Operator: Good evening, ladies and gentlemen. Welcome to Nu Holdings conference call to discuss the results for the second quarter of 2026. A slide presentation accompanies today's webcast, which is available on Nu's Investors Relations website: www.investors.nu in English and 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".

Para acessar nossa conferência em português, clique no ícone do globo ao lado inferior direito da sua tela Zoom e selecione a opção "Portuguese room". Ao acessar a nova sala, certifique-se de mutar o áudio original.

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 Rob Livingston our Chief Financial Officer.

All financial metrics discussed and presented today reflect our Managerial P&L framework, which we introduced in our fourth quarter 2025 results. 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 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.

Thirteen years ago, we started with a simple hypothesis: that a bank built on technology, with no branches and no legacy to defend, could serve hundreds of millions of people better—and at a fraction of the cost.

Today, I'm proud to announce that, in the past quarter, for the first time we generated more than one billion dollars in net income!

This milestone is the result of our customer obsession translated into an earnings-generating formula. It is also a testament to the tremendous work of our team here at Nubank. Thirteen years later, that hypothesis continues to play out exactly as we envisioned.

Our customer base reached 139 million, including almost 118 million in Brazil, more than 5 million in Colombia, and in the end of July, Mexico just reached 16 million customers. Engagement continued to deepen alongside that growth: our activity rate expanded sequentially to 83.5 percent, while Brazil surpassed 86 percent for the first time.

The combination of more customers and deeper engagement continues to drive monetization, with ARPAC reaching 17 dollars.

Together, they generated 5.9 billion dollars in gross revenue while maintaining a highly efficient operating model, with an efficiency ratio of 20 percent. This operating leverage allows us to continue investing in our three core markets—Brazil, Mexico, and Colombia—while laying the foundation for our international expansion.

That is what we have always meant by optimizing for the long term. It is why we can continue building for the next decade while delivering a quarter like this one.

Let me walk you through both, starting with Brazil.

Brazil remains our largest growth opportunity, and most of it lies within our existing customer base.

The Mass Market alone represents roughly 30 billion dollars in industry gross profit. We already serve most of that segment, and we are the primary account for approximately 60% of those customers. Even so, there is significant room to deepen those relationships and capture more of that profit pool.

That is possible because of the capabilities we have built over the past thirteen years. They allow us to expand financial access while delivering a better customer experience, lower costs, and increasingly personalized products.

As we built one of the leading financial services brands in Latin America for the mass market, we found ourselves attracting millions of higher-income Brazilians that unfortunately we were not able to serve well at the time. In 2021, we launched Ultravioleta, a High-Income-focused brand and product. Our nearly one million Ultravioleta customers have significantly higher purchase volumes and assets under custody than the rest of our portfolio, with both continuing to grow strongly—up 41% and 37% year over year, respectively, in Q2 2026.

However, we have realized that there is a meaningful segment between Mass Market and High Income that we could also be serving better. We call this segment Super Core, and in July, we launched Croma, a subscription-based tier for our Super Core customers, a segment with an even larger profit pool than High Income and one where we already have significant penetration.

Croma gives them a dedicated experience, enhanced credit offerings, and a broader set of banking and lifestyle benefits, designed to reward customers for concentrating more of their financial lives with Nubank. That includes NuCel, a free ChatGPT Go subscription, accelerated savings products, and other benefits across our own ecosystem and partners.

Our goal is to develop primary banking relationships, and Croma is a significant step in this direction for this segment.

Of course, the opportunity also extends beyond consumers. We already serve 6.8 million small businesses, making Nubank the largest financial institution in Brazil by number of business customers. Yet we still reach only about one-third of that market.

This is how we see the next chapter of growth in Brazil: continuing to expand our customer base while increasingly serving a larger share of our customers' financial lives through better products and segmentation.

Now let me turn to our other core market.

Earlier this month, Mexican regulators approved our banking license in the country, and we are happy to be born as the largest digital bank in Mexico, with more than 16 million customers.

That completes our transformation from a credit-first fintech into a full-scale digital bank, and it unlocks capabilities we did not have before. Payroll direct deposits strengthen primary banking relationships and customer engagement. Higher deposit insurance increases confidence in holding balances with us. Those deposits fund a broader credit offering, while allowing us to expand into new products and customer segments over time.

Financial inclusion has been a defining part of that journey. For 35 percent of our customers, we were their first bank account. For 52 percent, their first credit card. Today, our customers live in 98 percent of Mexico's municipalities, with nearly 80 percent outside the country's major cities, demonstrating how technology lets us reach customers everywhere.

But what excites us most is what comes next.

Mexico remains at an earlier stage of digital financial adoption. Bank account penetration has increased from 44 percent to 63 percent over the past decade, yet 85 percent of Mexicans still prefer to pay in cash.

Yet the pace of change is accelerating. Digital payments in Mexico continue to compound year after year. In the first half of this year, SPEI transfers below five dollars grew more than 60 percent, and today nearly half of all transfers in the country are less than twenty-five dollars. These are everyday transactions and a clear sign that cash is steadily giving way to digital payments.

In June, the central bank introduced new rules that every financial institution must implement by the end of the year. The objective is to simplify the experience across different payment rails. Going forward, consumers will see a standardized interface and follow the same steps regardless of who they are paying or how they choose to pay. Since these rules are mandatory for the entire financial system, they strengthen network effects and should further accelerate digital payment adoption.

We have seen this movie before. In Brazil, the regulatory agenda fostered competition and digital innovation, expanding financial inclusion, driving everyday usage, and ultimately accelerating credit adoption. Pix is the clearest example. We offered a simple and seamless experience from the very beginning, became the market leader in transaction volume, and turned that into primary banking relationships. That environment rewarded exactly the digital model we had built. We believe Mexico is following a similar path.

We can already see it in our own numbers. Today we reach 16.5 percent of Mexico's adult population, essentially the same penetration we had in Brazil in 2020. But the cohorts are monetizing earlier: at the same stage, ARPAC in Mexico is 12.3 dollars against 5.6 in Brazil. That reflects higher income per capita, better unit economics in the credit card product and higher interest-earning balances, all at a lower cost to serve. Mexico is Brazil's playbook, running faster, and with the benefit of the scale we have today. That's how we broke even in 6 years in Mexico, compared with 8 years in Brazil.

To recap: customer behavior, technology, and regulation are now all moving in the same direction. Taken together, they create one of the most compelling opportunities we have ever seen in Mexico.

As more financial activity moves onto our platform, we build deeper customer relationships, gain better underwriting insights, and expand our ability to serve a larger share of our customers' financial lives. For the first time, we now have the full set of capabilities to capture that opportunity in Mexico.

And Brazil and Mexico run on the same technology stack, and increasingly on the same brain.

Let me show you what that means.

About a year ago, we introduced NuFormer—our foundation model for financial behavior.

Since then, we have focused on one objective: building a single AI platform that powers business and customer decisions across Nubank.

That work spans every layer of the stack. We increased and upgraded our own GPU fleet, giving us full control of the compute layer. We expanded our architecture research efforts. And we continue building on one of our greatest advantages: more than a decade of transaction history across more than one hundred million customers in three countries.

That research is unlocking compounding gains in efficiency and model quality. We recently advanced NuFormer to a hybrid linear-attention design, the same architectural approach behind frontier models like Kimi K3 and Qwen 3.5, and we train it with Muon, the same class of optimizer powering today's most efficient large language models.

By decoupling NuFormer's core backbone from specific downstream decisions, any improvement to the central model can instantly upgrade performance across all our business lines without costly retraining.

The latest generation quadrupled context length, training speed and inference speed, while reducing the cost of running models in production.

As we've scaled pretraining, the base model's understanding of how our customers behave has become deep enough to change how we build every model on top of it. To give you one example, today we can achieve the same predictive performance with 20 million fine-tuning data rows that previously required over 400 million, cutting development cycles from weeks to days.

The platform now reaches nearly every decision we make.

We first deployed NuFormer in our flagship credit card portfolio in Brazil. Through 2025, we replicated the model in Mexico, demonstrating that the platform generalizes across markets. During the first half of this year, we extended it to unsecured lending in Brazil and to the next generation of our core credit models. We are now testing it in credit cards for SMEs and for our Colombian customers.

But underwriting is only one application.

Today, AI agents handle more than 60 percent of customer support conversations in Brazil, with customer ratings at or above human parity.

Beyond underwriting and customer support, we are using artificial intelligence to optimize decisions across credit, deposits, and growth, moving from predicting outcomes to determining the actions that maximize value under real-world constraints.

And the same understanding of transactions that predicts credit risk also predicts what a customer wants next. It allows us to recommend the products that maximize long-term customer value, personalize the app experience, and move toward our vision of an AI private banker.

NuFormer is also improving how we grow. As the model learns a representation of how every customer behaves, we use it to put each campaign in front of the customers most likely to find it useful, and more than a hundred campaigns have already run this way.

One AI platform now powers underwriting, customer support, optimization and growth. Every improvement we make benefits every application built on top of it. We are incredibly excited about the progress Nubank has had to-date leveraging AI as a transformative technology, and have strong confidence our approach will be a meaningful differentiation going forward.

Before we turn to our financial results, I want to say a few words about our CFO transition. As we announced in early June, Rob Livingston has succeeded Guilherme Lago as our Chief Financial Officer.

Lago spent seven years with us, five of them as CFO, and he handed over the role at the strongest moment in our history, with our first billion-dollar quarter. He has been an incredible partner, and I am glad we will keep working together in his new role as Special Advisor.

Rob has spent the past few weeks working alongside Lago and our teams, and we are very excited to be able to count with his significant experience. Rob, welcome. Over to you.

Rob Livingston: Thank you, David. It is a privilege to step into this role at such an important moment for the company.

Since joining Nubank, I have spent time with our teams across the company. What has impressed me most is the customer obsession, the consistency of the business model, and the discipline with which it has been executed.

I'm excited to lead the next phase of Nubank's journey, and today I'm pleased to walk you through our Q2'26 financial results

Starting with our consolidated credit portfolio.

The portfolio reached 39.4 billion dollars, up 37 percent year over year and 5 percent sequentially.

Growth remained broad-based. Credit cards increased 35 percent year over year to 26 billion dollars. Unsecured lending grew 45 percent to 10.3 billion dollars. And secured lending increased 30 percent to 3.1 billion dollars.

Sequential growth remained solid, while normalizing after a period of exceptionally strong expansion. Origination does not expand in a straight line, and we see that as a healthy dynamic. Throughout the quarter, our underwriting framework remained unchanged and growth remained strong relative to the broader market.

As we'll discuss in the next few slides, we're comfortable with the quality of the portfolio and the performance of the vintages we're originating.

Now, turning to deposits.

We ended the quarter with 45.3 billion dollars in deposits, up 18 percent year over year and 6 percent sequentially, recovering the seasonal outflows we discussed last quarter. Brazil closed at 36.4 billion dollars, Mexico at 5.7 billion, and Colombia at 3.3 billion.

In Mexico, deposits declined modestly again this quarter, reflecting our ongoing deposit optimization strategy. This continues to improve our cost of funding while maintaining ample liquidity, with our loan-to-deposit ratio still at just 35 percent.

Our cost of deposits was 88 percent of the interbank rate, essentially unchanged from last quarter and three percentage points lower than a year ago.

Overall, we're pleased with both the growth and pricing of our deposits franchise across all three markets. As always, our objective is not simply to maximize deposits, but to build a resilient funding base that deepens customer relationships, supports profitable growth, and strengthens the long-term economics of the business.

Net interest income reached 3.7 billion dollars, up 9 percent, and net interest margin expanded 180 basis points, to 22.9 percent. That is the result of what we laid out last quarter: the growth we put on the books, a mix weighted further toward unsecured lending, and the deliberate risk expansions we made.

Cost of credit reduced quarter over quarter to 1.7 billion dollars. Desenrola, the government debt renegotiation program, impacted this number by just about 5%. And even more important than the accounting impact, the program allowed us to help nearly 1.8 million customers renegotiate past due balances and get their finances back on track.

With margin up and cost of credit down, risk-adjusted net interest margin expanded to record 12.4 percent, up from 9.5 percent. I’m going to walk you through the drivers of this expansion in risk-adjusted NIM in more detail.

That brings us to the Risk-Adjusted NIM bridge, and I want to focus on the expansion between Q1 and Q2

Credit income was the primary driver of Risk-Adjusted NIM expansion, contributing 178 basis points to the quarter over quarter increase, compared to 152 basis points in Q1. This acceleration was driven by our strong loan growth in cards and unsecured lending in Q1, reflected in our improving Loan to Deposit Ratio

Lower Cost of Credit contributed a further 115 basis points. The majority of the improvement in cost of credit came from the expected seasonal patterns and disciplined underlying business performance, rather than one-time items.

Float income and funding costs remained broadly neutral.

Together, these dynamics explain the strong expansion in Risk-Adjusted NIM this quarter and continue to demonstrate the resilience of our underlying unit economics, supporting the sustainability of current levels going forward.

Now let me turn to asset quality.

As expected, our NPL metrics continued to follow their normal seasonal pattern.

Fifteen-to-ninety-day delinquency improved 16 basis points to 4.8 percent. That improvement reflects several underlying dynamics, which I'll unpack on the next slide.

Ninety-plus delinquency increased 35 basis points to 6.9 percent, broadly reflecting the seasonal migration of first-quarter early delinquencies into the 90-plus bucket.

Taken together, these metrics are consistent with the seasonal dynamics we expected and continue to support our view that the underlying quality of the portfolio remains robust.

Looking at the drivers of early delinquency, this bridge explains why the fifteen-to-ninety-day ratio improved sequentially.

Seasonality reduced the ratio by 37 basis points. Against that, our intentional risk expansions in the first half of the year added back 24 basis points. Those are deliberate decisions to serve cohorts with higher expected losses, but also generate higher risk-adjusted returns as you've seen in our risk-adjusted margin performance.

Product mix and the remaining drivers were broadly neutral. We don't see any evidence in our portfolio of a broad-based weakening in consumer credit performance, yet we remain vigilant, as always. Altogether, the fifteen-to-ninety-day ratio improved 16 basis points during the quarter.

The allowance bridge tells a similar story from the balance-sheet perspective.

The allowance increased from 6.1 billion dollars to 6.6 billion dollars. The largest driver, by far, was portfolio growth, contributing 342 million dollars. Under IFRS 9, we recognize expected credit losses at origination, so growth increases the allowance before the associated interest income is earned.

The intentional risk expansions we just discussed contributed another 170 million dollars, while all other movements were immaterial, including Desenrola, which primarily affects recoveries rather than the ECL allowance due to the accounting treatment of renegotiated loans.

Together, these two bridges reinforce the same message: the quarter's credit dynamics were driven by growth, seasonality and disciplined risk expansion—not by any deterioration in the underlying quality of the portfolio.

Our approach to provisioning and coverage remains disciplined and consistent.

Starting with the chart on the left, we built allowances equal to 113 percent of new 15-plus delinquency formation during the quarter, broadly in line with our historical averages.

The chart on the right reinforces the same point. Total coverage over NPL 90-plus stood at 244 percent, meaning we continue to carry allowances equal to almost two and a half times our 90-plus balances. This provides a strong balance-sheet cushion and remains consistent with the levels we've maintained over the past several years, even as the portfolio has continued to grow.

Together, these two metrics reinforce an important point: while the portfolio continues to grow across products and customer segments, our provisioning philosophy remains disciplined and consistent through the cycle.

One final point on credit risk, and this is an important one. As David mentioned, Nubank leads the Brazilian market in Primary Banking Relationships. That leadership reflects the trust customers place in us. Combined with the analytical rigor of our underwriting models and the quality of the data generated through those relationships, it creates a structural edge in credit.

You can see that clearly on this slide showing the percent of credit card outstandings that are 90+ days past due in Brazil. Across every income band, our credit risk performance has been steady.

This strong and stable performance is driven by customers who have Nubank as their PBR — the delinquency measures of these customers are roughly half the portfolio average.

What’s the implication? That customer primacy is not only a growth and revenue advantage — it is also a credit advantage. A deeper relationship gives us richer behavioral data, strengthens our underwriting, and places Nubank at the top of our customers' payment hierarchy. Together, they produce consistently better credit outcomes.

This is why we continue to view customer primacy as a key pillar of our credit superpower.

Now, turning to our income statement.

Gross revenues reached nearly 5.9 billion dollars, up 39 percent year over year.

Gross profit reached 2.4 billion dollars during the quarter, up 43 percent year over year and 25 percent sequentially.

As credit normalized in line with its expected seasonal pattern, its contribution to gross profit increased to 41 percent this quarter, while fees represented 25 percent and float 34 percent.

These shares naturally fluctuate from quarter to quarter. What matters is that all three components continued to grow in absolute dollars, reflecting the diversification of our business model.

Looking ahead, we remain confident that credit, fees, and float will continue to complement one another as drivers of long-term gross profit growth.

Turning to operating leverage.

Net revenues surpassed 4 billion dollars for the first time, reaching 4.1 billion dollars, up 8 percent sequentially.

Operating expenses totaled 806 million dollars, up 20 percent quarter over quarter, as real estate and marketing expenses shifted from the first quarter into the second, alongside our continued investments in international expansion.

As a result, our efficiency ratio ended the quarter at 19.5 percent.

As we discussed last quarter, the 17.6 percent reported in the first quarter was not a run rate. Roughly two-thirds of that improvement reflected temporary timing effects, which reversed as expected this quarter.

Looking ahead, we continue to expect the efficiency ratio for the full year to average about 20 percent.

More importantly, our long-term view remains unchanged. We will continue to invest while maintaining operating leverage as we scale.

To conclude, net income reached 1.1 billion dollars for the first time in Nubank's history, up 17 percent from the first quarter and 49 percent year over year.

More importantly, we delivered that result while sustaining a record 33 percent return on equity and continuing to invest across our three markets and in our long-term opportunities.

I believe this quarter reflects the strength of the business model David described earlier. The investments we've made in technology, AI, underwriting and customer experience continue to translate into profitable growth at scale.

I'm excited to be part of this next chapter, and I look forward to continuing to build on this momentum.

With that, we'll open the call for 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.

Tito Labarta - Goldman Sachs: Congrats on the strong results. Just to clarify and understand a little bit the Desenrola impact because Rob, you mentioned a few different numbers. I think you said maybe 5% of provisions, but not sure if that necessarily impacted the bottom line. And just thinking because on prior calls, you had mentioned risk-adjusted margin getting back to 10.8%, well above that this quarter, very good performance there for sure. But just to understand, was there an impact from Desenrola on that risk-adjusted margin given the different moving parts? And then I'll have a follow-up after that.

Rob Livingston: All right. Thanks so much, Tito. Let me take that, and good to hear from you again. Yes, I did mention that Desenrola had an impact of about 5% on our cost of credit. That's the main metric that we're looking at there. And so as a result, it did also have an impact on our risk-adjusted net interest margin. If you think about the progress that we made from last quarter to this quarter of almost 3% expansion in the metric, the majority of it did come from lending growth, and this was really due to the strong growth that we saw in Q4 last year, Q1 last year and the matriculation of that into revenues in Q2.

Now the cost of credit also contributed 115 basis points, and you're right that Desenrola would be part of that. It's a minority of the impact. The majority did come from seasonality, but also just really solid underlying credit performance.

Tito Labarta - Goldman Sachs: Okay. No, very helpful, Rob. And I think also just to think in terms of the context, what everybody is worried about is going into next year. I mean, you mentioned overall credit quality trends look good, you feel comfortable. But given the macro that we're seeing in Brazil, how do you think about the growth outlook maybe going into 2027 and the ability to this level of risk-adjusted NIMs?

David Velez: Tito, David here. So as we've said a few times to investors, we don't necessarily take a directional view on the economy. Our base assumption when we underwrite a loan is that the future will be worse than the past, that things will actually be much worse than everything we have seen. So a lot of every single underwriting decision already assumes a deterioration by default and has a pretty significant cushion in terms of what we need to see for that decision to continue to be NPV positive. Obviously, we're in an environment where there is a lot of caution. We are actively looking at every single sign that we have. So far, we don't really see any significant or structural deterioration in our numbers. And we continue to operate with a very significant cushion in this environment. We are also in a position while we have a large consumer base, we're still a very small percentage of the market.

As we've said in the last call and this call, we have 7% market share of that profit pool. So we're still a small player in that big market, and we get to cherry pick our customers. cherry-pick them with loans and products that have very short-term duration, which gives us a huge amount of ability to react quickly, have a lot of conviction on a lot of the underwriting capabilities, as we mentioned. And then primarily, we have this huge advantage, as Rob mentioned, of being the largest primary bank account in the country today. Over 60% of our mass market customers use us as their primary bank account.

So that's a huge advantage because, as Rob mentioned, positions us effectively as being senior in the credit stack of a customer. And so when you combine strong analytics, significant cushion being the primary bank account and having that seniority, then there is a lot of conditions for us to continue growing at a very good pace. I won't necessarily give you a specific number of growth, but we continue to see the conditions to continue growing and taking share as we use a lot of these levers to do that very effectively.

Rob Livingston: Yes. And to your question on net interest margin or risk-adjusted net interest margin for the foreseeable future, we see it as being in the same region as where we are today. We think that it is sustainable.

Jorge Kuri - Morgan Stanley: Congrats on the great numbers. I wanted, I guess, to go back to the risk-adjusted NIM at 12.4% and maybe tie this to the usage of AI and the sophistication on your credit line increases and overall, your ability to take on more risk with lower losses. And now that you've seen maybe a full year vintage of people that you improve their offer with AI models and that you've been tracking them, would you mind sharing some of the KPIs that you've seen? And to what extent they're tied to this 12% risk-adjusted margins because you evidently seem very confident about this being the new level, not only you said it, Rob, right now, but also in an interview with Bloomberg earlier. And in the past, we have seen volatility in that number based on mix. And so I guess, yes, I just want to get to a little bit more of the KPIs that are driving that and to what extent is the AI models and get more comfort on that being a floor from here?

Rob Livingston: Yes. So thank you so much for the question, Jorge. I have a few things to say there. The first is that it certainly is the case that our AI sort of generated models and assisted models are more powerful than traditional logistic regression models that are incontrovertible. And we are tracking them, though, in the exact same way that we would have tracked our historical models. We're looking at the degree of predictability, the variance at the low end and the high end of the predictive range as well as the outcomes across both back testing as well as forward testing of that model in production. So the macro point is that our risk approach and our credit monitoring hasn't actually shifted in this dynamic. And in fact, we are very happy to continue to have that same level of discipline going forward.

I would correct one thing you said, though, where you said that 12% is a floor. I didn't say that it was a floor. I said we'd be in that ballpark. And so I don't want to overcommit. But what we are seeing is that our strategy that has been partially enabled by stronger models to make intentional risk expansions that produce more risk-adjusted margin is paying off, and that's what we're seeing for the foreseeable future.

David Velez: I think, Jorge, the additional factor obviously to take into account is the increasing LDR and what LDR brings to the business model. This is something we mentioned a few times that if you look at our balance sheet, it continues to be very unlevered. You'll see in Slide 16, how that LDR has evolved over the past few quarters. Q1 had significant growth, but then a large cost of credit, mainly because of seasonality. As we go into Q2, we start seeing the benefits of a lot of the growth and the sort of optimization of the balance sheet. And there's a significant opportunity going forward. We will continue to optimize the balance sheet, obviously, as we continue to grow our credit portfolio. And that just will simply be reallocating a lot of deposits that they are earning CDI or rate towards a much higher-yielding asset, and that obviously falls directly into margin and into ROE. So that's a very strong dynamic that is also happening within the business model.

Eduardo Rosman - BTG: Congrats on the numbers. I have a question for David regarding AI. I think we read recently that you became a part of the Board of OpenAI. So it would be great if you could share with us how you believe you can help OpenAI, but more importantly, how this experience might help you here at Nubank?

David Velez: Sure. Thanks, Ed. So obviously, this is not OpenAI's earnings call, so I won't get into too much of a lot. But I think effectively we discussed very openly internally and externally that we think artificial intelligence is the most important technology transformation in our history. And it will be one of the most technologically impactful shifts in any business, in any industry around the world. So this is a global trend and a very powerful trend. Businesses are going to see significant transformation. And it's early days, but we're seeing it very clearly inside Nubank. We've discussed here today a lot of the different applications from credit and underwriting, but even customer-facing. And we're in the middle of a significant transformation across our organization around how we're using, putting AI in front and center as a technological trend and what will effectively deliver an advantage.

So from that perspective, for me, getting closer to a company like OpenAI obviously provides a very interesting insight. Personally, I think it's a great opportunity to make sure that some of these great AI companies build something great for humanity, and I have a huge amount of respect for the OpenAI team and the way they are executing this mission.

So I think it's a win-win. And clearly, I mean, it's early days, but I hope I can be able to contribute significantly to the way the organization is executing.

Pedro Leduc - Itaú BBA: Two questions. The first, a little more homework technical. The portfolio that you now have with clients under the government renegotiation program, that appeared in Stage 3, maybe in your personal loan book, and I'm assuming with a little bit less expected default, loss given default, given the coverage. Just that's the homework question as I'm trying to interpret the movements here.

And then the second, a little bit back to business. In the prepared remarks, when going over the unsecured lending, you mentioned the pace, you made some comments around that. If you can give us a little bit more color, and I also want your latest update on how you are on payroll, including private payroll.

Rob Livingston: Okay. Well, let me start with the technical question here. There was a small impact on expected credit losses, as I mentioned in my prepared remarks, but it wasn't material, less than $10 million. And it does appear in Stage 3 of lending is where it shows up. I do think that we are going to see a little bit more impact from Desenrola in Q3, but we've already seen more than 4/5 of that hitting us in or benefiting us in Q2. And I hope that answers your question.

Pedro Leduc - Itaú BBA: The portfolio that you now have under the program, it is a Stage 3 portfolio or starts in Stage 1.

Rob Livingston: Right. So no, it's in the Stage 3 portfolio.

David Velez: Yes, sure. And on private payroll, we are accelerating month-over-month. We are slowly getting more comfortable with the product. There's been significant progress in how the product is set up in the Brazilian market, the way companies are able to get the collateral, the way the systems are working. So as we've said many times, we found asymmetric an asymmetric bet to go too fast too quickly on a product that has so many question marks. We think we're getting close to a system that makes a lot of sense, and we are accelerating. And ultimately, the lowest cost provider and whoever treats the customer best will win this market. And so we think we're extremely well positioned to be one of the leading players in this market over the next 18, 24 months. So we think it's a good thing for the market.

The other part that is also starting to change slightly is counter to most people's intuitions, the first people that started taking these loans were very high risk. These were not the use cases that you would expect of low-risk people refinancing high-cost debt. It was actually very high-risk customers. And so from that perspective, it just didn't make a lot of sense for us to be opening the door for that as we understand the true level of risk and there is a bit of a change of behavior.

Good customers actually see the opportunity to refinance, then this becomes a much more attractive product for consumers. We would love to do the trade. There's been a lot of conversations that we are fearful of cannibalizing ourselves or that we don't want it to be successful. Like we'll be super happy being able to refinance all of the customers that want a lower interest rate for a product that has that collateral, it would be very beneficial for us to have more diversification in our portfolio. It would have more resilience. It would be less cyclical. So strategically, it's a product that we think in the long run will be very good, and we are very well positioned to do it. We just are going at the right pace, and we're getting more comfortable by the month.

Yuri Fernandes - JP Morgan: So congrats, David. Congrats, Rob. I have a question regarding the over $1 billion net income, and congrats on that, David. I was checking here at Itau Unibanco, one of the leading banks in Brazil. And when I look at the retail operation, it is around $1.1 billion, right? So you are very close to that.

And my question is how to continue increasing this net income, David? I know your ROA are higher, you have a better cost to income. You have this efficient tailwind, but you are getting very big, right? So if you can help us understand if this is just an ARPAC normalization, you have like your mature cohorts coming or it's about new products or is this about Mexico. So trying to congratulate you on the $1 billion, but I also ask how to keep growing this sizable profitability.

David Velez: Sure. A couple of points. You are right that at some point, we're not there yet. At some point, we're going to run out of Brazilian customers. We have been saying that for about 4 years. We continue to get close to 1 million customers in Brazil every quarter. And sorry, every month. And so we're in very good shape in terms of user count, but there will be a time where the number of Brazilian customers will decrease.

Then the opportunity is ARPAC. And as you'll see in Slide 6, the ARPAC expansion is pretty significant. We've gone from 13 to 17. A lot of the incumbent banks, if you look at the ARPAC, are at 40 to 45. We don't necessarily think we'll get to 40 or 45 because there are a lot of fees that we don't charge. There might be a lot of products that we don't offer. But there is significant upside from the 17 and above. And when you look at all the cohorts, customers that have been with us for seven, eight years, they're already in the mid-20s ARPAC and high ARPAC. So from that perspective, there's going to be a lot of opportunities in Brazil to continue increasing ARPAC.

Then we have the opportunity in Mexico and Colombia. As we've said, we think Mexico, a base case for Mexico, is a business that could be 60%, 70% of Brazil. If utilization in Mexico happens and a real-time payment system works, it could be as big as Brazil. It's a lower population but has a 30% higher income per capita. And the ARPACs that we're seeing in Mexico are equal or above Brazil. So significant opportunity in Mexico. There is also a significant opportunity in Colombia. We are -- our business there is significantly overperforming and we're very happy with the opportunity there. So there is a huge amount of avenues of growth.

Going back a little bit to Brazil. What we do see is that we need to have a better segmented portfolio, and that's why we announced Croma. Now we have three core segments and value propositions to serve better other segments like super core and high income, where we already have a lot of customers, but we're not serving them well. We have a low share of wallet. We gave them -- they came for a credit card. We gave them a very low credit limit. And because of the sophistication and improvement in our models, we're finally able to improve our credit underwriting capability for these segments and the value proposition for a lot of the products.

And then finally, SME, we highlighted here on Slide 7. This is a blue ocean. This is a big opportunity. We are already the largest SME player in Brazil, over 6.5 million SMEs. We're just beginning to monetize that entire base and the cost structure advantage that we have, especially for the small businesses is pretty significant. So net-net, yes, over $1 billion in net income, but we're looking at a gross profit pool of $100 billion from that perspective and a lot of opportunities still to grow even in our core market like Brazil.

Yuri Fernandes - JP Morgan: Super clear, if I may, just a follow-up on Croma. Can you share any market share you have today and any goal you have for this segment?

David Velez: I can tell you that we already have three out of five Brazilians in this bracket as customers of new. So it's not necessarily our opportunity to go out in the market and acquire these customers and spend a lot of money on marketing. They're already inside our base. We are -- we just haven't treated them as good as they deserve. We just haven't given them the product set and the bundles that they should need. And so that is the opportunity. There's a huge opportunity to increase the share of wallet within those three to five Brazilians that represent -- that exist in that base.

Geoffrey Elliot - Autonomous: I noticed that the number of employees is down, is down from 10,500 to 10,400, which doesn't sound like a big change, but it had been growing pretty quickly up until now. What are your hiring plans? And how is AI allowing you to use the workforce more effectively?

David Velez: Sure. I mean I think we as you might remember, we announced getting back to the office at the end of last year, and that announcement caused a meaningful number of people to decide not to work at Nubank anymore. So there was some attrition because of that. We have rehired effectively a lot of that attrition. And so you end up being something about flat. Looking forward, we are seeing a huge amount of productivity increase with AI, and we're very excited about the potential that that creates.

But the list of things that we also want to do, the list of things that we want to build is also infinite. And so it just opens up a larger opportunity of things that we can try. So net-net, I don't see us significantly increasing that number. I also don't necessarily see us decreasing the number that feels more or less right, but it's certainly 10,400 employees that will be 2, 3, 4, 5x more productive over the next few years as we really integrate more AI with that. And then obviously, the output of that headcount will be much larger than what we're able to provide today. And so we're very excited about that.

Geoffrey Elliot - Autonomous: And then staying on headcount, thinking about the expansion employees in the U.S. are pretty expensive. You're moving into the U.S. How far do you see the headcount shifting towards the U.S.

David Velez: I don't think it's going to be a significant change in the way we are distributed today where our majority of employees are in Brazil and Latin America. We are hiring more in the U.S. and specifically in certain areas where we are able to find a certain level of talent and experience that we just cannot find in Latin America, especially around AI. So we will increase the number of headcount we have in the U.S., but it will not move the needle. I mean it might go from 1% to 2% total, and that's sort of the level of changes.

But obviously, it's talent that we would be adding that will be very impactful. And then as we launch U.S. as a market and we start growing that market, then there'll be more hiring in the U.S. And hopefully, we can be very productive and efficient as we launch our market and relying on a lot of the AI capabilities that we're using.

Daniel Vaz - J. Safra: Again, welcome to Nubank, Rob. David, on your Slide 11, you show deposit and credit financing, price optimization still in testing with AI. So I was wondering on the credit card financing, where is the biggest price for you there? I mean, is to reprice the existing revolvers, maybe you're using a personalized rate to convert more transactors who never did credit card finance before. So you want to offer them a cheap interest rate there. So trying to understand where is the biggest price there for you on credit card finance?

And second, on deposits, right? So your loan to deposit is very low, as you mentioned. So how should we read that primarily as a funding cost lever? So you want to bring your funding costs down, so you stimulate people to put deposits there on your platform or don't have to do anything with that. So you want to bring more deposits, maybe pay more with -- for people who don't have deposits today. So kind of understand where the biggest price for AI is applicable in these two businesses.

David Velez: Sure. So just as a reminder, one of the most important metrics for us is Net Promoter Score, NPS or a number of different metrics around product quality. And we seek to -- we think that the way our model works is that if we build the very best product in the market, then customers will come and financial results will follow. So a lot of this optimization is not necessarily about minimizing cost, but it could also be about optimizing quality. And the sort of the sense or the opportunity is that whenever we have a price, be it a price for a loan or a credit product or be it a yield that we offer in a deposit or truly any other product that has a price, then every single customer we're going to have a price which will maximize that equation of quality and cost, being able to offer higher quality at a lower cost. And so that is the analytical exercise that we're increasingly investing in.

Specifically on the deposit, we just get to an equation whether we -- it would be our decision to decide if we want to optimize cost, then we would be able to optimize that funding cost, but we would know specifically what would be what we're giving up in terms of quality and competitiveness in that opportunity.

So I wouldn't necessarily think in the short term that this will drive an improvement in funding costs because we might decide to reinvest all of those gains back into the customer, especially in countries like Mexico, where we're so early and Colombia and Brazil in some of these segments, we want -- we are still very much on day one We're still very much on the challenging mode. We're not in a mode of optimizing for net income or increasing earnings. We're investing a lot in growth. We're investing a lot in improving our products and our customer experience. And a lot of what we can do with this new model is being able to make a better decision as we trade off quality with cost, product quality.

Mario Pierry - Bank of America: Congratulations on the quarter. It definitely was better than what we were expecting. But two questions here from my part. So on the previous call, right, in the first quarter results, you guys talked about net interest risk-adjusted margin going back to the levels of the second half of last year by the end of this year. So we're talking about 10.8% to 10.5%, and you jumped to 12.4%. So I'm trying to understand where the surprise is coming from, from what you guys were expecting? Is it that your credit models are better, that you're able to grow faster than you expected? Or like because it is a big beat versus what you guys were expecting?

And then my second question is a little bit more technical, and I appreciate you guys showing the slide on Page 20 that shows the NPLs by income. But I was trying to reconcile that slide on Page 20 of Page 17 because on Page 17, you show that NPLs have some seasonality. And then when I look at this slide on Page 20, it doesn't appear like there's much seasonality on that data. In fact, right, if we look at your NPLs I think you showed July 25 to now, it has improved for every income segment that you showed. But then when we look at the overall NPL, we actually deteriorated 40 basis points. So does it mean that the entire deterioration that we're seeing and all the seasonality that we're seeing is coming primarily from your unsecured personal loans? Because, again, credit cards are 65% of your loan book, and that is not showing any deterioration at all.

Rob Livingston: Yes. Thank you so much for those questions. I'll start with the second one first. So on Page 20, as you're looking at the credit performance that we have relative to other banks in Brazil, keep in mind that this is credit card only, of course, and the other graph is for the whole company, and it's smooth. So that's in the mice type at the bottom of the page here is that we're taking a rolling average, and that's why you're not seeing the seasonality that does actually exist in these numbers.

Going back to your first question, though, around the overperformance of risk-adjusted NIM. If you recall, at the time of the Q1 earnings, Desenrola was not clearly laid out at that time. And so about 1/3 of that benefit relative to what we were expecting is coming from Desenrola. But 2/3 are coming from two things. One is just really solid credit performance across the board and in some cases, better than expected. And the other is the increase in our balances that were earning yield in Q2 at the very beginning that was driven by the growth in Q1 continuing to ramp up. And so that did slightly come in better than we expected, and we're happy to have it now.

Mario Pierry - Bank of America: Okay. Rob, but just let me follow up then. I see the footnote here that says you smoothed out the trends. But the starting point is higher than the current point for your NPLs. And when I look at your overall NPL, it's higher. So again, is the deterioration primarily coming in the unsecured personal loans?

Rob Livingston: I wouldn't quite characterize it as that as much as I would characterize it as a mix shift that we are seeing. And so what you see on Page 20 is essentially a disaggregated view of the portfolio by income bracket. And when you look at it that way, you do see this steady, if not decreasing performance across all three segments in Brazil. But when you look at our overall portfolio, there are shifts in terms of where we are lending money, and it's primarily those shifts rather than deterioration within unsecured lending that's driving that increase over time. Does that make sense? So think of -- yes, it's more of a mix shift rather than a dynamic where it's all coming from one product segment. And we can talk about it later.

Mario Pierry - Bank of America: Yes. I think that the problem that I have is that it's not like it's seasonal, right? It's more like a change in mix, the volatility in NPL is more because of change in mix rather than seasonal.

Rob Livingston: Well, the seasonal is still there. It's more this idea that if you look at Slide 17 and you look at 90-plus over the past two years, the general trend is upwards, and that's being driven by the mix. That was my point.

Craig Maurer - FT Partners: Question specifically for Rob. Having -- with your background and new moving into the U.S., you spent a lot of time today discussing your data advantages in terms of lending, credit is a superpower and so on and so forth. How do you think your models will hold up in the U.S. considering the change in demographics? And how much legwork do you have to do to rebuild those models before you can have the same degree of confidence?

Rob Livingston: It's a really good question, and I think it dovetails nicely with our commitment that we've made that we are not planning to spend more than 100 basis points. in our efficiency ratio on the U.S. entry. And the reason is it will take us some time to build up the same confidence in our credit risk models in the U.S. as we have in Brazil and Mexico and Colombia, where we've been operating for years.

The way to think about it is that the NuFormer platform for credit models and the credit risk expertise that we have in the company will translate very, very quickly across the border. But the actual data richness and building the experience of foundational testing and having the models in place that are specifically tooled for the U.S. market will take somewhere between 12 and 30 months, depending on the degree of maturation of those curves. So our priority at the beginning of our entry into the U.S. market when that happens, will be to test, learn, build out our data set and then be ready to expand once we have that same level of confidence there that we do in our core markets.

Final Remarks: We have now surpassed 60 min of this session, so we are now concluding today's call. On behalf of Nu Holdings and of our Investor Relations Team, I want to thank you very much for your time and participation in our earnings call today.

Over the coming days, we will be following-up with the questions received via our platform and with those that attempted, but were not able to ask questions tonight, so 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.