



## Nu Holdings Ltd. Reports Fourth Quarter and Full Year 2023 Financial Results

**São Paulo, Brazil, February 22, 2024** - Nu Holdings Ltd. (NYSE: NU), (“Nu” or the “Company”), one of the world’s largest digital financial services platforms, released today its Fourth Quarter and Full Year 2023 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](http://www.investors.nu), as well as the details of the Earnings Conference Call Nu will hold today at 5:00 pm Eastern time/7:00 pm Brasília time.

*“We are building the largest consumer platform in Latin America, with strong earnings-generating capabilities, having delivered over \$8 billion in revenues and \$1 billion in net profit in 2023. As we work towards surpassing the 100 million customers milestone in 2024, we are investing heavily in new growth avenues to keep transforming potential into profit. We are unlocking the untapped opportunity of our secured and unsecured lending portfolio, gaining share in the upmarket segment in Brazil, and strengthening our presence in Mexico and Colombia with new products and features. This proves our ability to accelerate our company-wide flywheel beyond our core market and keep pursuing further opportunities”, said David Vélez, founder and CEO of Nubank.*

### Q4’23 and FY’23 Results Snapshot

Below are the Q4 and Full Year ’23 performance highlights of Nu Holdings Ltd.:

#### Operating Highlights:

- **Customer growth:** Nu added 4.8 million customers in Q4’23 and 19.3 million year-over-year (YoY), reaching a total of 93.9 million customers globally by December 31, 2023, compared to 54 million only two years ago. This underpins Nu’s position as one of the largest and fastest-growing digital financial services platforms worldwide and the fifth-largest financial institution in Latin America by number of customers. In Brazil, the customer base reached 87.8 million by December 31, 2023, representing 53% of the country’s adult population. Nu is the fourth-largest financial institution by number of customers in the country, according to Brazilian Central Bank data.
- **Engagement and activity rates:** Monthly Average Revenue per Active Customer (ARPAC) grew to \$10.6 in Q4’23, a 23% expansion YoY on FX neutral basis (FXN)<sup>1</sup>, with more mature cohorts already at \$27. Nu continues to win principality among its customer base, driving engagement and revenues up. Nu became the primary banking relationship for over 61% of the monthly active customers, and activity rate<sup>2</sup> grew to a new all-time high of 83.1%.
- **Low-cost operating platform:** Monthly Average Cost to Serve Per Active Customer remained virtually unchanged and below the dollar level at \$0.9 which, combined with the sustained expansion of ARPAC quarter over quarter, demonstrates the strong operating leverage of Nu’s business model. The company’s efficiency ratio reached 36.0% in Q4’23 and Full Year 2023, improving 19 percentage points compared to the Full Year 2022 and strengthening Nu’s position as one of the most efficient companies in Latin America.

- **Asset Quality:** in Brazil, Nu's 15-90 NPL ratio decreased slightly to 4.1%, in line with expectations. The 90+ NPL ratio remained stable at 6.1% in line with the expected stacking behavior of the early delinquency buckets from previous periods.

#### Financial Highlights:

- **Net & Adjusted Income:** At a Holding level, Nu continued to drive increased profitability and posted a Net Income for Q4'23 of \$360.9 million for an annualized ROE of 23%, compared to a \$58 million profit in Q4'22. For FY'23, the Net Income was \$1.0 billion, compared to a \$9.1 million Net Loss in FY'22<sup>3</sup>. Adjusted Net Income<sup>4</sup> for Q4'23 reached \$395.8 million with an annualized adjusted ROE of 26%, compared to an Adjusted Net Income of \$113.8 million in Q4'22. For FY'23, Adjusted Net Income reached \$1.2 billion, compared to an Adjusted Net Income of \$204.1 million in FY'22. Nu is achieving these strong levels of profitability while continuing to make substantial investments in future products and geographic expansion, as the company sees tremendous potential to continue building the largest consumer platform in Latin America.
- **Revenue:** Nu's revenues in the quarter surged to \$2.4 billion, another new record high, which represents a 57% increase FXN from Q4'22. This showcases the company's unique ability to consistently expand its customer base while accelerating revenue growth and profitability.
- **Gross Profit:** Nu's gross profit reached another quarterly record high of \$1.1 billion, an 87% increase YoY FXN. Gross profit margin expanded once again to 48%.
- **Capital:** Nu strengthened its position as one of the best-capitalized players in the region with Capital Adequacy Ratios (CARs) in the countries in which it operates that are practically 2x the applicable minimum required, still without considering the \$2.4 billion in excess cash held by Nu Holdings.
- **Liquidity:** On December 31, 2023, Nu had an interest-earning portfolio (IEP) of \$8.2 billion which increased 91% YoY FXN due to the accelerated ramp-up of personal loans and credit card receivables in the past 12 months. Total deposits increased to \$23.7 billion, up 38% YoY FXN, while cost of deposits remained stable. This represents a significant step towards Nu's goal of consolidating one of the region's strongest local-currency retail deposit franchises, bolstering the ability to support consumer finance operations across the three geographies in which it operates. Nu's loan-to-deposit ratio stood at 34%, with deposit growth in Brazil and Mexico showing sequential acceleration.

#### Business highlights:

- **Performance and Growth in Brazil:** Nu's customer base growth in Brazil has consistently outpaced expectations, with 1.3 million new customers per month and reaching 87.8 million by the end of the quarter. Among the highlights of the Brazil operation during 2023, Nu has been successful in scaling its lending business, both secured and unsecured, by doubling originations in only a year and launching SIAPE and [INSS payroll loans](#), as well as [FGTS](#). This has brought significant contributions to the interest-earnings portfolio and overall results in the country. Moreover, there were significant strides in gaining share of wallet and increasing purchase volume in the upmarket segment.
- **International Expansion:** In Mexico, customer growth keeps accelerating, registering almost 1 million net-adds in the quarter, which contributed to a total of 5.2 million customers in the country. In January '24, after the closing of Q4'23, Nu Mexico announced it had surpassed the mark of 5.5 million customers. This growth underscores the effectiveness of the pricing strategy following the launch of Cuenta Nu and proves how Nu has been able to accelerate the company-wide flywheel in new geos. Deposits in Mexico have also soared to surpass \$1 billion by the end of the quarter. In Colombia, Nu's customer base surpassed 800,000 customers, and, similarly to Mexico, the

growth trajectory is expected to accelerate with the upcoming launch of the savings product, which was announced in January 2024.

- **Multi-Product Platform:** Nu's product portfolio keeps growing with credit cards, NuAccounts, and personal loans reaching approximately 41 million, 69 million, and more than 7 million active customers, respectively. There are currently over 1 million active insurance policies, and over 15 million investment active customers. Furthermore, in Brazil, Nu has made substantial progress in the financing space by capitalizing on the increasing adoption of Pix. Nu remains one of the leading providers of Pix services and, as of December 2023, over 35% of the company's active credit card customers were active users of the Pix financing feature.

## Footnotes

<sup>1</sup> 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.

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

<sup>3</sup> Q4'22 Nu Consolidated Net Income and FY2022 Loss excludes the effect of the one-time non-cash recognition of the 2021 CSA termination. Reported Loss for the quarter was US\$297.6 million and for the year was US\$364.6 million. For additional detail on calculations of Net Income and Adjusted Net Income please refer to the appendix Non-IFRS Financial measures and reconciliations.

<sup>4</sup> Adjusted Net Income is a non-IFRS measure calculated using Net Income adjusted for expenses related to Nu's share-based compensation as well as the hedge accounting and tax effects related to these items, among others. For more information, please see "Non-IFRS Financial Measures and Reconciliations – Adjusted Net Income Reconciliation".

### 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 presentation. Any information expressed herein is subject to change without notice. Any market or other third-party data included in this presentation 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 presentation 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 the 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 the Annual Report on Form 20-F for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission on April 20, 2023. 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

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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 presentation, 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 around 95 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](http://www.nubank.com.br)

### **Contacts**

#### **Investors Relations**

Jorg Friedemann  
[investors@nubank.com.br](mailto:investors@nubank.com.br)

#### **Media Relations**

Leila Suwwan  
[press@nubank.com.br](mailto:press@nubank.com.br)