.

¹ Staging upgrade from Stage 3 depends on a number of conditions, the most relevant of which is the customer having paid on time all obligations for at least 6 months.

2- Personal loans (unsecured)

When does the renegotiation happen?	Is it considered a renegotiation?	How does this affect credit provisioning?	Is a down payment required?
Prior to due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging are determined by the applicable credit scoring models. On average, a renegotiation event in these conditions increases coverage ratios above those of the original loan, and may also lead to a downgrade from Stage 1 to Stage 2. 	<ul style="list-style-type: none"> For the 1st renegotiation, no down payment is required; and For subsequent renegotiations, minimum down payments are required.
On or around the due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging is determined by the applicable credit scoring models. On average, a renegotiation event in these conditions increases coverage ratios above the original loan, and may also lead to a downgrade from Stage 1 to Stage 2. The renegotiation event is not a trigger for staging upgrades. 	<ul style="list-style-type: none"> For the 1st renegotiation: <ul style="list-style-type: none"> If the renegotiation happens before 12 days late, no down payment is required; and If the renegotiation happens at or after 12 days late, minimum down payment is required. For subsequent renegotiations, minimum down payments are required.
Long after the due date	<ul style="list-style-type: none"> Yes. 	<ul style="list-style-type: none"> Credit provisioning and staging is determined by the applicable credit scoring models. <ul style="list-style-type: none"> For delays of up to 90 days, (i) the credit is most likely in Stage 2, and (ii) coverage will reflect the new expectations of losses of the renegotiation. For delays equal to or above 90 days, (i) the credit is necessarily in Stage 3², and (ii) coverage will reflect the new expectations of losses of the renegotiation. The renegotiation event is not a trigger for staging upgrades. 	<ul style="list-style-type: none"> Minimum down payments are required.

Out of our entire renegotiations portfolio, including both credit cards and personal loans, c60% is composed by 1st renegotiations, and c25% by 2nd renegotiations.

² Staging upgrade from Stage 3 depends on a number of conditions, the most relevant of which is the customer having paid on time all obligations for at least 6 months.